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ITEM # 27  
DATE: 9-22-09

**COUNCIL ACTION FORM**

**SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS PER THE CITY CAPITAL IMPROVEMENT PROGRAM, SERIES 2009B ISSUE IN AN AMOUNT NOT TO EXCEED \$11,165,000**

**BACKGROUND:**

The 2009/10 budget included General Obligation Bond funded capital improvement projects in the amount of \$11,165,000. All projects were reviewed and issuance amounts adjusted based on timing of projects and current price estimates. Favorable bids for the raw water loop line eliminated the need to issue planned additional bonds in the amount of \$400,000 for the project.

Projects to be funded by this issue include the following:

**2009/2010 CIP G.O. Bond Issue:**

SW Ames Stormwater Management	\$ 475,000
Arterial Street Pavement Improvements	468,000
Collector Street Pavement Improvements	1,000,000
CyRide Route Pavement Improvements	800,000
Concrete Pavement Improvements	1,625,000
Asphalt Pavement Improvement Program	500,000
Downtown Pavement Improvements	500,000
Subtotal	<u>\$ 5,368,000</u>

**Carried Forward from 2008/2009 CIP:**

Concrete Pavement Improvements	\$ 1,225,000
Asphalt Pavement Improvement Program	350,000
Collector Street Pavement Improvements	900,000
CyRide Route Pavement Improvements	900,000
Arterial Street Pavement Improvements	437,573
Downtown Pavement Improvements	700,000
Subtotal	<u>\$ 4,512,573</u>

**Planned Tax Increment Financing (TIF):**

South Bell TIF	\$ 1,152,000
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Issuance Costs	\$ 132,427
<b>Total Debt Issue</b>	<u><b>\$ 11,165,000</b></u>

On the morning of September 22, 2009, the City of Ames will accept bids for the bonds per the terms of our offering statement. The bids will be evaluated by our financial advisor, Public Financial Management, bond counsel, and City staff to recommend award to the bidder with the lowest cost. Council may then adopt a resolution accepting bids and authorizing that the sale of bonds be awarded to the recommended bidder.

**ALTERNATIVES:**

1. City Council can adopt a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$11,165,000.
2. The Council can reject the bond sale resolution and delay the capital projects.

**MANAGER'S RECOMMENDED ACTION:**

Issuance of these bonds is necessary in order to accomplish the City's approved capital improvements this fiscal year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby adopting a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$11,165,000.