



CITY OF GRAND RAPIDS

CITY COUNCIL
CHAMBERS
420 NORTH POKEGAMA
AVE.

Meeting Agenda Full Detail City Council

Tuesday, January 17, 2012

4:00 PM

Conference Room 2A

SPECIAL MEETING

CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting of the Grand Rapids City Council was held on Tuesday, January 17, 2012 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

1. 12-0041 Discuss 2012-2016 Capital Improvement Plan for infrastructure and 2012 proposed projects.

Attachments: [Memo Council 2012 Projects.pdf](#)
[2012-2016 Projects & Funding Source by Dept.pdf](#)
[2012-2016 Projects by Funding Source-GO.pdf](#)

ADJOURNMENT

Attest:

Shawn Gillen, City Administrator



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0041 **Version:** 1 **Name:** Discuss CIP and 2012 Projects
Type: Agenda Item **Status:** Finance
File created: 1/12/2012 **In control:** Finance
On agenda: 1/17/2012 **Final action:**
Title: Discuss 2012-2016 Capital Improvement Plan for infrastructure and 2012 proposed projects.
Sponsors:
Indexes:
Code sections:
Attachments: [Memo Council 2012 Projects.pdf](#)
[2012-2016 Projects & Funding Source by Dept.pdf](#)
[2012-2016 Projects by Funding Source-GO.pdf](#)

Date	Ver.	Action By	Action	Result
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Discuss 2012-2016 Capital Improvement Plan for infrastructure and 2012 proposed projects.

Background Information:

Attached to this RCA are four documents:

- *Memo from Tom Pagel, City Engineer and Shirley Miller, Finance Director
- *City's proposed CIP identifying Projects by Fund Source (Pages 1-3)
- *City's proposed CIP by Funding Source, showing only the GO bonding and GO Reconstruction sections (Page

4)

The City needs to make a large payment to MNDOT for the Highway 169 project at the end of March, and consequently, needs to issue bonds in March in order to have the funds available. That means the set sale for the bonds should occur at the February 13, 2012 meeting.

Requested City Council Action

Discuss 2012-2016 Capital Improvement Plan for infrastructure and 2012 proposed projects.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

FINANCE DEPARTMENT

420 NORTH POKEGAMA AVENUE, GRAND RAPIDS, MINNESOTA 55744-2662

M E M O R A N D U M

DATE: January 12, 2012
TO: Mayor Dale Adams, Council members Joe Chandler, Dale Christy, Gary McInerney, and Ed Zabinski
C: Shawn Gillen, City Administrator
FROM: Tom Pagel, City Engineer and Shirley Miller, Finance Director
RE: 2012-2016 CIP and 2012 Proposed Infrastructure Projects

Attached is the City's proposed 2012-2016 CIP identifying projects by funding sources.

The projects to focus on now (short-term) are:

- CP 2011-4, Horseshoe-Isleview Partial Reconstruction, which was a 2011 capital improvement project where bonding was delayed to consolidate the MSAS Bonding with CP 2004-3,
- CP-2004-3, 4th Street SW/SE, and
- CP 2011-6, Horseshoe Lake Road Improvements.

All three projects require MSAS Bonding and GO Bonding which will be discussed in further detail. Bonding components for the three projects are summarized in the following table:

Project	MSAS Bonds	GO Bonds (1)	Total of Bonding
CP 2011-4 Horseshoe/Isleview	1,450,000	875,000	2,325,000
CP 2004-3 4 th St SW/SE	1,455,380	1,385,000	2,840,380
CP 2011-6 Horseshoe Imp	1,274,620	1,005,000	2,279,620
Totals	4,180,000	3,265,000	7,445,000

(1) Includes the portion of the project to be assessed.

MSAS Bonding – The City currently receives approximately \$875,000 in MSAS funds on an annual basis. The City previously issued MSAS Bonds in 2005 and in 2007. The annual payment for both bonds is approximately \$240,000 resulting in \$635,000 in available annual “cash”. The 2005 bond issuance will be complete in calendar year 2015, freeing up about an additional \$127,000. The 2007 bond issuance has a longer term expiring in 2022.

City staff is recommending issuing \$4,180,000 in MSAS Bonds for a 15 year term. This will require approximately \$350,000 of our available annual MSAS funds of \$635,000, resulting in a reduction of available “cash” of \$285,000 until calendar year 2016 when the available “cash” would increase by about \$127,000 to a total available cash of \$412,000 on an annual basis.

