



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Details (With Text)

File #: WS 18-70 **Version:** 1 **Name:** Funding City Hall Improvements
Type: Workshop Item **Status:** Filed
File created: 10/11/2018 **In control:** City Council Workshop
On agenda: 10/11/2018 **Final action:** 10/11/2018
Title: FUNDING CITY HALL EXPANSION IMPROVEMENTS
Sponsors: Joe Huss
Indexes:
Code sections:
Attachments: 1. Funding Powerpoint

Date	Ver.	Action By	Action	Result
10/11/2018	1	City Council Workshop	Discussed	
9/6/2018	1	City Council Workshop	Discussed	

WORKSHOP ITEM - *Joe Huss, Finance Director*

FUNDING CITY HALL EXPANSION IMPROVEMENTS

At the July 19, 2018 Workshop, staff presented Council with preliminary findings from a space needs study conducted by the architectural firm 292 Design. The purpose of the study was twofold - to determine what improvements could be implemented fairly quickly to maximize efficiency in existing occupied space (a short-range plan), and to develop a plan for the design and occupation of the third floor (a long-range plan).

Items identified as short-range improvements are:

- Filling in recessed space in the first floor atrium:
 - Police Department
 - Parks and Recreation
- Expanding Building Inspections
- Expanding Evidence Storage
- Moving Roll-Call Room
- Converting break room to fitness room
- Large conference room (2nd floor West)
- Move City Clerks, Utility Billing

Items identified as long-range improvements are:

- Preparing third floor for occupancy:
- Workspace design, furniture
- Extend stairway from 2nd floor to 3rd floor

- Moving Admin, Finance to 3rd floor
- Moving portions of PD to 2nd floor
- CS, Engineering trading spaces
- Construction of a garage/storage building
On SE corner for Admin, BI vehicles

The total cost estimate of the improvements listed above, including design and contingency is \$6.5 million. Staff is working with 292 Design to get a breakdown of the costs for the components listed above for presentation at the September 6 Workshop.

At the July 19 Workshop, Council expressed their desire to develop an open and flexible floor plan and there was discussion as to the timing of the work and how the project would be funded. Staff indicated that there are not sufficient funds on hand to complete the work at this time and that, with the need to perform the most expensive work (completion of the third floor) first, it would be difficult to stage the work over a number of years as funds either become available or are set aside annually. The only solution would be to issue Capital Improvement Bonds to fund the project. The six Councilmembers present unanimously expressed their support to bond for the improvement and complete the project as quickly as possible, but requested to see a funding plan before moving forward with a decision.

Capital Improvement Bonds

Capital Improvement (CI) bonds are authorized under Minnesota statutes, chapter 475.521 and may be used, among other purposes, to finance the construction or improvements of city halls and other public facilities. (The Public Works facility and Fire Station #3 were financed with CI bonds.) The bonds are not subject to a referendum so long as (1) the Council approves a capital improvement plan that includes the project; and (2) a public hearing regarding both the approval of the plan and the issuance of bonds is held. If a petition requesting a vote on the issuance of bonds is signed by a number of voters at least equal to 5% of the votes cast in the last municipal general election and is filed within 30 days after the public hearing, then the bonds may not be issued unless approved by the voters.

The issuance of CI Bonds will increase the City's debt service and, in turn, increase the City's Debt Service tax levy through the term of the bonds. A conservative estimate is that a \$6.5 million bond issue with a term of 15 years at 4% would require annual debt service levies of \$625,000. Based on current valuations, a levy of this amount would increase the City's tax rate by roughly .75%. For an average-valued Blaine home, with a value of \$230,000, the annual cost would be about \$17.00.

Staff is seeking Council direction regarding this issue.