

2022 Potential Bond Ballot Measures

November 2, 2021



Agenda

- General Obligation Bonds
- Potential Bond Ballot Measures
- Additional Infrastructure Bond Projects
- Council Discussion



General Obligation Bond





General Obligation Bonds



What are General Obligation Bonds

- General Obligation Bonds (GO Bonds) are a debt financing option for Cities
- For the City to Issue GO Bonds, we must receive Voter Approval
- The City may levy a secondary property tax for payment



General Obligation Bonds



Secondary Property Tax

- Can only be used to pay off General Obligation Debt
- Assessed Valuations can only increase by 5% annually
- Can only assess the amount to pay debt service estimates with allowances for delinquencies



General Obligation Bonds

Bonding for Capital Costs versus Operational Costs

- Buildings, equipment, land, and like capital assets are the best use for bond financing.
 - These are one-time investments/expenditures
- Staffing, field maintenance and building maintenance are allowed, but not recommended
 - Bonds are not ongoing sources for maintaining our assets
 - Once bond moneys are spent, another source will need to pick up the costs of maintaining the assets
 - Has impact to tax exempt status, higher rates



General Obligation Bonds

ELECTION DATE	GENERAL OBLIGATION BOND QUESTION	AMOUNT	PASS/FAIL
11/5/1996	Improving Various Parks and Recreation Services	\$8,200,000	PASS
5/18/2004	Fire Fighting Facilities and Acquisition of Emergency Response Vehicles and Equipment	\$16,800,000	PASS
5/18/2004	Neighborhood Open Space and FUTS Land Acquisition	\$7,600,000	PASS
5/18/2004	Regional Open Space – Observatory Mesa Land Acquisition	\$5,500,000	PASS
5/18/2004	McMillan Mesa Open Space Land Acquisition	\$10,100,000	FAIL
5/18/2004	Multi-Generational Recreation Center: Expansion or New Construction	\$6,100,000	PASS
5/18/2004	Municipal Swimming/Aquatic Center Construction	\$8,600,000	PASS
5/18/2004	Lake Mary Regional Park and Other Parks Land Acquisitions	\$2,800,000	PASS
5/18/2004	Continental Park Recreational Field Development	\$3,100,000	FAIL
5/18/2004	Snow Play Area Development	\$4,100,000	FAIL



General Obligation Bonds

ELECTION DATE	GENERAL OBLIGATION BOND QUESTION	AMOUNT	PASS/FAIL
5/18/2004	Wastewater Improvements (*)	\$23,100,000	PASS
5/18/2004	Water Wells (*)	\$8,500,000	PASS
5/18/2004	Water Rights Acquisition/Water Development (*)	\$15,000,000	PASS
11/2/2010	Municipal Court House	\$23,000,000	FAIL
11/2/2010	Municipal Services Maintenance Center	\$42,000,000	FAIL
11/2/2010	Public Safety/City Operations Communications Systems	\$4,720,000	PASS
11/2/2010	Street and Utilities Improvements	\$16,500,000	PASS
11/6/2012	Forest Health and Water Supply Protection Project	\$10,000,000	PASS
11/6/2012	Core Services Maintenance Facility	\$14,000,000	PASS
11/8/2016	Municipal Court House	\$12,000,000	PASS
11/6/2018	Housing Affordability	\$25,000,000	FAIL

(*) These items were approved as GO backed authorization; however, the payment source expected from water and wastewater rates.



General Obligation Bonds

Legal Limits – State Statute/Assessed Valuations

- 20% Limitation: Water, sewer, artificial lighting, parks, open space, recreational facilities, public safety, law enforcement, fire and emergency services and street and transportation facilities
 - Bond capacity in this limitation = \$178M
- 6% Limitation: (i.e. Housing, Climate Action)
 - Everything else
 - Currently no issuance under this limitation
 - Bond capacity in this limitation = \$67M



