



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 6/21/04

No.: 04-305

Agenda Item Type: Resolution

No.:

Communication

Roll Call

Submitted by: Merrill R. Stanley, Finance Director

SUBJECT—

Award the sale of Series 2004F Stormwater Revenue Bonds.

SYNOPSIS—

Awarding the sale of Series 2004F Stormwater Revenue Bonds in the amount of \$8,510,000 to finance Stormwater improvements as approved in the City's FY 2004-05 and FY 2005-06 Capital Improvement Program.

FISCAL IMPACT—

The City pledges that annual debt service will be paid from revenues of the City's Stormwater Management Utility System. This is a revenue bond issue—not a general obligation bond issue. Hence, the debt does not count toward the City's constitutional debt limit.

RECOMMENDATION—

Approval

BACKGROUND—

The stormwater improvements to be financed include the following estimated project costs:

Closes Creek Watershed Improvements - \$4,450,000 - This project provides for improvements to address structural and capacity deficiencies in the Closes Creek System and drainage complaints in the 1,500-acre watershed.

Easter Lake Watershed Improvements - \$1,400,000 – This project provides for construction of retention basins and drop structure energy dissipation to provide erosion protection and effective drainage for the tributaries of Easter Lake. This will protect the lake as a recreational asset.

Leetown Creekway Wooden Box Replacement - \$1,600,000 – This project provides for the replacement of the aging and deteriorating Leetown Creekway wooden box sewer between Easton Boulevard at East 26th Street and East University Avenue at East 30th Street.

The public hearing will be held on June 21, 2004, just prior to the award of the sale, in an effort to get the issue to market as quickly as possible, and diminish the effects of rising interest rates.

Ratings have been received on the bonds from Moody's (Aa3), and Standard & Poor's (AA+). These are excellent ratings for revenue bonds.