

Funding City Hall Expansion

September 6, 2018

Thus Far



Project Improvements

292 Design Study

- **Determine initial improvements to maximize use of existing space (Short-term)**
 - **Develop a plan for design, occupation of third floor (Long-term)**
-

292 Design Study – total costs

▪ Short-term	\$1,453,700
▪ Long-term	\$1,751,000
▪ “Soft” Costs	\$ 678,800
▪ Garage	<u>\$2,510,400</u>
	<u>\$6,393,900</u>

Short-term Improvements

- **Police Department**
 - Locker rooms (\$300,000)
 - Evidence area (\$140,000)
 - Main counter, other areas (\$565,700)
 - **Parks & Rec (\$154,000)**
 - **Building Inspections (&189,000)**
-

Short-term Improvements

- **Converting first floor break room to fitness room (\$70,000)**
 - **Large second floor conference room (\$35,000)**
-

Long-term Improvements

- **Third-floor (\$1,080,000)**
 - **Stairway extension (\$160,000)**
 - **Admin, Finance, PD shift (\$322,000)**
 - **CS, Planning, Engineering shift (\$189,000)**
-

Funding

Funding Issues

- **No funds on hand to fully fund the project**
 - **For practical purposes, need to first complete substantial work on the third floor**
 - **Council support to explore debt financing to complete the project with no phasing**
-

Funding – Capital Improvement (CI) Bonds

- **Authorized under MN Statutes, Chapter 475.521**
 - **Used to construct (non-recreational) public facilities**
 - **PW Facility, Fire Station 3 financed w/ CI Bonds**
-

Funding – Capital Improvement (CI) Bonds

- CC adopts CIP with the project included
- CC holds public hearing to:
 - Approve CIP
 - Issue bonds

If a petition requesting a vote on the issuance of CI bonds is signed by a number of voters at least equal to 5% of the votes cast in the last general election is filed within 30 days, then bonds must be approved by voters

CI Improvement (CI) Bonds

- **\$6.5 million issue**
 - **15 years**
 - **4% interest rate**
-

CI Improvement (CI) Bonds

- ~ \$625,000 annual DS payments
 - Annual cost to average valued home = \$17
 - Impact on tax rate: ~ .75%
-