

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Discussion of the option of the issuance of Alternate Revenue Bonds of the City in an amount not to exceed \$2,500,000 for the purpose of paying the costs of improvements related to the City’s downtown TIF

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: Staff has identified numerous infrastructure projects (site redevelopment, installation of parking lots and sidewalks, moving electric infrastructure underground, street reconstruction & other improvements) that are needed for the further development of the downtown area. Rather than saving up year over year due to increasing costs, staff recommends taking advantage of the potential of a low interest rate environment and issue bonds. The debt service payments will be paid out of downtown TIF through the life of the TIF and this will not require a property tax rate increase. If you are supportive the next step will be the authorizing ordinance formally allowing staff and bond counsel to determine if this option is feasible for the City of Rochelle.

The City’s financial advisors anticipate rates in the 5% range and the debt service will only run 15-20 years to coincide with the remaining life of the TIF. The anticipated annual debt service payments will be approximately \$90,000-\$150,000 annually. A copy of the power point from Baird is included with the report. They will be in attendance to answer any questions you might have. I will also have some pictures of possible projects that could be funded by the bond proceeds.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Alternate Revenue Bonds	To be included in 2024 budget	\$2,500,000

Strategic Plan Goal Application: Reduce/Re-evaluate Debt – Long Term Complex, Support Community Economic Development, Infrastructure development