



AGENDA ITEM SUMMARY

City Council

STAFF

Lance Smith, Senior Director of Finance for Utilities
Blaine Dunn, Accounting Director
Heather McDowell, Special Projects Manager
Ryan Malarky, Assistant City Attorney

SUBJECT

First Reading of Ordinance No. 150, 2023, Making a Supplemental Appropriation for the Oak Street Stormwater Improvements Project.

EXECUTIVE SUMMARY

The purpose of this item is to request appropriation to cover the expenses related to the recent bond issuance for the Oak Street Stormwater Improvements Project.

The Stormwater Utility Enterprise Board unanimously adopted Ordinance No. 011 on October 3, 2023, authorizing a bond issuance in the Stormwater Fund for the construction of the Oak Street Stormwater Improvements project. Following the sale and closing of the bonds' gross proceeds, the amount of \$40.4M have been paid into the Stormwater Fund on October 31, 2023.

This first appropriation request is being brought for your consideration to cover expenses for the recent bond issuance, including closing costs and underwriter's fees associated with closing of the bond. Payment for expenses will be made by the end of 2023.

The total amount being requested for appropriation is: \$375,931.

A second appropriation request will be brought forth once the construction contractor selection process is complete and the construction contract value has been finalized. The anticipated schedule is late December 2023 or January 2024.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Oak Street Stormwater Improvement Project is a priority stormwater project for the City because it will contribute to resolving the urban flooding and stormwater quality issues in downtown Fort Collins. The Oak Street project supports Strategic Objective SAFE 5.5 to address flooding risk for the protection of people, property, and the environment.

The Oak Street project is one of several projects developed as part of the Downtown Stormwater Improvement Program (DSIP). The DSIP was recently created (2017-2019) as a basin-wide evaluation of

existing stormwater systems and is the development of a comprehensive strategy to mitigate flood risk and damages in the Old Town Basin. The project will provide stormwater infrastructure including a combination of grey and green infrastructure to reduce flooding impacts along the Oak Street corridor and adjacent blocks. Large diameter storm pipes ranging in size from 48” to 78” will extend from the previously constructed Oak Street Outfall, starting at Mason Street and extending to Jackson Street near City Park. There will be approximately 8,500 linear feet of new stormwater mains along Oak Street and cross streets that extend north to Mountain Avenue and/or south to Olive Street. Green infrastructure includes water quality ponds, or “rain gardens” in three locations along the Oak Street corridor to filter street runoff.

Addressing flooding issues in downtown Fort Collins will provide resilience for the future of the community, improve public safety, avoid costly flood damages in the future and address recurring street and intersection flooding.

CITY FINANCIAL IMPACTS

As part of the bond issuance the Stormwater Utility borrowed the funds to cover the costs of closing. The total appropriation will be for \$375,931, which will increase total appropriations in the Stormwater Fund by this amount for 2023. This includes \$157,847 for the Cost of Issuance and \$218,084 for the Underwriter’s Discount. These amounts are used to pay for the professional services rendered during the issuance of the bonds. This includes items such as legal fees, advisor fees, rating fees, and the fee to the underwriter of the bonds. A breakdown of the total issuance including these fees is below:

SOURCES AND USES OF FUNDS	
City of Fort Collins, Colorado	
Stormwater Utility Enterprise Revenue Bonds, Series 2023	
Final Numbers	
Dated Date	10/31/2023
Delivery Date	10/31/2023
Sources:	
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Bond Proceeds:	
Par Amount	38,245,000.00
Net Premium	2,130,931.15
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	40,375,931.15
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Uses:	
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Project Fund Deposits:	
Project Fund	40,000,000.00
Delivery Date Expenses:	
Cost of Issuance	157,846.80
Underwriter's Discount	218,084.35
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	375,931.15
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	40,375,931.15
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The appropriation for the debt service on these bonds is included in the 2024 annual appropriation. The appropriation for the project portion of these bonds will come forward in December.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

At the August 3, 2023, meeting, the Council Finance Committee supported proceeding to First Reading for the Debt Ordinance with the full Council.

At the Stormwater Utility Enterprise Board meeting on September 19, 2023, the Board unanimously adopted Ordinance No. 011 on First Reading and Resolution No. 002, relating to Authorization and Issuance of Revenue Bonds in the Stormwater Utility Fund and the Determination of Sale of those Bonds.

At the Stormwater Utility Enterprise Board meeting on October 3, 2023, the Board unanimously adopted Ordinance No. 011 on Second Reading.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration