

Financing Plan for High Priority Unfunded CIP

- **Ballot issue**
 - Request that City Council refer an item to the April 2015 Municipal election requesting voter approval to issue up to \$160 million¹ in sales and use tax revenue bonds for the purpose of completing critical neighborhood streets, stormwater, parks, and public safety capital improvement projects across the city.
- **Sales and Use Tax Revenue Bond issue - ~\$157 million² bonds total**
 - \$11 million debt service reserve
 - \$1 million cost of issuance
 - \$145 million project fund
 - True Interest Cost of 3.308% was assumed.
 - 20 year amortization, payments wrapped around the remaining 2015 & 2016 SCIP payments
 - Depending upon spending plan will issue bonds in more than one sale
 - IRS requires reasonable expectation that at least 85% of project spending will be complete within 3 years, so may sell the bonds in at least 2 issues
 - Average life of the bonds can be no more than 125% of the average useful life of the projects. In the current analysis, average life of the bonds is 12.73 years, so average life of the projects must be at least 10.184 years.
- **Project fund - \$145 million**

Projects	Average spend per year over 5 years	Total spending
Neighborhood Streets	\$15 million	\$75 million
Stormwater	\$8 million	\$40 million
Public Safety	\$4 million	\$20 million
Parks	\$2 million	\$10 million
Total	\$29 million	\$145 million

- **Annual Debt Service - \$11 million**
 - Current SCIP debt service is ~ \$7.9 million
 - Additional GF contribution to debt service of ~ \$3.1 million funded by:
 - Growth in revenue and/or
 - Current GF CIP budget (\$11.2 million)

Other CIP and Emergency Project funding - \$11.1 million

- Annual ongoing CIP – at least \$8.1 million, \$2.6 million more than 2011
- Stormwater maintenance - \$3 million

¹ The City has no General Obligation Debt – per City Charter, the General Obligation Debt limit is 10% of assessed valuation or approximately \$468 million. Absent this funding proposal, after the SCIP Revenue bonds are repaid, the City will have \$34 million in principal outstanding for Certificates of Participation (COPs) and Leases.

² Actual amount of bonds issued and project funds available will be dependent upon market conditions at the time of sale.