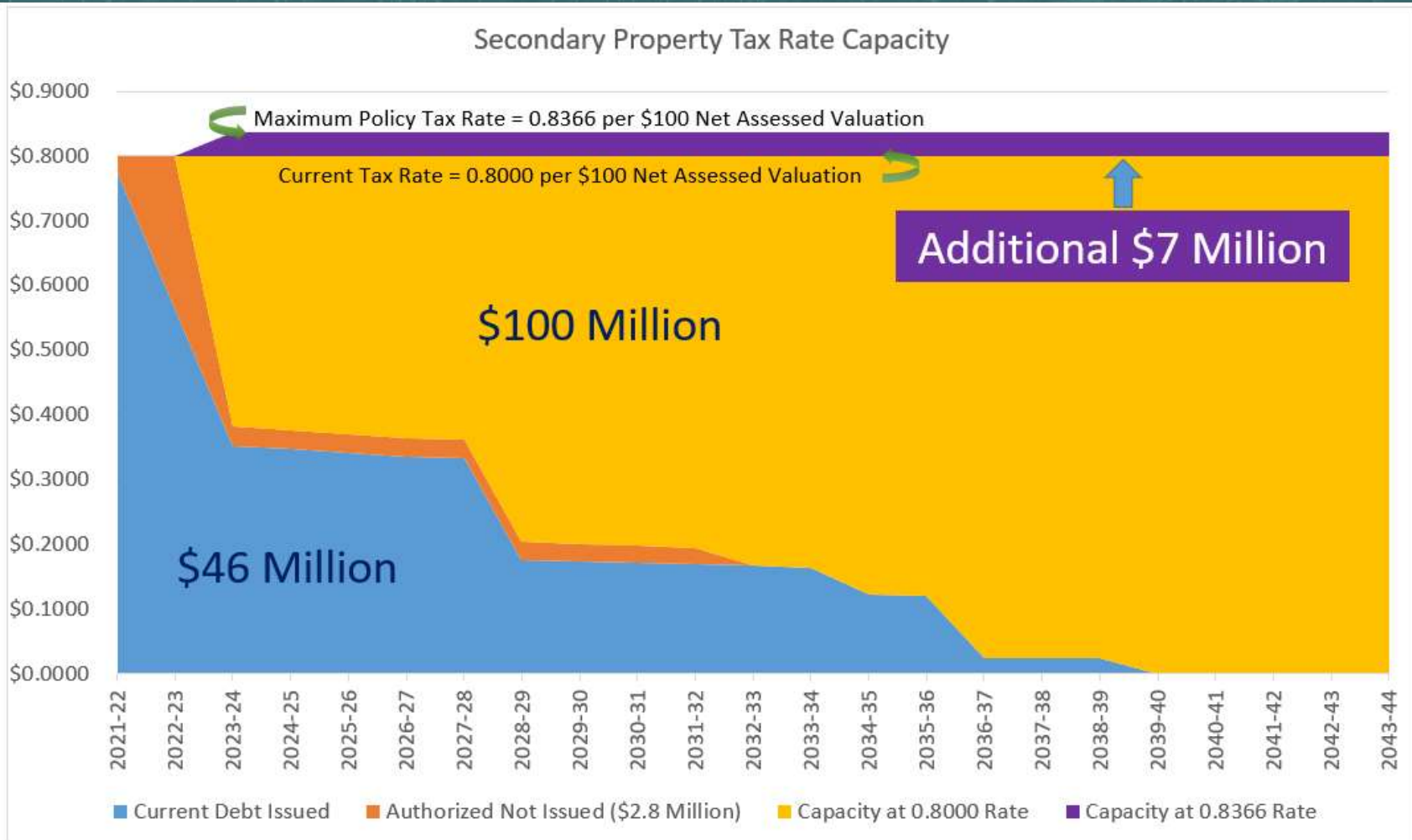
General Obligation Bonds

Policy Limits – City Imposed

- Current policy tax rate not to exceed 0.8366 per \$100 of Net Assessed Valuation (NAV)
 - This is based on promises made during past elections
 - The City allowed to go above this rate for purpose of paying debt
- Based on current projection of NAV
 - Estimated total capacity \$107M under current rate policy
 - Remaining capacity through FY 2044-45
- Current tax rate is 0.8000 per \$100 of NAV
 - Estimated total capacity \$98M through FY 2044-45

