

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 13, 2012
	Agenda Item No.	27
	Roll Call No.	[_____]
	Communication No.	<u>12-058</u>
	Submitted by:	Scott Sanders, Finance Director

AGENDA HEADING:

Public hearings regarding the issuance of general obligation bonds for the FY 2012-13 Capital Improvement Budget.

SYNOPSIS:

Eight public hearings regarding the issuance of general obligation bonds for the FY 2012-13 Capital Improvement Budget. This is the first step in the process to finance the construction of capital projects totaling \$33.28 million. These hearings are being held in tandem with the approval of the budget so that the debt service payments associated with these projects can be included in the budget.

FISCAL IMPACT:

Amount: \$33,830,000; made up of \$33,280,000 project costs and \$550,000 issuance expenses.

Funding Source: Fiscal Year 2012-13 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund – DS001, FIN900100, Page 97;
- Tax Increment Fund – Special Revenue Fund – SP370, FIN909105, Page 98.

ADDITIONAL INFORMATION:

A public hearing must be held prior to any borrowing by the City. This hearing is to consider bonding for the FY 2012-13 Capital Improvement Budget that will be submitted for approval by City Council on February 27, 2012. City staff reviewed projects that anticipated the availability of non-City funding to determine the certainty of those funds. The final sizing of the bonds will occur in April or May. Below is the current status of non-City funding related to the projects that will be funded in part with bond proceeds from this issuance.

- Easter Lake Drive Bridge over Branch of Easter Lake (\$245,000 Federal grant – Committed)
- Grand Avenue Bridge over Walnut Creek (\$1,000,000 Federal grant – Committed)
- Municipal Service Center (\$5,000,000 Federal grant – committed) – Transfer from STR249, SE Connector SE 14th – SE 30th
- Bicycle and Trails Master Plan Implementation (\$330,000 – State grant – Committed)
- Euclid Avenue Intersection Improvements (\$1,305,000 State grant – Committed)
- Indianola Avenue Widening (\$2 million Federal grant – Committed)
- SE Connector – SE 6th to SE 14th (\$6 million Federal grant – Committed)
- SE Connector – SE 14th to SE 30th (\$9.8 million in Fed. grants; and \$12.7 million RISE - Committed)
- Traffic Control Neighborhood Program (\$240,000 State grant – Committed)

Traffic Signals, Channelization and School Crossings (\$170,000 Federal grant – Committed; \$710,000 State grant – Committed)

Traffic Signal Interconnection (\$200,000 Federal grant – Committed)

City staff will continue to review general obligation funding needs to monitor if additional grant funding can reduce City debt issuance anticipated in April. Specific projects to be financed are detailed in a list at the end of this communication. Projects are summarized by category as follows:

CATEGORY	AMOUNT
• Bridge Improvements	\$ 900,000
• Fire Protection Improvements	\$ 1,710,000
• Library Improvements	\$ 800,000
• Miscellaneous Improvements	\$ 2,355,000
• Municipal Building Improvements	\$ 7,725,000
• Park Improvements	\$ 7,355,000
• Street Improvements	\$ 12,435,000
TOTAL PROJECT IMPROVEMENTS	\$ 33,280,000
Issuance Costs	<u>\$ 550,000</u>
TOTAL BOND ISSUE	\$ 33,830,000

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

February 27, 2012: Hold hearing and approval of Capital Improvement Program (CIP) for FY 2012-13.

February 27, 2012: Hold hearing and approval to proceed with issuance of 2012 General Obligation Bonds.

April, 2012: Directing sale of bonds and approval to release preliminary offering statement.

Early May, 2012: Special Council meeting to award low bid on sale of bonds.

June, 2012: Council authorization to issue bonds and levy taxes.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.

PROJECT CLASSIFICATIONS
and
HEARINGS SUMMARY

ECP-1

NOT TO EXCEED \$17,925,000
GENERAL OBLIGATION BONDS
(Misc Essential Corporate Purposes)

Bridge Improvements (\$900,000)

- Citywide Bridge Repairs (\$200,000)
- Grand Ave. Bridge over Walnut Creek (\$200,000)
- South Union Street Bridge over South Middle Creek (\$200,000)
- South Union Street Bridge over Yeader Creek (\$300,000)

Fire Protection Improvements (\$1,610,000)

- Equipment Acquisition (\$1,610,000)

Miscellaneous Improvements (\$2,105,000)

- Neighborhood Finance Corp. (\$1,000,000)
- Neighborhood Development Corp. (\$1,000,000)
- City Tree Replacement Fund (\$5,000)
- Public Art (\$100,000)

Parks Improvements (\$2,355,000)

