

**OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 97-222  
APRIL 28, 1997 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
LOAN AGREEMENT AND ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 1997B	◆ RESOLUTION ORDINANCE RECEIVE/FILE	KEVIN RIPER FINANCE DIRECTOR

**SYNOPSIS —**

This is the concluding Council action to authorize the issuance of \$14,450,000 General Obligation (GO) Bonds, Series 1997B, which will fund a significant portion of the City's 1997-98 Capital Improvements Programs, plus the related costs of issuance.

**FISCAL IMPACT —**

The GO Bonds will be repaid from ad valorem property taxes and, to a lesser degree, tax increment income.

The bonds carry a true interest cost of 5.5333 percent—the result of the competitive bidding conducted on April 21 and awarded by Council at its meeting that evening. Annual debt service for the 19-year life of the bonds will be just under \$1.3 million.

**RECOMMENDATION —**

Staff and the City's bond counsel and financial advisor recommend approval and authorization of the loan agreement and the issuance of the bonds.

**BACKGROUND —**

The GO Bonds will fund a portion of the City's 1997 CIP. The major projects to be funded with bond proceeds include:

- Firefighting equipment acquisition (\$600,000)
- Abandoned housing demolition (\$400,000)
- Citywide information and communication system (\$1,000,000)
- Bike trails (\$250,000)
- Blank Park Zoo projects (\$250,000)
- Neighborhood park improvements (\$300,000)
- Park infrastructure (\$225,000)
- Swimming pool renovation (\$250,000)
- Sidewalks and Downtown Skywalk System (\$390,000)
- Citywide paving in neighborhoods (\$1,394,000)
- Concrete median island replacement (\$300,000)
- Concrete paving restoration (\$500,000)

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- Merle Hay & Meredith intersection (\$285,000)
- S.E. Indianola—Army Post Road (\$562,000)
- Traffic signals (\$463,000)
- Neighborhood Finance Corporation (\$1,000,000; non-CIP)
- Public Housing (\$290,000; non-CIP)

Structure of the bond issue is consistent with the City's debt management policies. Principal and interest will be funded through a combination of ad valorem tax levy and tax increment. Bond closing is scheduled for early May 8.