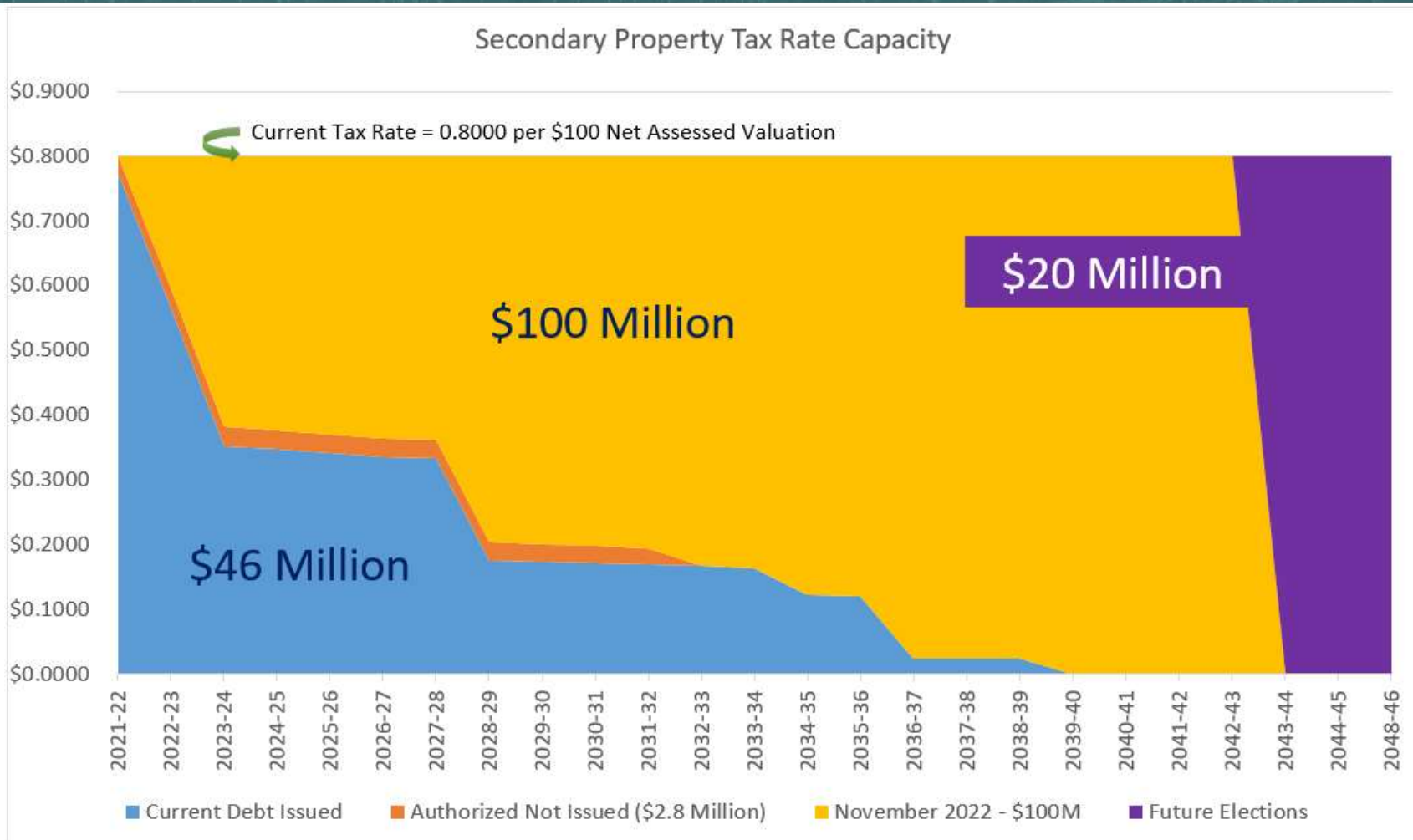


General Obligation Bonds





General Obligation Bonds

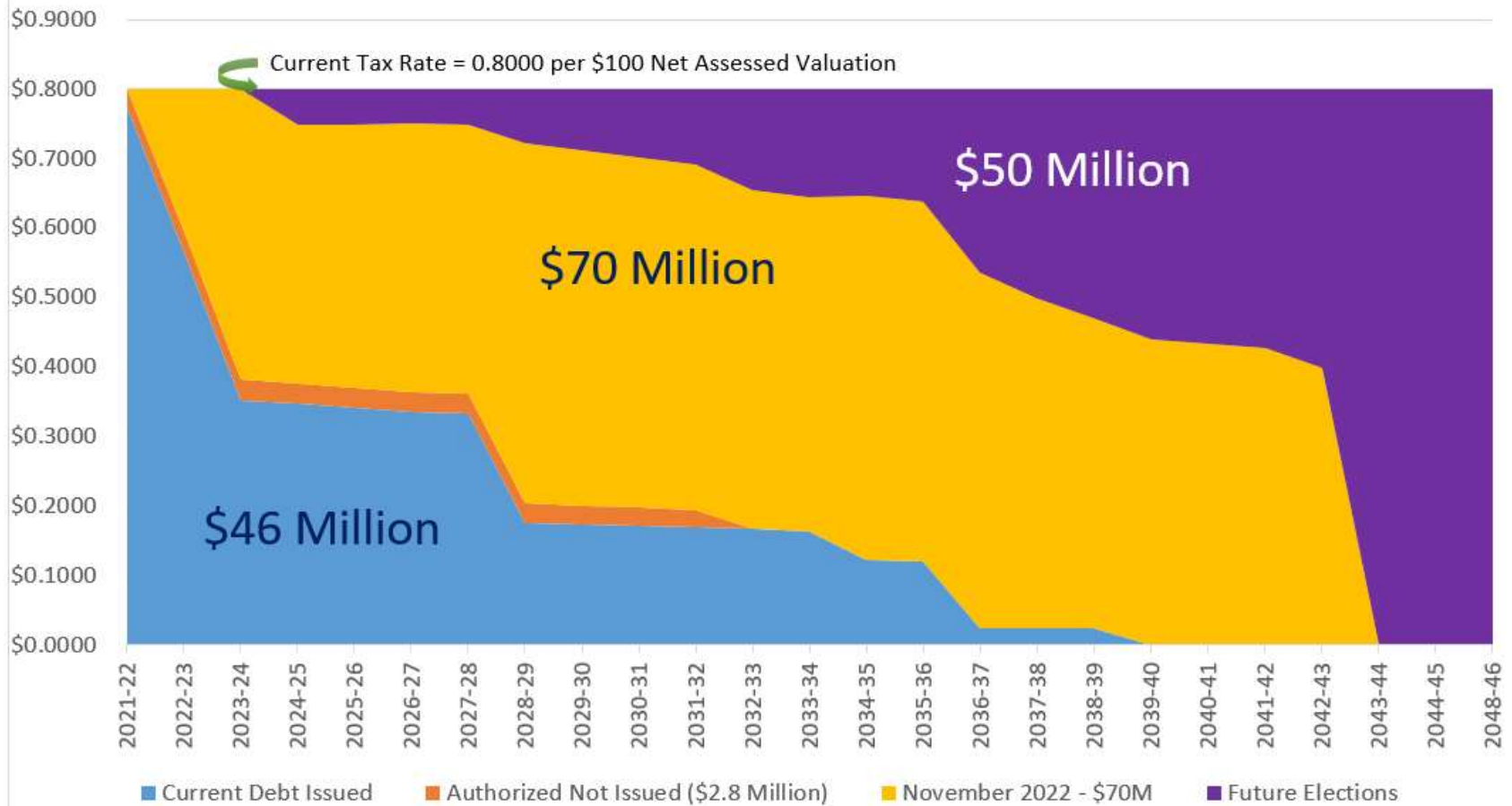




General Obligation Bonds



Secondary Property Tax Rate Capacity





General Obligation Bonds

Residential Taxpayer Impacts

- For planning purposes:
 - 20-year debt issuance at 5% interest rate
 - \$10M, \$25M and \$70M in bonds
 - Average Class 3 Residential Assessed Value - \$287,000, 0% growth
 - Total rate stays within current rate: 0.8000

Amount of Voter Authorization	Amount of Total Debt Paid	Estimated Tax Rate Required	Residential Annual Impact	20-Year Impact
\$ 10,000,000	\$ 15,934,493	0.0813	\$ 22	\$ 440
\$ 25,000,000	\$ 39,836,233	0.2034	\$ 55	\$ 1,100
\$ 70,000,000	\$ 111,541,453	0.5694	\$ 154	\$ 3,080

