

Potential Debt Issuances for Midway Road Reconstruction and Addison Grove Public Infrastructure Incentive

November 13, 2018



Purpose of Discussion

Facilitate City Council discussion regarding:

- Options for funding the Midway Road Reconstruction Project; and
- Options for funding the economic development incentive for the public infrastructure for the Addison Grove development.

Midway Road Reconstruction

ADDISON

➤ Issue: In 2012 voters approved \$16 million in funding for the reconstruction of Midway Road. \$3 million is being spent on the design of the reconstruction project. \$13 million is available for construction of the project. The total project estimate is \$41 million in (\$38 million 2016 dollars + \$3 million to add Master Transportation Plan elements). The funding gap is approximately \$25 million.

➤ Policy Question:

Should the funding gap for the Midway Road Reconstruction Project be funded through additional voter approved bonds or should the City Council authorize the sale of Certificates of Obligation to complete a project that is already authorized by voters?

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Midway Road Reconstruction (Cont.)

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▪ Estimated Total Cost of Project	\$41,000,000
▪ Partial Funding To Date:	
▪ 2012 Bond Issuance	\$3,000,000
▪ 2012 Authorized Bond Issuance	<u>\$13,000,000</u>
▪ Total Funding from 2012 Bond Election	<u>\$16,000,000</u>
▪ Unfunded Cost of Project	<u>\$25,000,000</u>

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Addison Grove Public Infrastructure Incentive

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- Issue: In 2016 the City Council approved an economic development incentive agreement to reimburse the developer for the cost of the public infrastructure related to the redevelopment of the former Sam's Club site (Addison Grove). The incentive was to be cash funded from multiple Town funding sources. The cash funding will impact the financial resources from those funding sources, particularly the General Fund, to deliver Town services.
- Policy Question:
Should the Addison Grove Public Infrastructure Incentive continue to be funded on a cash basis or should the City Council authorize the sale of Certificates of Obligation to pay for the project?

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Addison Grove (Cont.)

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➤ Current Funding Plan – Addison Grove Incentive

▪ General Fund	
▪ Scheduled to make 3 transfers of \$750,000:	\$2,250,000
▪ Waiver of \$250,000 in Town Fees:	<u>\$250,000</u>
▪ Total from General Fund:	\$2,500,000
▪ Utility Fund	
▪ Scheduled to make 2 transfers of \$500,000 made for a total of:	\$1,000,000
▪ Storm Water Fund	
▪ Scheduled to make 2 transfers of \$500,000 for a total of:	\$1,000,000
▪ Infrastructure Investment Fund	
▪ Scheduled to make 4 transfers of \$500,000 for a total of:	<u>\$2,000,000</u>
▪ Total Incentive Commitment:	\$6,500,000
▪ Total cash available for project incentive at the end of Fiscal 2019:	\$3,000,000
▪ Remaining cash required for total commitment:	\$3,250,000

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Questions & Discussion

