

 <b>Council</b> <b>Communication</b> Office of the City Manager	<b>Date:</b>	February 19, 2018
	<b>Agenda Item No.</b>	<b>27</b>
	<b>Roll Call No.</b>	<b><u>18-272</u></b>
	<b>Communication No.</b>	<b><u>18-093</u></b>
	<b>Submitted by:</b>	<b>Bob Fagen, Finance Director</b>

**AGENDA HEADING:**

Set date for public hearing regarding the issuance of general obligation (GO) bonds for the fiscal year (FY) 2019 Capital Improvements Budget.

**SYNOPSIS:**

Set date for 10 public hearings regarding the issuance of GO bonds to fund the FY2019 Capital Improvements Program (CIP). This is the first step in the process to finance the construction of capital projects totaling \$46,215,000. 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 FY2019 budget.

**FISCAL IMPACT:**

Amount: \$46,215,000 project funds plus interest and \$575,000 issuance cost; FY2018-19 debt service payment is estimated at \$3,533,445

Funding Source: FY2019 operating budget, property tax debt service levy, D001 ND400576

**ADDITIONAL INFORMATION:**

- A public hearing must be held prior to any borrowing by the City. This hearing is to consider borrowing for the FY2019 Capital Improvement budget that will be submitted for approval by Council on March 8, 2018.
- 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/DM River - \$950,000 TIF Bonds (\$5,600,000 Federal - Committed)
  2. Locust Street Bridge over the Des Moines River - \$2,100,000 TIF Bonds (\$1,000,000 Federal - committed)
  3. Multi-Use Trails - \$800,000 G.O. Bonds (\$550,000 Federal – committed – DM River Trail)
  4. East 42nd and Hubbell Avenue Intersection Improvements - \$200,000 G.O. Bonds (\$300,000 State Committed)
  5. Hubbell Avenue and Broadway Intersection Improvements - \$550,000 G.O. Bonds (\$150,000 State Pending)
  6. Hubbell Avenue Improvements – East 33rd Street to East 38th Street - \$1,000,000 Bonds (\$4,500,000 State Committed, \$400,000 State Pending)

7. Sixth Avenue Streetscape - \$250,000 G.O. Bonds (\$600,000 Private Uncommitted/not-received, \$600,000 Federal Committed)
8. University Avenue – 42nd Street to 63rd Street - \$300,000 G.O. Bonds (\$500,000 Federal)
9. Walnut Streetscape -\$500,000 Bonds (Private Uncommitted)

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

March 8, 2018: 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 FY2019 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:

<b>ISSUANCE SUMMARY</b>			
<b>Hearing</b>	<b>Project Funds</b>	<b>Issuance Costs</b>	<b>Total</b>
ECP-1	\$ 33,415,000	\$ 365,000	\$ 33,780,000
ECP-2	7,010,000	50,000	7,060,000
GCP-3	900,000	20,000	920,000
GCP-4	850,000	20,000	870,000
GCP-5	810,000	20,000	830,000
GCP-6	635,000	20,000	655,000
GCP-7	700,000	20,000	720,000
GCP-8	500,000	20,000	520,000
GCP-9	640,000	20,000	660,000
GCP-10	755,000	20,000	775,000
<b>Total =</b>	<b>\$46,215,000</b>	<b>\$ 575,000</b>	<b>\$ 46,790,000</b>

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 \$34,010,000**  
**GENERAL OBLIGATION BONDS**  
(Essential Corporate Purposes)

*Fire Protection Improvements (\$3,535,000)*

- Equipment Acquisition (\$3,535,000)

*Miscellaneous Improvements (\$3,130,000)*

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

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

Municipal Building Improvements (\$375,000)

- ADA Improvements (existing Park Facilities) (\$375,000)

Park Improvements (\$6,475,000)

- Cemetery Infrastructure and Improvements (\$150,000)
- Gray's Lake Park Improvements (\$1,250,000)
- MacRae Park Improvements (\$1,000,000)
- Multi-Use Trails (\$800,000)
- Neighborhood Park Improvements (\$850,000)
- Park Building Improvements (\$325,000)
- Riverview Park – Earthwork and Stage (\$900,000)
- Riverview Park – Site, Plaza, and Shelter (\$100,000)
- Riverwalk – Balustrade Improvements (\$250,000)
- Road, Sidewalk, and Utility Improvements (\$750,000)
- Urban Conservation Projects (\$100,000)

Street Improvements (\$20,150,000)

