

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 24, 2010
	<p><b>Agenda Item No.</b> 33</p> <p><b>Roll Call No.</b> <u>10-820</u></p> <p><b>Communication No.</b> <u>10-276</u></p> <p><b>Submitted by:</b> Allen McKinley, Finance Director</p>

**AGENDA HEADING:**

Directing the sale of Series 2010D and E General Obligation (G.O.) Bonds for the FY2010-11 Capital Improvement Budget and approving Preliminary Offering Statement.

**SYNOPSIS:**

Recommend approval of the sale of two series of G.O. Bonds to finance \$27,230,000 in acquisition and construction projects as part of the FY2010-11 Capital Improvement Budget.

- Series 2010D is \$25,330,000 with a 20-year term, federal tax exempt, to be repaid from the debt levy and tax increment proceeds
- Series 2010E is \$2,260,000 with a 5-year term, taxable, to be repaid from the debt levy and tax increment proceeds

Issuance costs are estimated to be \$360,000.

**FISCAL IMPACT:**

Amount: \$27,590,000, made up of \$27,230,000 project costs and \$360,000 issuance expenses.

Funding Source: Fiscal Year 2010-11 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund – DS001 FIN900100, Page 116.
- Tax Increment Fund – Special Revenue Fund – SP370 FIN909105, Page 117.

**ADDITIONAL INFORMATION:**

Public hearings were held with no public comment received. City staff reviewed projects that anticipated the availability of non-city funding to determine the certainty of those funds. Only two projects have uncommitted non-city funding.

**Matching Funding Status**

First Tee (\$650,000 county and private)

City staff continues to pursue these funding sources but does not yet have commitments in writing. Staff recommends the City proceed with the \$325,000 bond issuance. These proceeds will not be spent while the non-city funding is pursued. If the \$650,000 cannot be firmed up, the First Tee Project will be

abandoned, the Bright Foundation grant will be returned, the bond proceeds will be redirected to other capital projects scheduled for FY12 and the FY12 bond sale will be reduced accordingly.

Beaver Avenue Streetscape (\$850,000 private)

Virtually no matching funds have been raised for this project to date. City staff will continue to work with the neighborhood association to raise the \$850,000 share to match the City’s \$1,110,000 bonding scheduled for the project. These proceeds will not be spent while the non-city funding is pursued. If the \$850,000 cannot be raised, the initial \$260,000 of the City’s overall \$1,110,000 bonding plan will be redirected to other capital projects scheduled for FY12 and the FY12 bond sale will be reduced accordingly.

**Additional Adjustments**

Des Moines received additional grant funding for three projects that will allow for a reallocation of bonds to meet additional needs that have developed since the adoption of the CIP in February. Staff recommends the following reallocations occur within the legal constraints of the public hearings held on April 26<sup>th</sup> and May 10<sup>th</sup>.

**Bond Reductions (due to additional grant funding)**

- Fire Maintenance/Logistics Facility: \$3,000,000 tif-backed bonding
- SE Connector – SE 6<sup>th</sup> to SE 14<sup>th</sup>: \$500,000 tif-backed bonding
- East Indianola Widening: \$500,000 levy backed bonding

**Bond Increases (due to project funding need):**

- SE 6<sup>th</sup> Widening: \$600,000 tif-backed bonding
- Mulberry Street Construction – 13<sup>th</sup> to 16<sup>th</sup> : \$1,265,000 tif backed bonding
- Energy Building Monitoring System: \$110,000 levy backed bonding
- Economic Development Land Acquisition – MLK/MLK Extension Corridor: \$1,635,000 tif backed bonding
- Street Resurfacing: \$390,000 levy backed bonding

The net impact of these actions will not change the amount of G.O. bonding included in the adopted CIP.

Specific projects to be financed are detailed in a list at the end of this communication. Projects are summarized by category as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>
• Bridge Improvements	\$ 2,000,000
• Fire Protection Improvements	\$ 2,195,000
• Library Improvements	\$ 1,030,000
• Miscellaneous Improvements	\$ 4,275,000
• Municipal Building Improvements	\$ 1,105,000
• Park Improvements	\$ 5,635,000
• Street Improvements	\$10,990,000
TOTAL PROJECT IMPROVEMENTS	\$27,230,000
<u>Issuance Costs</u>	<u>\$ 395,000</u>
TOTAL BOND ISSUE	\$27,625,000

**PREVIOUS COUNCIL ACTION(S):**

Date: April 12, 2010

Roll Call Number: 10-509

Action: [Resolution](#) electing classifications and procedures for proposed bond projects. Moved by Hensley to adopt; refer to the City Manager to provide a report at the hearing regarding the status of non-city funding related to the projects funded in part with bond proceeds. Motion Carried 7-0.