By issuing MSAS Bonds, the amount of GO Bonds is decreased, thus reducing the amount of increase to the levy to pay for projects.

GO Bonding – At a minimum the City is committed to bonding for CP 2011-4 and CP 2004-3. The question is whether the City should bond for CP 2011-6 in calendar year 2012 or 2013. To assist the council in answering this question, levy increase calculations were generated assuming a 0% increase in operating expenses and no change in taxable market value or fiscal disparities. The following table summarizes the impacts to the general levy.

Project	Annual Debt Levy 2012	% Inc. to Levy in 2012	Projected Tax Rate (69.469%)
CP 2011-4 & 2004-3	130,638	2.34%	71.331
All three projects	188,136	3.42%	72.150

Summary of Short-Term Bonding – Part of the funding for 2010-3 19th Avenue Railroad Project (2011 project) was a federal grant for \$875,000, but the funds will not be available until October 1, 2013. We are proposing a Temporary Bond for \$920,000 to bridge that temporary shortfall. That includes \$875,000 par amount of the bonds, capitalized interest of \$22,458, and bond issuing costs of \$22,542. The capitalized interest will be used to pay the interest when the bonds are paid off. If the federal funds are received earlier than anticipated, we can pay off the bonds early, the interest cost will be less, and any capitalized interest funds remaining can be used for another project.

CIP Future Impacts (2013 – 2016) – The total estimate GO Debt that would be required to complete the proposed 2013–2016 of the Five Year CIP is \$12,824,074. On average this equates to \$3,206,018 per year for construction years 2013-2016. This is almost identical to the bond issuance for all three projects discussed earlier in this document at \$3,265,000. So one could expect about 3.4% increase to the levy each year if all projects currently in the CIP were done.

City of Grand Rapids, Minnesota
Amended Capital Improvement Plan
 2012 thru 2016

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	2012	2013	2014	2015	2016	Total
Engineering								
4th St SW/SE (2nd Ave W - 7th Ave E)	2012/2004-3	2	4,556,888					4,556,888
<i>Assessments</i>			328,886					328,886
<i>ATP Funds-Infrastructure</i>			136,712					136,712
<i>GO Reconstruction Bonds</i>			1,122,923					1,122,923
<i>GR Public Utilities-Sanitary</i>			359,951					359,951
<i>GR Public Utilities-Water Main</i>			1,103,033					1,103,033
<i>MSAS-Bonding</i>			1,455,383					1,455,383
<i>Storm Water Utility</i>			50,000					50,000
Horseshoe Lake-Isleview Partial Reconditioning	2012/2011-4	2	3,556,861					3,556,861
<i>Assessments</i>			434,271					434,271
<i>GO Bonds</i>			484,774					484,774
<i>MSA</i>			567,366					567,366
<i>MSAS-Bonding</i>			2,020,450					2,020,450
<i>Storm Water Utility</i>			50,000					50,000
Horseshoe LK RD - GCR to 21st Street SW	2012/2011-6	1	2,251,539					2,251,539
<i>Assessments</i>			457,759					457,759
<i>GO Bonds</i>			700,000					700,000
<i>MSAS-Bonding</i>			1,043,780					1,043,780
<i>Storm Water Utility</i>			50,000					50,000
14th Street to Ridgewood Road - Phase 1	2013/2001-14	1		1,061,667				1,061,667
<i>MSAS-Bonding</i>				991,667				991,667
<i>PIR</i>				70,000				70,000
4th & 5th Ave NE (5th St)	2013/2007-5	2		592,552				592,552
<i>Assessments</i>				188,578				188,578
<i>GO Reconstruction Bonds</i>				286,353				286,353
<i>GR Public Utilities-Sanitary</i>				36,938				36,938
<i>GR Public Utilities-Water Main</i>				80,683				80,683
Golf Course Road Improvements	2013/2011-5	2		214,500				214,500
<i>General Fund</i>				214,500				214,500
6th St NE (2nd Ave - 5th Ave)	2013/2012-1	2		865,119				865,119
<i>Assessments</i>				56,100				56,100
<i>GO Reconstruction Bonds</i>				482,119				482,119
<i>GR Public Utilities-Sanitary</i>				150,300				150,300
<i>GR Public Utilities-Water Main</i>				176,600				176,600
4th Ave NE (5th St - 7th St)	2013/2012-3	2		470,342				470,342
<i>Assessments</i>				42,400				42,400
<i>GO Reconstruction Bonds</i>				316,342				316,342
<i>GR Public Utilities-Water Main</i>				111,600				111,600
City Wide Overlays-Urban	2014/2010-2	1			622,496			622,496
<i>Assessments</i>					124,500			124,500
<i>GO Bonds</i>					497,996			497,996
10th Ave NE (5th St - 7th St)	2014/2011-1	2			564,575			564,575
<i>Assessments</i>					38,100			38,100
<i>GO Reconstruction Bonds</i>					313,125			313,125