Potential Bond Ballot Measures





Potential Bond Projects



Identified during April Budget Retreat

- Housing
- Climate Action
- Alternate Response Care Center

Identified during Infrastructure Retreat

- Wastewater Infrastructure
- Stormwater Infrastructure
- Public Safety Infrastructure



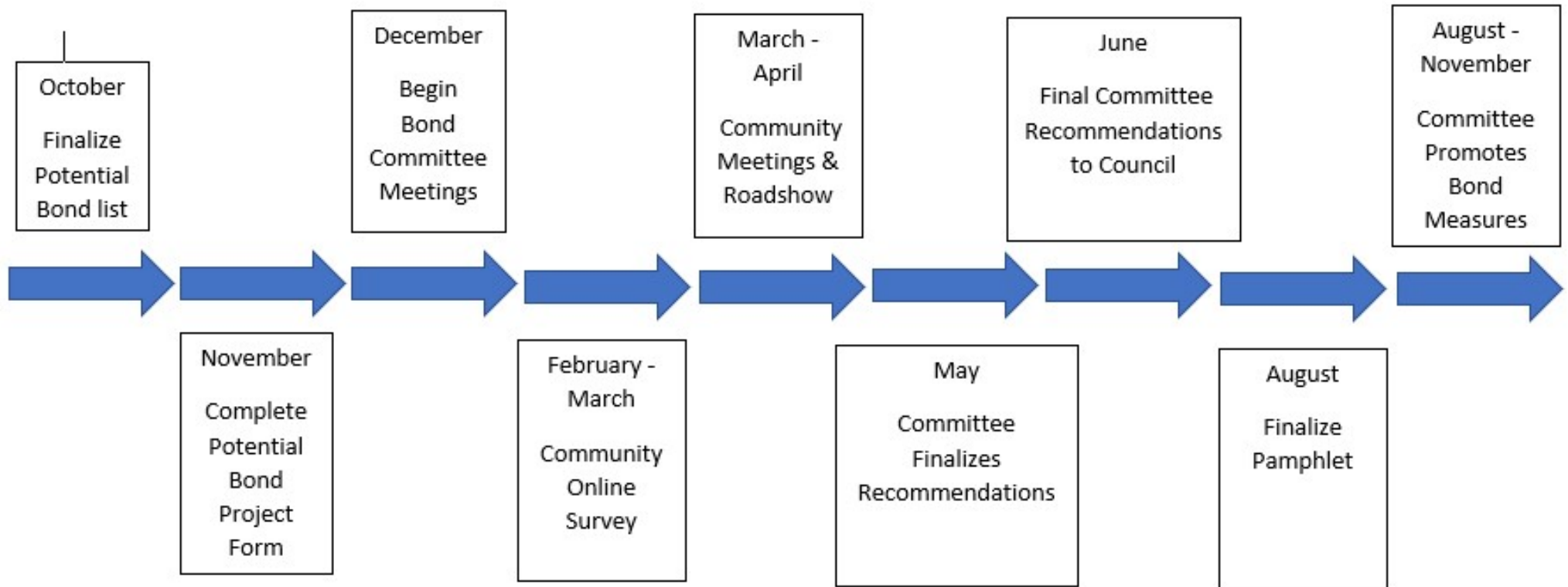
Potential Bond Process



- Selection of citizen bond committee members
- Committee gathers residents' insight
 - Community survey
 - Public participation in committee meetings
 - Feedback through community meetings
- Committee recommends potential bond ballot measures to Council
- Committee begins campaign to educate and promote bond ballot measures



Potential Bond Timeline



Additional Infrastructure Bond Projects





Florence to Walnut Pedestrian Underpass

- Bicycle and pedestrian tunnel will connect the La Plaza Vieja neighborhood and provides a north/south FUTS corridor with grade separation.
- Included in Adopted 2015 La Plaza Vieja Neighborhood Specific Plan.
- Additional funding required for updated design, right of way agreement with BNSF, and construction.
- Benefit areas - Safety, Equity, Climate Action and Adaptation, Carbon Neutrality, Transportation, Economic Development, Housing.
- Current funding - \$2.3M



