

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 20, 2017
	Agenda Item No.	22
	Roll Call No.	<u>17-273-17-284</u>
	Communication No.	<u>17-102</u>
	Submitted by:	Dan E. Ritter, Finance Director

AGENDA HEADING:

Set date for public hearing regarding the issuance of general obligation (GO) bonds for the fiscal year (FY) 2018 capital improvements budget.

SYNOPSIS:

Set date for 11 public hearings regarding the issuance of GO bonds to fund the FY2018 Capital Improvements Program (CIP). This is the first step in the process to finance the construction of capital projects totaling \$43,815,000. 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 FY2018 budget.

FISCAL IMPACT:

Amount: \$43,815,000 project funds plus interest and \$690,000 issuance cost. FY2017-18 debt service payment is estimated at \$2,815,000.

Funding Source: FY2018 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 FY2018 capital improvement budget that will be submitted for approval by Council on March 6, 2017.
- The final sizing of the bonds will occur in June with the bond sale planned for July or August. 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:
 1. Court Avenue Bridge/Des Moines River - \$1,250,000 TIF Bonds (\$5,600,000 Federal - Committed)
 2. Grand Avenue Bridge over the Des Moines River - \$525,000 TIF Bonds (\$2,129,000 Federal – Committed)
 3. Locust Street Bridge over the Des Moines River - \$500,000 TIF Bonds (\$1,000,000 Federal - committed)
 4. Scott Avenue Bridge/Des Moines River - \$770,000 TIF Bonds (\$3,140,000 Federal – committed)
 5. Hubbell Avenue Improvements – E. 33rd Street to E 38th Street - \$1,200,000 Bonds (\$4,000,000 State Committed, \$500,000 State Pending)

6. Sixth Avenue Streetscape - \$1,000,000 Bonds (\$550,000 Private Uncommitted/not-received, \$600,000 Federal Committed)
7. SE Connector to HWY-69- \$1,250,000 Bonds for land acquisition (\$50+ million unidentified)
8. Traffic Signals, Channelization, and School Crossings - \$225,000 Bonds (\$300,000 Federal Committed)
9. Traffic System Operation Improvements - \$400,000 Bonds (\$136,000 Federal Committed)
10. Multi-Purpose Trail Improvements \$965,000 Bonds (\$250,000 Federal Committed)

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

March 6, 2017: Hold hearings on debt issuance and approve the capital budget and CIP plan and approve levy for associated first year’s debt payments for this bond issue to be included in the FY2018 budget; also known as a “pre-levy.”

City staff will continue to review GO funding needs to monitor if additional grant funding can reduce the amount of City debt issuance. Projects are summarized by category as follows:

CATEGORY	AMOUNT
Bridge Improvements	\$ 3,795,000
Fire Protection Improvements	2,475,000
Library Improvements	1,920,000
Miscellaneous Improvements	5,145,000
Municipal Building Improvements	6,635,000
Park Improvements	6,335,000
Street Improvements	11,485,000
Sidewalk/ Skywalk Improvements	4,800,000
Traffic Control Improvements	1,225,000
TOTAL PROJECT FUNDING =	\$ 43,815,000
Issuance Costs =	\$ 690,000
TOTAL BOND ISSUE =	\$ 44,505,000

Specific projects to be financed are detailed by bond Hearing at the end of this communication:

PROJECT CLASSIFICATIONS

and HEARINGS SUMMARY

ECP-1

**NOT TO EXCEED \$25,370,000
GENERAL OBLIGATION BONDS
(Essential Corporate Purposes)**

Fire Protection Improvements (\$2,300,000)

- Equipment Acquisition (\$2,300,000)

Miscellaneous Improvements (\$3,030,000)

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

Municipal Building Improvements (\$350,000)

- ADA Improvements (existing Park Facilities) (\$350,000)

Park Improvements (\$5,685,000)

- Cemetery Infrastructure and Improvements (\$270,000)
- Gray's Lake Park Improvements (\$1,250,000)
- MacRae Park Improvements (\$500,000)
- Multi-Use Trails (\$965,000)
- Neighborhood Park Improvements (\$1,250,000)
- Park Building Improvements (\$600,000)
- Road, Sidewalk, and Utility Improvements (\$500,000)
- Urban Conservation Projects (\$350,000)

Street Improvements (\$13,600,000)

- Arterial Pavement Rehabilitation (\$50,000)
- Asphaltic Paving Restoration (\$725,000)
- Concrete Curb Replacement (\$350,000)
- Concrete Paving Restoration (\$350,000)
- Corridor Improvements (\$475,000)
- Easton Boulevard - E 34th to E 38th (\$500,000)
- Hubbell Avenue - E 33rd - E 38th (\$1,200,000)
- LED Street Lighting (\$150,000)
- McKinley Avenue Widening (\$1,600,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,175,000)
- PCC Pavement Restoration (\$150,000)
- Railroad Crossing Surface Repair (\$50,000)

