

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 23, 2015
	Agenda Item No.	17A
	Roll Call No.	<u>15-0290</u>
	Communication No.	<u>15-092</u>
	Submitted by:	Dan Ritter, Interim Finance Director

AGENDA HEADING:

Set date for public hearing regarding the issuance of general obligation bonds for Fiscal Year (FY) 2016 capital improvements budget.

SYNOPSIS:

Set date for 10 public hearings regarding the issuance of general obligation bonds to fund the fiscal year 2016 capital improvements program. This is the first step in the process to finance the construction of capital projects totaling \$29,565,000. The hearings are being held in tandem with the approval of the budget so that the debt payments associated with these projects can be included in the FY2016 budget.

FISCAL IMPACT:

Amount: \$29,565,000 project funds plus interest and \$510,000 issuance cost. FY2015-16 debt service payment is estimated at \$960,000.

Funding Source: FY2016 operating budget, property tax debt service levy, D001 ND400500

ADDITIONAL INFORMATION:

A public hearing must be held prior to any borrowing by the City. This hearing is to consider borrowing for the FY2016 capital improvement budget that will be submitted for approval by Council on March 9, 2015. The final sizing of the bonds will occur in May with the bond sale planned for June. City staff reviewed projects that anticipated the availability of non-City funding to determine the certainty of those funds. 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:

- Multi-Use Trail Bridges – \$425,000 bonds (\$1,000,000 Private – uncommitted, \$500,000 state – committed);
- East 42nd Avenue and Hubbell Avenue Intersection Improvements – \$250,000 bonds (\$900,000 state – uncommitted);
- 42nd Avenue Streetscape – \$500,000 bonds (\$470,000 Private – committed, \$480,000 federal – committed);
- Indianola Avenue Widening – SE 14th Street to Army Post Road – \$500,000 bonds (\$2,550,000 federal – committed);
- Park Avenue Widening – SW 56th Street to SW 63rd Street – \$250,000 bonds (\$2,050,000 federal – committed);

- S.E. Connector – \$500,000 bonds (\$3,582,000 federal – committed; approximately \$30 million of funding to complete project uncommitted);
- Traffic Control Neighborhood Program – \$115,000 bonds (\$150,000 state – committed);
- Traffic Signals, Channelization, and School Crossings – \$525,000 bonds (\$480,000 federal – committed; \$365,000 state – committed);
- UPRR Crossing Closures Mitigation – \$500,000 bonds (\$1,600,000 railroad – committed);
- Walnut Street Streetscape – \$2,200,000 bonds (\$1,400,000 private – uncommitted); and
- Traffic Signal Interconnection – \$140,000 bonds (\$658,000 federal – committed).

Projects requiring non-City funding will be reviewed once again prior to issuing the debt in the spring.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

March 9, 2015: Hold hearings on debt issuance and approve the capital budget and capital improvement program plan. Approve levy for debt payments to be included in the FY2016 budget; also known as a “pre-levy.”

City staff will continue to review general obligation funding needs to monitor if additional grant funding can reduce the amount of City debt issuance. 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	\$ 850,000
Fire Protection Improvements	\$ 1,625,000
Library Improvements	\$ 945,000
Miscellaneous Improvements	\$ 4,030,000
Municipal Building Improvements	\$ 3,310,000
Park Improvements	\$ 5,270,000
Parking Improvements	\$ 400,000
Street Improvements	<u>\$ 13,135,000</u>
TOTAL PROJECT IMPROVEMENTS	<u>\$ 29,565,000</u>
Issuance Costs	<u>\$ 510,000</u>
TOTAL BOND ISSUE	\$ 30,075,000

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PROJECT CLASSIFICATIONS
and
HEARINGS SUMMARY

ECP-1

NOT TO EXCEED \$19,660,000
GENERAL OBLIGATION BONDS
(Essential Corporate Purposes)

Bridge Improvements (\$850,000)

- City-wide Bridge Repairs (\$100,000)
- Evergreen Ave Bridge/Easter Lake (\$750,000)

Fire Protection Improvements (\$1,475,000)

- Equipment Acquisition (\$1,475,000)

Miscellaneous Improvements (\$3,005,000)

- Neighborhood Finance Corp. (\$1,000,000)
- Neighborhood Development Corp. (\$1,000,000)
- City Tree Replacement Fund (\$100,000)
- Vacant Property Redevelopment (\$50,000)
- Emerald Ash Borer Response Plan (\$730,000)
- Public Art (\$100,000)
- Underground Storage Tank (\$25,000)

Parks Improvements (\$3,915,000)

- Cemetery Infrastructure and Improvements (\$220,000)
- Gray's Lake Park Improvements (\$190,000)
- Neighborhood Park Improvements (\$925,000)
- Park Building Improvements (\$650,000)
- Multi-Use Trails (\$425,000)
- Multi-Use Trail Bridges (\$600,000)
- Road, Sidewalk, and Utility Improvements (\$500,000)
- Urban Conservation Projects (\$405,000)

Street Improvements (\$10,205,000)