Department	Project#	Priority	2012	2013	2014	2015	2016	Total
GR Public Utilities-Sanitary					98,100			98,100
GR Public Utilities-Water Main					115,250			115,250
7th St and 11th Avenue NE	2014/2011-3	2			1,070,284			1,070,284
Assessments					114,100			114,100
GO Reconstruction Bonds					937,084			937,084
GR Public Utilities-Sanitary					19,100			19,100
City Wide Overlays-Urban	2014/2011-4A	1			540,000			540,000
Assessments					100,000			100,000
GO Bonds					390,000			390,000
Storm Water Utility					50,000			50,000
Remer-DeSchepper Overlays-Rural	2014/2012-4A	2			708,938			708,938
Assessments					125,000			125,000
GO Bonds					583,938			583,938
City Wide Overlays-Rural	2014/2013-2	1			195,000			195,000
Assessments					40,000			40,000
GO Bonds					155,000			155,000
21st St SW (3rd Ave to Horseshoe Lk Rd)	2015/2003-18	2				1,552,829		1,552,829
Assessments						389,496		389,496
GO Bonds						663,333		663,333
MSAS-Bonding						500,000		500,000
4th Ave NW (9th - 13th)	2015/2009-1	2				1,378,644		1,378,644
Assessments						98,800		98,800
GO Reconstruction Bonds						830,544		830,544
GR Public Utilities-Sanitary						273,500		273,500
GR Public Utilities-Water Main						125,800		125,800
Storm Water Utility						50,000		50,000
3rd Ave NE (5th - 8th)	2015/2010-1	2				995,108		995,108
Assessments						76,600		76,600
GO Reconstruction Bonds						672,708		672,708
GR Public Utilities-Water Main						245,800		245,800
Mississippi Riverfront Bridge	2015/2010-5	1				2,091,285		2,091,285
Federal Other						1,673,028		1,673,028
ST/MN-DNR						118,257		118,257
ST/MN-JRR						300,000		300,000
Crystal Lake Blvd 1st Ave NW - 12th St NE	2015/2011-2	2				880,969		880,969
Assessments						83,700		83,700
GO Reconstruction Bonds						737,369		737,369
GR Public Utilities-Water Main						59,900		59,900
9th St NE (1st Ave to Reynolds)	2015/2012-2	2				910,650		910,650
Assessments						58,900		58,900
GO Reconstruction Bonds						507,650		507,650
GR Public Utilities-Sanitary						158,200		158,200
GR Public Utilities-Water Main						185,900		185,900
City Wide Overlays-Urban	2015/2012-4	2				861,450		861,450
Assessments						194,500		194,500
GO Bonds						666,950		666,950
Elida Drive Extension	2015/2012-5	2				897,130		897,130
Assessments						353,254		353,254
GO Bonds						243,876		243,876
MSAS-Bonding						300,000		300,000
City Wide Overlay-Urban	2015/2013-2B	1				383,500		383,500
Assessments						75,000		75,000
GO Bonds						308,500		308,500
2nd Avenue NE (6th to 8th)	2015/2014-2	1				891,667		891,667
Assessments						110,000		110,000
GO Reconstruction Bonds						495,667		495,667
GR Public Utilities-Sanitary						143,000		143,000

Department	Project#	Priority	2012	2013	2014	2015	2016	Total
<i>GR Public Utilities-Water Main</i>						143,000		143,000
City Wide Overlays-Rural	2015/2014-3	1				487,500		487,500
<i>Assessments</i>						97,500		97,500
<i>GO Bonds</i>						390,000		390,000
City Wide Overlays-Urban	2015/2014-3B	1				470,000		470,000
<i>Assessments</i>						94,000		94,000
<i>GO Bonds</i>						376,000		376,000
2nd Ave SE (10th St - 11th St)	2016/2002-4	2					322,408	322,408
<i>Assessments</i>							322,408	322,408
NW Street Reconstruction	2016/2016-1	1					3,702,200	3,702,200
<i>Assessments</i>							245,000	245,000
<i>GO Reconstruction Bonds</i>							2,969,520	2,969,520
<i>GR Public Utilities-Sanitary</i>							186,600	186,600
<i>GR Public Utilities-Water Main</i>							301,080	301,080
Engineering Total			10,365,288	3,204,180	3,701,293	11,800,732	4,024,608	33,096,101
GRAND TOTAL			10,365,288	3,204,180	3,701,293	11,800,732	4,024,608	33,096,101