- Rehabilitation and Preservation of Major Roadways (\$500,000)
- Residential Paving Program (\$100,000)
- Sidewalk Replacement Program (\$650,000)
- Sidewalks - ADA Compliance (\$1,500,000)
- Sidewalks - School and Priority Routes (\$250,000)
- Sixth Avenue Streetscape (\$1,000,000)
- SE Connector SE 30th to US 65 (\$1,250,000)
- Traffic Studies and Improvements (\$200,000)
- Traffic Signal, Channelization, and School Crossings (\$225,000)
- Traffic System Operation Improvements (\$400,000)
- Transportation Master Plan (\$250,000)
- Vandalia Road Improvements (\$500,000)

Issuance Costs (\$405,000)

ECP-2

**NOT TO EXCEED \$4,550,000
GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes - Municipal Service Center – Phase 2)

Municipal Building Improvements (\$4,500,000)

- Municipal Service Center – Phase 2 (\$4,500,000)

Issuance Costs (\$50,000)

ECP-3

**NOT TO EXCEED \$7,780,000
GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes - Bridge and Street Improvements)

Bridge Improvements (\$3,795,000)

- Court Avenue Bridge/DM River Rehabilitation (\$1,250,000)
- Grand Avenue Bridge/DM River Replacement (\$525,000)
- Gray's Landing Pedestrian Bridge (\$750,000)
- Locust Street Bridge/DM River Replacement (\$500,000)
- Scott Avenue Bridge/DM River Rehabilitation (\$770,000)

Street Improvements (\$3,910,000)

- Asphaltic Paving Restoration (\$360,000)
- Streetscape Improvements (\$250,000)
- Skywalk Improvements (\$2,400,000)
- Walnut Street Streetscape (\$500,000)
- Walkability Improvements (\$400,000)

Issuance Costs (\$75,000)

GCP-4

NOT TO EXCEED \$955,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Municipal Buildings)

Municipal Building Improvements (\$935,000)

- HVAC, Electrical, Plumbing Imp. (\$485,000)
- Public Works Building Improvements (\$50,000)
- Municipal Building Roofing (\$325,000)
- Police Building Improvements (\$75,000)

Issuance Costs (\$20,000)

GCP-5

NOT TO EXCEED \$995,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose – Municipal Building Improvements,
Fire Improvements, Library Improvements)

Municipal Building Improvements (\$550,000)

- Energy Conservation (\$50,000)
- Armory Building Improvements (\$250,000)
- Municipal Building Roofing (\$250,000)

Fire Improvements (\$175,000)

- Fire Building Improvements (\$175,000)

Library Improvements (\$250,000)

- Library Building Improvements (\$250,000)

Issuance Costs (\$20,000)

GCP-6

NOT TO EXCEED \$920,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Miscellaneous Improvements)

Miscellaneous Improvements (\$900,000)

- Information Technology – Website Update (\$400,000)
- Information Technology – Network Equipment (\$500,000)

Issuance Costs (\$20,000)

GCP-7 **NOT TO EXCEED \$735,000**
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Municipal Building, and Park Improvements)

Miscellaneous Improvement (\$715,000)

- City Fiber Network (\$85,000)
- Information Technology – Network Equipment (\$630,000)

Issuance Costs (\$20,000)

GCP-8 **NOT TO EXCEED \$970,000**
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Park Improvements)

Park Improvements (\$950,000)

- Community Center Improvements (\$350,000)
- Sports Complexes (\$100,000)
- Swimming Pool and Aquatic Improvements (\$300,000)
- Wading Pool Improvements (\$100,000)
- Watershed Park Amenities (\$100,000)

Issuance Costs (\$20,000)

GCP-9 **NOT TO EXCEED \$520,000**
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Miscellaneous Improvements)

Miscellaneous Improvements (\$500,000)

- Permitting and Licensing Software (\$500,000)

Issuance Costs (\$20,000)

GCP-10 **NOT TO EXCEED \$970,000**
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Library Improvements)

Library Improvements (\$950,000)

- Replacement of RFID System (\$950,000)

Issuance Costs (\$20,000)

GCP-11

**NOT TO EXCEED \$740,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose - Library Improvements)**

Library Improvements (\$720,000)

- Collection Additions and Replacements (\$700,000)

Issuance Costs (\$20,000)

ISSUANCE SUMMARY			
Hearing	Project Funds	Issuance	Total
ECP-1	\$ 24,965,000	\$ 405,000	\$ 25,370,000
ECP-2	4,500,000	50,000	4,550,000
ECP-3	7,705,000	75,000	7,780,000
GCP-4	935,000	20,000	955,000
GCP-5	975,000	20,000	995,000
GCP-6	900,000	20,000	920,000
GCP-7	715,000	20,000	735,000
GCP-8	950,000	20,000	970,000
GCP-9	500,000	20,000	520,000
GCP-10	950,000	20,000	970,000
GCP-11	720,000	20,000	740,000
Total =	\$ 43,815,000	\$ 690,000	\$ 44,505,000

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