- Asphaltic Paving Restoration (\$700,000)
- Concrete Curb & Median Replacement (\$675,000)
- Concrete Paving Restoration (\$725,000)
- Indianola Avenue Widening (\$500,000)
- East 42nd and Hubbell Intersection (\$250,000)
- 42nd Avenue Streetscape (\$500,000)
- Hubbell Ave – E33rd – E 38th (\$100,000)

Street Improvements (continued)

- LED Street Lighting (\$150,000)
- McKinley Avenue Widening – Fleur-Indianola (\$350,000)
- Neighborhood Infrastructure Rehabilitation Program (\$800,000)
- Park Avenue Widening – SW 56th St to SW 63rd St (\$250,000)
- Rehabilitation and Preservation of Major Roadways (\$200,000)
- Residential Paving Program (\$175,000)
- UPRR Crossing Closures Mitigation (\$500,000)
- Sidewalk Replacement Program (\$600,000)
- Sidewalks – ADA Compliance (\$1,500,000)
- Sidewalks – School and Priority Routes (\$200,000)
- SE Connector SE 30th to US 65 (\$500,000)
- Streetscape Improvements (\$500,000)
- Traffic Control Neighborhood (\$115,000)
- Traffic Median Island Replacement (\$250,000)
- Traffic Signal, Channelization, and School Crossings (\$525,000)
- Traffic Signal Interconnection (\$140,000)

Issuance Costs (\$210,000)**ECP-2****NOT TO EXCEED \$3,680,000****GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes – Park, Parking, and Street Improvements)

- Principal Park Improvements (\$210,000)
- Parking Facility Rehab/Repair (\$400,000)
- Asphaltic Paving Restoration (\$360,000)
- Skywalk Improvements (\$370,000)
- Walnut Street Streetscape (\$2,200,000)

Issuance Costs (\$140,000)**GCP-3****NOT TO EXCEED \$955,000****GENERAL OBLIGATION BONDS**

(General Corporate Purpose – Municipal Building, Fire, and Library Improvements)

Municipal Building Improvements (\$490,000)

- HVAC, Electrical & Plumbing Improvements (\$260,000)
- Public Works Building Improvements (\$50,000)
- Energy Conservation (\$180,000)

Fire Improvements (\$150,000)

- Fire Station Remodeling (\$150,000)

Library Improvements (\$295,000)

- Curtain Wall Window Replacement Southside Library (\$170,000)
- Miscellaneous Building Improvements - Library (\$125,000)

Issuance Costs (\$20,000)

GCP-4

NOT TO EXCEED \$870,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Municipal Buildings)

Municipal Building Improvements (\$850,000)

- Municipal Building Improvements (\$850,000)

Issuance Costs (\$20,000)

GCP-5

NOT TO EXCEED \$570,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Municipal Building Improvements)

Municipal Building Improvements (\$550,000)

- Police Facility Improvements (\$550,000)

Issuance Costs (\$20,000)

GCP-6

NOT TO EXCEED \$845,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Miscellaneous Improvements)

Miscellaneous Improvements (\$825,000)

- Enhanced Information and Communication Systems (\$825,000)

Issuance Costs (\$20,000)

GCP-7

NOT TO EXCEED \$850,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Municipal Building, and Park Improvements)

Municipal Building Improvements (\$620,000)

- Municipal Building Roofing (\$620,000)

Park Improvements (\$210,000)

- Community Center Improvements (\$210,000)

Issuance Costs (\$20,000)

GCP-8

NOT TO EXCEED \$955,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Park Improvements)

Park Improvements (\$935,000)

- Sports Complexes (\$200,000)
- Swimming Pool and Aquatic Imp. (\$535,000)
- Wading Pool Improvements (\$200,000)

Issuance Costs (\$20,000)

GCP-9

NOT TO EXCEED \$820,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Municipal Building Improvements)

Municipal Building Improvements (\$800,000)

- City Hall HVAC Upgrade (\$500,000)
- Municipal Service Center (\$300,000)

Issuance Costs (\$20,000)

GCP-10

NOT TO EXCEED \$870,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Library, and Miscellaneous Improvements)

Library Improvements (\$650,000)

- Collection additions and Replacements (\$650,000)

Miscellaneous Improvements (\$200,000)

- Comprehensive Plan and Zoning Code Update (\$200,000)

Issuance Costs (\$20,000)

SUMMARY

<u>Hearing</u>	<u>Project(s)</u>	<u>Issuance</u>	<u>Total</u>
ECP-1	\$ 19,450,000	\$ 210,000	\$ 19,660,000
ECP-2	3,540,000	140,000	3,680,000
GCP-3	935,000	20,000	955,000
GCP-4	850,000	20,000	870,000
GCP-5	550,000	20,000	570,000
GCP-6	825,000	20,000	845,000
GCP-7	830,000	20,000	850,000
GCP-8	935,000	20,000	955,000
GCP-9	800,000	20,000	820,000
GCP-10	850,000	20,000	870,000
<u>TOTAL</u>	<u>\$ 29,565,000</u>	<u>\$ 510,000</u>	<u>\$ 30,075,000</u>