Report criteria:

Type: E or I or M or Z

Active Projects

Department: Engineering

Category: Alley or Park Improvements or Rural Street or Trails or Urban Street

All Priority Levels

All Source Types

PROJECTS BY FUNDING SOURCE 2012-2016

Source	Project#	Priority	2012	2013	2014	2015	2016	Total
General Fund Total			214,500					214,500
GO Bonds								
Horseshoe Lake-Isleview Partial Reconditioning	2012/2011-4	2	484,774					484,774
Horseshoe LK RD - GCR to 21st Street SW	2012/2011-6	1	700,000					700,000
City Wide Overlays-Urban	2014/2010-2	1			497,996			497,996
City Wide Overlays-Urban	2014/2011-4A	1			390,000			390,000
Remer-DeSchepper Overlays-Rural	2014/2012-4A	2			583,938			583,938
City Wide Overlays-Rural	2014/2013-2	1			155,000			155,000
21st St SW (3rd Ave to Horseshoe Lk Rd)	2015/2003-18	2				663,333		663,333
City Wide Overlays-Urban	2015/2012-4	2				666,950		666,950
Elida Drive Extension	2015/2012-5	2				243,876		243,876
City Wide Overlay-Urban	2015/2013-2B	1				308,500		308,500
City Wide Overlays-Rural	2015/2014-3	1				390,000		390,000
City Wide Overlays-Urban	2015/2014-3B	1				376,000		376,000
GO Bonds Total			1,184,774	1,626,934	2,648,659			5,460,367
GO Reconstruction Bonds								
4th St SW/SE (2nd Ave W - 7th Ave E)	2012/2004-3	2	1,122,923					1,122,923
4th & 5th Ave NE (5th St)	2013/2007-5	2		286,353				286,353
6th St NE (2nd Ave - 5th Ave)	2013/2012-1	2		482,119				482,119
4th Ave NE (5th St - 7th St)	2013/2012-3	2		316,342				316,342
10th Ave NE (5th St - 7th St)	2014/2011-1	2			313,125			313,125
7th St and 11th Avenue NE	2014/2011-3	2			937,084			937,084
4th Ave NW (9th - 13th)	2015/2009-1	2				830,544		830,544
3rd Ave NE (5th - 8th)	2015/2010-1	2				672,708		672,708
Crystal Lake Blvd 1st Ave NW - 12th St NE	2015/2011-2	2				737,369		737,369
9th St NE (1st Ave to Reynolds)	2015/2012-2	2				507,650		507,650
2nd Avenue NE (6th to 8th)	2015/2014-2	1				495,667		495,667
NW Street Reconstruction	2016/2016-1	1					2,969,520	2,969,520
GO Reconstruction Bonds Total			1,122,923	1,084,814	1,250,209	3,243,938	2,969,520	9,671,404
GR Public Utilities-Sanitary								
4th St SW/SE (2nd Ave W - 7th Ave E)	2012/2004-3	2	359,951					359,951
4th & 5th Ave NE (5th St)	2013/2007-5	2		36,938				36,938
6th St NE (2nd Ave - 5th Ave)	2013/2012-1	2		150,300				150,300
10th Ave NE (5th St - 7th St)	2014/2011-1	2			98,100			98,100
7th St and 11th Avenue NE	2014/2011-3	2			19,100			19,100
4th Ave NW (9th - 13th)	2015/2009-1	2				273,500		273,500
9th St NE (1st Ave to Reynolds)	2015/2012-2	2				158,200		158,200
2nd Avenue NE (6th to 8th)	2015/2014-2	1				143,000		143,000
NW Street Reconstruction	2016/2016-1	1					186,600	186,600
GR Public Utilities-Sanitary Total			359,951	187,238	117,200	574,700	186,600	1,425,689
GR Public Utilities-Water Main								
4th St SW/SE (2nd Ave W - 7th Ave E)	2012/2004-3	2	1,103,033					1,103,033
4th & 5th Ave NE (5th St)	2013/2007-5	2		80,683				80,683
6th St NE (2nd Ave - 5th Ave)	2013/2012-1	2		176,600				176,600
4th Ave NE (5th St - 7th St)	2013/2012-3	2		111,600				111,600