Rio de Flag Pedestrian Underpass

- Bicycle and pedestrian tunnel will connect north Downtown and the Southside Neighborhood and provides a north/south FUTS corridor with grade separation.
- Connects the future Mountain Line Downtown Connection Center to north Downtown.
- Funding required for right-of-way agreement with BNSF and construction.
- Benefit areas - Safety, Equity, Climate Action and Adaptation, Carbon Neutrality, Transportation, Economic Development, Housing.
- Current funding - \$0



Neighborhood Multimodal Connectivity and Civic Space



Southside Community Civic Space

- Provides civic and recreation space for the Southside Community.
- Included in Adopted 2020 Neighborhood Specific Plan.
- Located adjacent to the future Lone Tree Overpass.
- Funding required for right-of-way acquisition, design, and construction.
- Benefit areas - Equity, Climate Action and Adaptation, Carbon Neutrality, Transportation, Economic Development, Housing.
- Current funding - \$0



Neighborhood Multimodal Connectivity and Civic Space



- RAISE Planning Grant award TBD November 2021.
 - Will provide planning coordination and design for delivery of projects adjacent to the BNSF Railway corridor.
- Bond funding can offset and incentivize future grant requests.
- Bond commitment from the community will benefit BNSF approval of local project construction.



Wastewater Infrastructure



Rehabilitation and Replacement

- Solids treatment capacity is at 88%
- Liquids treatment capacity is at 87%
- Need rehabilitate and replace to have redundancy for repairs
- Integration of carbon neutrality plan provisions
- Highest priority needs
 - Build two new and refurbish two existing digesters
 - Keeping all processes operational
- Estimated cost \$30M



Wastewater Infrastructure



Rehabilitation and Replacement Projects

- WHWRP Headworks Rehabilitation - \$4,000,000
- WHWRP Primary Pumps station Replacement - \$5,000,000
- WHWRP Headworks Motor Control Centers - \$2,500,000
- WHWRP Digester Complex Expansion \$8,000,000
- WHWRP Co-generation using Biogas - \$3,000,000
- RDFWRP Bar Screen Rehabilitation – \$400,000
- RDFWRP Smaller Turbo Blowers - \$1,000,000
- RDFWRP Main Motor Control Centers – 2,500,000
- RDFWRP Generator(s) and Automatic Transfer - \$1,500,000



Stormwater Infrastructure



Spruce Channel Improvements

- Improvements within existing Stormwater infrastructure footprint, from Paradise Rd to Route 66
 - Add enhancements to existing infrastructure
 - Increase flow capacity through the city
 - Minor adjustments to Stormwater footprint
- Upstream channel detention and retention projects must occur to attenuate flows to city's design flow capacity
- Estimated cost \$12-18M



Stormwater Infrastructure



Spruce Channel Projects

- Spruce Channel Master Plan Development \$ TBD
- Paradise Channel Improvement \$ 140,000
- Park Way area detention/retention \$ 3,000,000
- Linda Vista culvert improvement \$ 1,000,000
- Cedar culvert improvement \$ 1,000,000
- Dortha Inlet improvement \$ 800,000
- Arroyo Seco Diversion \$ 1,000,000
- Killip School Detention Basin \$ 4,600,000
- Channel Improvements (various) \$ 600,000



Public Safety Infrastructure



Emergency Radio Equipment

- Replacement and upgrades to the repeat towers on Mount Elden to keep frequencies to Dispatch and City operations
- Replacement of all handheld and mobile radio units within Police, Fire, Public Works and Water Services
- Unable to replace units when damaged
- Recommended life span 7-years
- Estimated cost \$2.75M



Public Safety Infrastructure



Fire Apparatus & Specialized Equipment

- All risk and wildfire apparatus to maintain base level service
- Units are frequently out of service
- Units are past the recommended life cycle by NFPA
- Unable to fund through General Fund fleet allocations
- 2-year need includes 6 different Fire apparatus
- Estimated cost \$4.15M

Council Discussion





Council Questions



- Is there anything missing from the process of collecting residents' feedback?
- Do you want to add any of the additional bond infrastructure projects as a potential bond ballot measure?
- Do you want to consider bond ballot recommendations equaling the total \$100M or do you want a lower maximum?
- Do you want recommendations from the committee by category (e.g. housing) or an overall list across all categories (e.g. housing, climate action, alternate response care center, infrastructure)?