- Cemetery Infrastructure and Improvements (\$110,000)
- Forestry Improvements (\$125,000)
- Gray's Lake Park Improvements (\$205,000)
- Neighborhood Park Improvements (\$800,000)
- Park Building Improvements (\$400,000)
- Recreation Trails (\$500,000)
- Road, Sidewalk, and Utility Improvements (\$65,000)
- Urban Conservation Projects (\$150,000)

Street Improvements (\$10,655,000)

- Asphaltic Paving Restoration (\$700,000)
- Bicycle and Trails Master Plan (\$150,000)
- Concrete Curb & Median Replacement (\$650,000)
- Concrete Paving Restoration (\$700,000)
- Indianola Avenue Widening (\$500,000)
- E. 30th Street Intersection Improvements (\$300,000)
- Euclid Avenue Intersection Improvements (\$140,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,330,000)

- Park Avenue Widening – SW 56th St to SW 63rd St (\$150,000)
- Railroad Crossing Surface Repair and Signal Imp (\$50,000)
- Southeast Connector – SE 14th St to SE 30th St (\$2,950,000)
- Sidewalk Replacement Program (\$325,000)
- Sidewalks – ADA Compliance (\$1,500,000)
- Sidewalks – School and Priority Routes (\$75,000)
- Streetscape Improvements (\$500,000)
- Traffic Signal, Channelization, and School Crossings (\$335,000)
- Traffic Signal Interconnection (\$70,000)
- Traffic Signal LED Replacement Program (\$10,000)
- Traffic Sign Inventory Program (\$220,000)

Issuance Costs (\$300,000)

ECP-2

**NOT TO EXCEED \$11,130,000
GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes – Urban Renewal)

Building Improvements (\$5,000,000)

- Municipal Service Center (\$5,000,000)

Parks Improvements (\$4,200,000)

- Principal Park Stadium Improvements (\$1,500,000)
- Grants to Blank Park Zoo for Improvements (\$2,700,000)

Street Improvements (\$1,780,000)

- Asphaltic Paving Restoration Program (\$330,000)
- Southeast Connector – SE 6th Street to SE 14th (\$1,000,000)
- Skywalk Improvements (\$150,000)
- Walnut Street Mall Renovations (\$300,000)

Issuance Costs (\$150,000)

GCP-3

NOT TO EXCEED \$820,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes – Library)

Library Improvements (\$800,000)

- Collection Additions and Replacement (\$575,000)
- Miscellaneous Building Improvements (\$50,000)
- Library Roof Replacement (\$175,000)

Issuance Costs (\$20,000)

GCP-4

NOT TO EXCEED \$970,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes – Municipal Buildings)

Municipal Building Improvements (\$940,000)

- Energy Conservation Program (\$130,000)
- HVAC, Electrical & Plumbing Improvements (\$310,000)
- Municipal Building Improvements (\$500,000)

Issuance Costs (\$30,000)

GCP-5

NOT TO EXCEED \$880,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes – Municipal Buildings, Parks)

Municipal Building Improvements (\$285,000)

- Municipal Building Re-Roofing (\$185,000)
- Police Facility Improvements (\$50,000)
- Public Works Building Improvements (\$50,000)

Parks Improvements (\$575,000)

- Community Center Improvements (\$175,000)
- Swimming Pool and aquatic Improvements (\$275,000)
- Wading Pool Improvements (\$125,000)

Issuance Costs (\$20,000)

GCP-6 **NOT TO EXCEED \$260,000**
GENERAL OBLIGATION BONDS
(General Corporate Purposes – Miscellaneous Improvements)

Miscellaneous Improvements (\$250,000)

- Enhanced City-wide Information System (\$250,000)

Issuance Costs (\$10,000)

GCP-7 **NOT TO EXCEED \$1,000,000**
GENERAL OBLIGATION BONDS
(General Corporate Purposes – Municipal Building Improvements)

Municipal Building Improvements (\$1,000,000)

- Police Station Improvements – Phase II (\$1,000,000)

Issuance Costs (None)

GCP-8 **NOT TO EXCEED \$745,000**
GENERAL OBLIGATION BONDS
(General Corporate Purposes – Municipal Buildings, Parks)

Fire Protection Improvements (\$100,000)

- Fire Station Remodeling (\$100,000)

Municipal Building Improvements (\$500,000)

- ADA Modifications (\$500,000)

Park Improvements (\$225,000)

- Sport Complexes (\$225,000)

Issuance Costs (\$20,000)

SUMMARY

Hearing	Project(s)	Issuance	Total
ECP-1	\$ 17,625,000	\$ 300,000	\$17,925,000
ECP-2	10,980,000	150,000	11,130,000
GCP-3	800,000	20,000	820,000
GCP-4	940,000	30,000	970,000
GCP-5	860,000	20,000	880,000
GCP-6	250,000	10,000	260,000
GCP-7	1,000,000	0	1,000,000
GCP-8	825,000	20,000	845,000
TOTAL	\$ 33,280,000	\$550,000	\$33,830,000