- Active Transportation (\$250,000)
- Arterial Pavement Rehabilitation (\$4,000,000)
- Asphaltic Paving Restoration Program (\$725,000)
- Concrete Curb Replacement Program (\$350,000)
- Concrete Paving Restoration Program (\$350,000)
- Corridor Improvements (\$500,000)
- East 42nd and Hubbell Avenue Intersection Improvements (\$200,000)
- East Douglas Avenue Widening - East 42nd - East 56th (\$500,000)
- Hubbell Avenue and Broadway Intersection Imp. (\$550,000)
- Hubbell Avenue- East 33rd Street to East 38th Street (\$1,000,000)
- Indianola Avenue Widening – East Army Post Road to Hwy 69 (\$250,000)
- LED Street Lighting (\$150,000)
- McKinley Avenue Widening (\$2,000,000)
- Merle Hay Road and Hickman Intersection (\$500,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,200,000)
- Residential Paving Program (\$250,000)
- Roadway Reconstruction (\$1,100,000)
- Sidewalk Replacement (\$675,000)
- Sidewalks - ADA Compliance (\$1,500,000)
- 6th Avenue Streetscape (\$250,000)
- Southeast Connector - SE 30 to US65 (\$1,500,000)
- Streetscape Improvements (\$250,000)

- Traffic Signals, Channelization, and School Crossings (\$150,000)
- Traffic Studies (\$250,000)
- Traffic System Operation Improvements (\$500,000)
- Transportation Master Plan (\$150,000)
- University Avenue - 42nd Street to 63rd Street (\$300,000)
- Vandalia Road Improvements (\$750,000)

Issuance Costs (\$345,000)

**ECP-2**

**NOT TO EXCEED \$6,810,000  
GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes – Bridge, Parks, and Street Improvements)

Bridge Improvements (\$3,050,000)

- Court Avenue Bridge/DM River Rehabilitation (\$950,000)
- Locust Street Bridge/DM River Replacement (\$2,100,000)

Parks Improvements (\$260,000)

- Principal Park Improvements (\$260,000)

Street Improvements (\$3,450,000)

- Asphaltic Paving Restoration (\$375,000)
- Connect Downtown (\$500,000)
- Gray's Parkway (\$250,000)
- Streetscape Improvements (\$200,000)
- Skywalk Improvements (\$1,625,000)
- SE 7th Street Reconstruction (\$500,000)

Issuance Costs (\$50,000)

**GCP-3**

**NOT TO EXCEED \$920,000  
GENERAL OBLIGATION BONDS**

(General Corporate Purpose – Park Improvements)

Park Improvements (\$900,000)

- Community Center Improvements (\$650,000)
- Sport Complex Improvements (\$250,000)

Issuance Cost (\$20,000)

**GCP-4**

**NOT TO EXCEED \$870,000  
GENERAL OBLIGATION BONDS**

(General Corporate Purpose – Municipal Building Imp., Library Improvements)

Municipal Building Improvements (\$600,000)

- Armory Building Improvements (\$150,000)
- Municipal Building Improvements (\$150,000)
- Police Facility Improvements (\$300,000)

Library Improvements (\$250,000)

- Library Building Improvements (\$250,000)

Issuance Costs (\$20,000)

**GCP-5** **NOT TO EXCEED \$830,000**  
**GENERAL OBLIGATION BONDS**  
(General Corporate Purpose - Miscellaneous Improvements)

Miscellaneous Improvements (\$810,000)

- Information Technology – Network Equipment (\$700,000)
- Information Technology – Phone Equipment (\$110,000)

Issuance Costs (\$20,000)

**GCP-6** **NOT TO EXCEED \$655,000**  
**GENERAL OBLIGATION BONDS**  
(General Corporate Purpose – Municipal Building, Fire Improvements, and Park Improvements)

- HVAC, Electrical, and Plumbing Improvements (\$100,000)
- P.W. Building Improvements (\$50,000)
- Municipal Building Re-Roofing (\$100,000)
- Energy Conservation (\$225,000)
- Fire Building Improvements (\$60,000)
- Watershed Park Amenities (\$100,000)

Issuance Costs (\$20,000)

**GCP-7** **NOT TO EXCEED \$720,000**  
**GENERAL OBLIGATION BONDS**  
(General Corporate Purpose – Park Improvements)

Park Improvements (\$700,000)

- Sprayground Improvements (\$100,000)
- Swimming Pool and Aquatic Improvements (\$600,000)

Issuance Costs (\$20,000)

**GCP-8** **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-9** **NOT TO EXCEED \$660,000**  
**GENERAL OBLIGATION BONDS**  
(General Corporate Purpose – Miscellaneous Improvements)

Miscellaneous Improvements (\$640,000)

- Help Desk Ticketing, Fiber Improvements, Backup (\$640,000)

Issuance Costs (\$20,000)

**GCP-10** **NOT TO EXCEED \$775,000**  
**GENERAL OBLIGATION BONDS**  
(General Corporate Purpose – Library Improvements)

Library Improvements (\$755,000)

- Collection Additions and Replacements (\$755,000)

Issuance Costs (\$20,000)

**GCP-11** **NOT TO EXCEED \$520,000**  
**GENERAL OBLIGATION BONDS**  
(General Corporate Purpose – Fire Improvements)

Fire Improvements (\$500,000)

- NE Fire Station (\$500,000)

Issuance Costs (\$20,000)

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