ROSEVILLE

REQUEST FOR COUNCIL ACTION

Date: 10/10/11
Item No.: 13.a

Department Approval

City Manager Approval

Item Description: Discuss a new Ordinance to Enable the City's Port Authority for the Purposes of Financing the Construction of a new Fire Station and Park Improvements

BACKGROUND

At the September 12, 2011 City Council meeting, the Council authorized the City to initiate the process of securing bond financing for the purpose of building a new fire station. The Council had previously authorized moving forward with bond financing for the purposes of funding park improvements.

After reviewing the available bond financing options it was determined that the most cost-effective approach was to issue bonds under the City's Port Authority. The City's Port Authority was established in 1987 by special legislation. It is not known if the City ever exercised its powers under the Authority, but State Statute clearly allows the Authority to issue general obligation bonds under certain circumstances.

In our case, the Port Authority, in conjunction with the City's Redevelopment Plan and Industrial Development District #1 Plan, allows for the issuance of general obligation bonds to finance the proposed fire station building and park improvements. A referendum is not required, but the City will be conducting a related public hearing on October 24, 2011 as part of this process.

To enable the City's Port Authority for these purposes, the City must enact a separate ordinance. The City's Bond Counsel will be drafting the Ordinance, but a preliminary draft is not yet available. The Council will be asked to adopt the ordinance at the October 24, 2011 meeting.

POLICY OBJECTIVE

Enabling the City's Port Authority to finance the construction of a new fire station and park improvements is consistent with the goals established by Imagine Roseville 2025, and prior Council directives.

FINANCIAL IMPACTS

An $8 million bond for the Fire Station is expected to have an annual impact of approximately $36, or $3 per month for a typical home. The annual debt service would be approximately $735,000.

A $19 million (overall) bond for Park Improvements is expected to have an annual impact of approximately $70, or $6 per month for a typical home. The annual debt service would be approximately $1,430,000.

STAFF RECOMMENDATION

Staff recommends the Council support the use of the City's Port Authority for the purposes of financing the construction of a new fire station and park improvements.

REQUESTED COUNCIL ACTION

For information purposes only. No formal action is required. A proposed ordinance will be submitted at the Council's October 24, 2011 meeting.

Prepared by: Chris Miller, Finance Director
Attachments: A: N/A