Legislation Details (With Text)

File #:	43778	**Version:**	1	**Name:**	Initial Resolution Authorizing Not to Exceed $6,850,000 Bonds of the City of Madison for various street projects.
Type:	Resolution			**Status:**	Passed
File created:	7/15/2016			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	8/2/2016			**Final action:**	8/2/2016
Enactment date:	8/8/2016			**Enactment #:**	RES-16-00571

Title: Initial Resolution Authorizing Not to Exceed $6,850,000 Bonds of the City of Madison for various street projects.

Sponsors: Paul R. Soglin

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
8/2/2016	1	COMMON COUNCIL	Adopt	Pass
7/25/2016	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/19/2016	1	COMMON COUNCIL	Refer	Pass
7/15/2016	1	Finance Department	Referred for Introduction	

Fiscal Note

This is an initial resolution to issue 20-year bonds for certain major streets projects that were included in the 2016 adopted capital budget. Those projects are listed below:

CTH M (Midtown Road and PD)	$4,600,000	Capacity expansion
Jenifer, Paterson, Brearly and Few Streets	1,235,000	Street reconstruction
McKee Road (CTH PD)	1,015,000	Capacity expansion
	$6,850,000	

Up to a total of $6,850,000 in bonds will be issued for these projects, including the estimated cost of issuance.

Due to the relatively large cost impact and expected useful life of these projects, along with the anticipated overall amount of borrowing in 2016 due to major facilities construction and renovation projects, these bonds will be issued with a 20 year repayment period. Debt service on $6.85 million is anticipated to be approximately $535,000 annually. This compares with estimated annual debt service of $850,000 for 10 year promissory notes. Interest costs on 20 year bonds are estimated to total $2.5 million, compared with $1.1 million for 10 year notes. The debt service and interest cost estimates are based on current interest rates on AAA-rated municipal debt and the City's practice of repaying debt on a level-principal basis.

Title

Initial Resolution Authorizing Not to Exceed $6,850,000 Bonds of the City of Madison for various street projects.

Body

BE IT RESOLVED, by the Common Council of the City of Madison, Wisconsin, that there shall be issued the

general obligation bonds of the City in a principal amount not to exceed $6,850,000 for the following purposes: (i) street reconstruction and (ii) capacity expansion with additional lanes. For the purpose of paying principal of and interest on the bonds, there is hereby levied on all the taxable property in the City a direct annual irrepealable tax sufficient for that purpose.

BE IT FURTHER RESOLVED, that the City Clerk is authorized to publish a Notice to Electors pursuant to Section 67.05(7)(b), Wisconsin Statutes.