

# **BOND REFERENDUM Project Evaluation & Timeline Discussion**



**Council Work Session**

**April 15, 2024**

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# Agenda

- 1. Borrowing Q & A**
- 2. 2024 vs 2025 Timeline**
- 3. Staff Recommendation**
- 4. Future Year Capacity**
- 5. Council Discussion**

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**We have \$50 million in debt capacity, without raising taxes.**

**We can put a bond referendum on the ballot this year or next.**

**We need clear direction from you on projects and timing ASAP.**

# **Borrowing Q & A**

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# Why Borrow with Bonds?

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- 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

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# Is Police Station Lease Considered Debt?

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- Currently estimating a \$1.5 million annual operating lease payment
- Operating lease payment acts as debt
- Payments will be made from the Debt Fund
- Lease was included when total availability & capacity calculations were determined

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# What about the \$40M Bonds from 2015?

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<u>Bond Order</u>	<u>Amount Available</u>
Parks & Recreation	\$ 2,700,000
Stormwater*	3,200,000
Solid Waste	<u>5,200,000</u>
Total Remaining	\$11,100,000

\* Can be used for Bolinwood Bridge project \$2.5 M (urgent need)

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# What about the 2024 LOBS Issuance?

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- Parking Deck                      \$12.0 million
- Ladder Truck                      \$ 2.5 million
  
- RFP currently out
- To Council on 5/15 & 6/5 for approval

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# 2024 vs 2025 Timeline

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# 2024 Referendum Schedule

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# 2024 Timeline

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Referendum Plan	May 1
Preliminary Findings Resolution	May 15
Introduce Bond Orders, Set Public Hearing, Filing of Debt Statements	June 5
Hold Public Hearing, Adopt Bond Orders, Set Ballot Questions & Referendum Date	June 17

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# 2025 Referendum Schedule

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# Things to think about when you think about timing...

- Presidential election in 2024
- County bond referendum expected in 2025
- Deadline for decision-making about projects
- Sense of urgency

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# **Staff Recommendations**

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# Project Evaluation Criteria

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- Impact
- Urgency
- Tradeoffs
- Co-benefits
- Resilience lens
- Effective use of limited resources
- Alignment w/Complete Community
- Racial Equity lens
- Shovel-readiness
- Staff capacity
- Alternative funding/partnerships

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# Staff Recommendation for Bond Orders

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Public Safety Facilities	15.0 M
Streets & Sidewalks	10.0 M
Parks & Recreation Facilities	6.5 M
Public Facilities	2.5 M
Open Space/Greenways	2.0 M
Affordable Housing	10.0 M

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# Urgent Projects (\$21.0M)

Fire Station #4	\$ 10.0 M
Fire Station #3	5.0 M
Fordham Sidepath	2.0 M
ADA Transition Plan	2.0 M
East Rosemary Parking Deck (LOBS)	2.0 M

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**Priority  
Projects  
(\$29.5M)**

Affordable Housing Projects	10.0 M
Ephesus Church Rd Sidewalk Infill	2.0 M
Raleigh Road Sidepath	4.0 M
Bolin Creek Greenway	2.0 M
Artificial Turf	3.0 M
Recreation Facilities	3.5 M
Sustainability Projects	2.5 M
Ladder Truck (LOBS)	2.5 M

# Unfunded Projects (\$104M)

Street Resurfacing	\$10.0 M
Townwide Sidewalks	3.5 M
Downtown Streetscape (per mile)	18.5 M
PW Building #1 Addition	6.0 M
Historic Town Hall Renovation	10.0 M
Joint Training Center	15.0 M
P&R Admin Building/Clay Studio	4.5 M
Affordable Housing	8.5 M
Solid Waste Transfer Station	10.0 M
Police Station Property Remediation	18.0 M

# Future Capacity

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# Future Funding Considerations

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- Next referendum could be sometime after 2032
- New \$50 million referendum with possible issuances:
  - \$15 million in FY 2033
  - \$20 million in FY 2035
  - \$15 million in FY 2037
- #'s dependent on East Rosemary Deck revenue generation & Orange County revaluation in 2026

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# Council Discussion

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# We Need Clear Direction On...

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- Bond referendum in 2024 or 2025
- Bond orders and amounts

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