Date: February 22, 2010

Roll Call Number: 10-295

Action: [On](#) proposed Annual Budget for fiscal year ending June 30, 2011 and adopting the Capital Improvements Program (CIP) for 2010/11 – 2015/16. ([Council Communication No. 10-107](#)) Moved by Coleman to adopt. Council Member Hensley votes No on the Mayor/Council Budget. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE****ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

June 2, 2010: Special Council meeting to award low bid on sale of bonds.

June 14, 2010: Council authorization to issue bonds and levy taxes.

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**PROJECT**

Grand Avenue Bridge over Walnut Creek (\$2,000,000)

Fire Equipment Acquisition (\$435,000)

Central Fire Station Replacement (\$1,000,000)

Maintenance/Logistics & Training Campus (\$500,000)\*

Fire Station Remodeling (\$260,000)

Library Collection Additions and Replacement (\$580,000)

Library South Branch Parking Lot Renovation (\$325,000)

Miscellaneous Library Improvements (\$125,000)

Removal of Underground Fuel Storage Tanks (\$25,000)

Neighborhood Finance Corp. (\$1,070,000)

Neighborhood Development Corp. (\$1,000,000)

City Tree Replacement Fund (\$55,000)

City-Wide Radio System Improvements (\$250,000)

Enhanced City-Wide Info System (\$500,000)  
Energy Building Monitoring System (\$110,000)\*  
ADA Modifications (\$500,000)  
Municipal Building Reroofing (\$80,000)  
HVAC, Electrical, & Plumbing Imp (\$225,000)  
Municipal Building Improvements (\$150,000)  
Public Works Building Improvements (\$20,000)  
Energy Conservation (\$100,000)  
Parking Lot Rehabilitation (\$30,000)  
Cemetery Infrastructure and Improvements (\$205,000)  
Fort Des Moines Park Stabilization Projects (\$40,000)  
Forestry Improvements (\$100,000)  
Gray's Lake Park Improvements (\$150,000)  
Neighborhood Park Improvements (\$700,000)  
Park Building Improvements (\$750,000)  
Park Redevelopment (\$535,000)  
Public Art (\$200,000)  
Recreation Trails (\$660,000)  
Urban Conservation Projects (\$50,000)  
Principal Park Stadium Improvements (\$75,000)  
Blank Park Zoo General Improvements (\$475,000)  
Community Center Improvements (\$165,000)  
Swimming Pool and Aquatic Improvements (\$130,000)  
Wading Pool Improvements (\$115,000)  
First Tee (\$325,000)  
Blank Park Zoo Sea Lion Exhibit (\$960,000)  
Beaver Avenue Streetscape (\$260,000)  
Asphaltic Paving Restoration (\$1,190,000)\*  
City-wide Paving (\$700,000)  
Concrete Curb & Median Replacement (\$570,000)  
Concrete Paving Restoration – PW (\$575,000)  
SW 9<sup>th</sup> Street and DART Lane Intersection (\$300,000)  
E. Indianola Widening - S.E. 14<sup>th</sup> to Army Post Road (\$500,000)\*  
McKinley Ave. Widening (\$1,400,000)  
Merle Hay Rd and Urbandale Ave Intersection (\$100,000)  
Mulberry Street Construction – 13<sup>th</sup> to 16<sup>th</sup> (\$1,265,000)\*  
Neighborhood Infrastructure Rehabilitation Program (\$1,090,000)  
Railroad Street Crossing Improvements (\$50,000)  
School Routes and Priority Sidewalks (\$75,000)  
Sidewalks – ADA Compliance (\$100,000)  
SW 9<sup>th</sup> Street Widening - Titus to Kenyon (\$150,000)  
Streetscape Projects (\$240,000)  
City-Wide Sidewalk Replacement Program (\$265,000)  
City-wide Traffic Signal Interconnect (\$100,000)  
City-wide Signals, Channelization (\$100,000)

City-Wide Neighborhood Traffic Control Program (\$65,000)

SE Connector – SE 6th to SE 14th (\$925,000)\*

SE 6<sup>th</sup> Street Widening – Court to the Des Moines River (\$600,000)\*

MLK/MLK Extension Economic Development Land Acquisition (\$1,635,000)\*

Issuance Costs (\$360,000)