

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 6, 2017
	Agenda Item No.	62-73
	Roll Call No.	<u>17-0420-17-0442</u>
	Communication No.	<u>17-283</u>
	Submitted by:	Dan E. Ritter, Finance Director

AGENDA HEADING:

Items regarding issuance of proposed General Obligation (GO) Bonds.

SYNOPSIS:

Hold 11 public hearings to institute proceedings for the issuance of general obligation bonds for the fiscal year (FY) 2017-2018 capital budget of the Capital Improvements Program (CIP) and levying a tax for the debt service of said bonds in FY 2017-18. This is the first step in the process to finance the construction of capital projects funded, in part, with GO Bonds, 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 FY 2017-2018 budget.

FISCAL IMPACT:

Amount: \$44,415,000 - (\$43,815,000 of GO Bonds for construction and \$600,000 issuance cost). FY2017-18 debt service payment is estimated at \$2,512,256 and the rate at \$3.91 per \$1,000 taxable valuation.

Funding Source: FY 2017-2018 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 FY 2017-2018 capital improvement budget that will be submitted for approval by Council also on March 6, 2017. The final sizing of the bonds will occur before the sale in the summer. 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:

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):

Date: February 20, 2017

Roll Call Number: [17-0273](#), [17-0274](#), [17-0275](#), [17-0276](#), [17-0277](#), [17-0278](#), [17-0279](#), [17-0280](#), [17-0281](#), [17-0282](#), [17-0283](#), and [17-0284](#).

Action: Items regarding proposed General Obligation Bonds for the following, (3-6-17): ([Council Communication No. 17-102](#))

- (A) [Resolution](#) electing classifications and procedures for proposed bond projects. Moved by Hensley to adopt. Motion Carried 7-0.
- (B) [On](#) issuance of not to exceed \$25,420,000 (for Essential Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (C) [On](#) issuance of not to exceed \$4,550,000 (for Essential Corporate Urban Renewal Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (D) [On](#) issuance of not to exceed \$7,780,000 (for Essential Corporate Urban Renewal Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (E) [On](#) issuance of not to exceed \$955,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (F) [On](#) issuance of not to exceed \$995,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (G) [On](#) issuance of not to exceed \$920,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (H) [On](#) issuance of not to exceed \$735,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (I) [On](#) issuance of not to exceed \$970,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.
- (J) [On](#) issuance of not to exceed \$520,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.

(K) On issuance of not to exceed \$970,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0.

(L) On issuance of not to exceed \$740,000 (for General Corporate Purposes). Moved by Hensley to adopt. Motion Carried 7-0

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The final sizing of the bonds will occur in June/July with the bond sale planned for July/August. Council will need to take later action to direct the sale of the bonds and approve the official statement and related sale actions.

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 first floor of City Administration Building, 400 E. Court Avenue Ste.116. 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.