

2025 BOND REFERENDUM General Information & Initial Planning



**Council Work Session
February 14, 2024**

Agenda

1.

Bonds 101

2.

Bond prioritization

3.

Referendum process

4.

Possible scenarios

5.

Council discussion

Our capital needs exceed available funding.

Planning for a 2025 bond referendum starts now.

To plan, we need to agree on priorities and interests.

Why We Borrow with Bonds

- Secure, sustainable way for local governments to finance major capital projects
- Best practice for AAA rated municipalities
- Allows us to spread out costs to match the benefits of the projects for those paying taxes for debt service
- Generally used for projects with costs of more than \$1 million and life span of more than 10 years

General vs Limited Obligation

General Obligation

- Requires a referendum
- Backed by full faith & credit
- Lowest interest rate
- Popular projects that community will vote for

Limited Obligation

- Does not require a referendum
- Backed by a collateralized asset
- Slightly higher interest rate
- Needed but less favorable projects

Common Bond Order Categories

- Streets & Sidewalks
- Public Safety Facilities
- Open Space/Greenways
- Solid Waste
- Parking Facilities*
- Public Facilities
- Recreation Facilities
- Affordable Housing
- Remediation of Facilities
- Transit Facilities*

*We have not included transit or parking projects in a bond referendum because they are enterprise funds

Project Identification

- 24 projects that total up to \$150 million depending on project scopes.
- 4 transit projects and 1 parking project that total up to \$34 million
- Projects have not been fully vetted, costs are estimates, and multiple factors can influence

Bond Prioritization

Identify Funding

- Debt Affordability
- Debt Capacity
- Debt Strategy

Identify Projects

- Dept needs
- Master plans
- Council goals
- Community interests

Evaluate Projects

- Feasibility
- Staff capacity
- Readiness
- Equity lens

Project Evaluation

- Alignment w/goals, especially Complete Community
- Racial equity lens
- Shovel-readiness
- Staff capacity
- Alternative funding sources/partnerships

FY25 Proposed Referendum Schedule



We've developed a few scenarios to illustrate some possibilities and to get the conversation started tonight...

Prioritize Multiple Needs

Streets & Sidewalks	\$ 10.0 M
Public Facilities	2.5 M
Public Safety Facilities	15.0 M
Recreation Facilities	8.0 M
Affordable Housing	10.0 M
Remediation of Facilities	<u>4.5 M</u>
TOTAL	\$ 50.0 M

Prioritize Facilities

Public Safety Facilities	\$ 15.0 M
Public Facilities	12.5 M
Recreation Facilities	4.5 M
Solid Waste Facilities	10.0 M
Remediation of Facilities	<u>8.0 M</u>
TOTAL	\$ 50.0 M

Prioritize Infrastructure

Streets & Sidewalks	\$ 29.5 M
Downtown Streetscape	18.5 M
Open Space/Greenways	<u>2.0 M</u>
TOTAL	\$ 50.0 M

**What are your priorities?
What are your interests?**