REQUEST FOR COUNCIL ACTION

Date: 10/24/11
Item No.: 12.a

Department Approval

City Manager Approval

Item Description: Adopt an Ordinance to Exercise the Use of the City's Port Authority for the Purposes of Financing the Construction of a new Fire Station and Park Improvements

BACKGROUND

At the October 10th and October 17th City Council meetings, the Council received information regarding the use of the City's Port Authority to finance the construction of a new fire station and park improvements. The City Council is now asked to adopt an ordinance to formally identify the issuance of general obligations bonds under the City's Port Authority.

Mary Ippel, from the law firm of Briggs & Morgan, serves as the City's Bond Counsel. She will be present at the meeting to address these and any other inquiries.

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 enact an Ordinance to exercise 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

Motion to adopt an Ordinance to exercise the use of the City's Port Authority for the purposes of financing the construction of a new fire station and park improvements.

Prepared by: Chris Miller, Finance Director
Attachments: A: Port Authority Ordinance

CITY OF ROSEVILLE

ORDINANCE NO. ______

AN ORDINANCE AUTHORIZING THE CITY OF ROSEVILLE TO ISSUE GENERAL OBLIGATION BONDS IN THE EXERCISE OF THE CITY'S PORT AUTHORITY POWERS

THE CITY OF ROSEVILLE ORDAINS:

Section 1. Recitals.

(a) Pursuant to Minnesota Statutes, Section 469.082, the City of Roseville, Minnesota (the "City") may exercise all of the powers of a port authority provided by Minnesota Statutes, Sections 469.048 to 469.068; and

(b) the City proposes to undertake a redevelopment project consisting of redeveloping various components of its park system and constructing a new fire station because of water infiltration, mold problems, and general deterioration at an existing fire station located at Woodhill and Lexington Avenues (the "Project") in the exercise of its legal powers and in furtherance of its goals and purposes, and requires financing for the Project; and

(c) the City believes that it is desirable and necessary it issue general obligation bonds to provide funds to finance the Project.

Section 2. Bonding Authorization. Pursuant to and in accordance with the provisions of this Ordinance and the provisions of Minnesota Statutes, Sections 469.060 and 469.082 and Chapter 475, the issuance of general obligation bonds by the City, in one or more series, in fully registered form, and in the aggregate principal amount not to exceed $27,000,000 (the "Bonds"), for the purpose of providing funds to assist in financing the Project, together with such costs of issuance and related costs as may be incidental to the issuance of the Bonds is hereby authorized and found to be proper. The Bonds shall be issued and sold by the City in the exercise of its port authority powers for the purpose of financing the Project. The City Council hereby gives specific consent to the pledge of the City's full faith, credit, and resources to the payment and security of the Bonds and authorizes the levy of taxes for the payment of the Bonds. The issuance of the Bonds shall be further subject to the consent and approval of the City Council by resolution as to the form, content, and specific details of the Bonds and their rate or rates of interest.

Section 3. Effective Date. The effective date of this Ordinance shall take effect and be in force following its publication in the official newspaper of the City.

Passed this 24th day of October, 2011.

____
Mayor

Attest:

____
City Manager