

FINANCE COMMITTEE

12-0603R

RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2013 through 2017 which has been presented to the Council in the section entitled "Capital Improvement Bond Summary" in the document entitled "2013-2017 Capital Improvement Plan-Capital Budget and Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 3, 2012, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

(c) The Council has considered the following for each project discussed in the Plan and for the overall Plan:

- (1) The condition of the City's existing infrastructure, including the projected need for repair or replacement;
- (2) The likely demand for the improvement;
- (3) The estimated cost of the improvement;
- (4) The available public resources;
- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and
- (8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

1.02 (a) Based on the considerations set forth in the Plan and Section 1.01(c) hereof, the Council finds that the Plan is desirable and beneficial to the City and its residents;

(b) The Council finds that the proposed improvements under the Plan will result in no unnecessary duplication of public facilities provided by other units of government in the region.

1.03 The Plan is approved.

Section 2. (a) Under and pursuant to the authority contained in the Act and Minnesota Statutes, Chapter 475, the City is authorized to issue capital improvement bonds to provide funds for capital improvements pursuant to the Plan.

(b) The Council also held a public hearing on December 3, 2012, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,900,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,900,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, libraries, public safety facilities and public works facilities) under the Act throughout the City, including furnace replacements and masonry repair, modernization/remodeling, roof replacements, ADA compliance, overhead door replacements, energy conservation measures, Firehall #1 remodeling, Firehall #10 apparatus bay floor and upgrade, firehall overhead doors, firehall structural access approaches, firehall ventilation, Firehall #10 and #6 remodeling, steps and tuckpointing and stone repair at City Hall, and carpet at west library building, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 3, 2012, a valid petition is filed with the City Clerk calling for a vote on the proposition of issuing the Bonds, signed by voters residing within the boundaries of the City equal to five percent of the votes cast in the City in the last general election, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question.

(e) This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire or construct all or a portion of the capital improvements prior to the issuance of the capital improvement bonds and to reimburse expenditures incurred with respect to such capital improvement program with the proceeds of the capital improvement bonds.

Section 3. (a) The City previously issued its \$1,240,000 General Obligation Capital Improvement Bonds, Series 2007C, dated December 13, 2007 (the "Series 2007 Bonds"). Up to \$50,000 of the proceeds from the Series 2007 Bonds allocated to the capital improvement project described in the bond resolution for the Series 2007 Bonds shall be reallocated to improvements to City Hall, including MIS upgrades.

(b) The City has also previously issued its \$1,600,000 General Obligation Capital Improvement Bonds, Series 2008D, dated December 9, 2008 (the "Series 2008 Bonds"). Up to \$360,000 of proceeds from the Series 2008 Bonds allocated to capital improvement projects described in the bond resolution for the Series 2008 Bonds shall be reallocated to improvements to City Hall, including MIS upgrades, acquisition and construction of a public safety facility, including a communications tower for police and fire departments, and a facility needs project for a new public works facility.

(c) The Council also held a public hearing on December 3, 2012, after notice of public hearing required by the Act, on the City's reallocation of proceeds of the Series 2007 Bonds and the Series 2008 Bonds. All persons who

desired to speak at the public hearing were heard and written comments were considered.

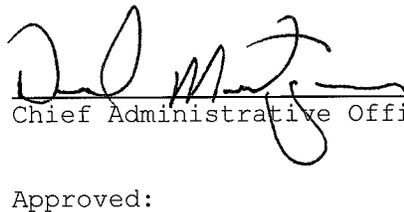
(d) The City will reallocate up to \$50,000 of the proceeds of the Series 2007 Bonds and up to \$360,000 of the proceeds of the Series 2008 Bonds if no petition requesting a vote on the reallocation of the Series 2007 Bonds or the Series 2008 Bonds signed by voters equal to five percent of votes cast in the city in the last general election is filed with the city clerk within 30 days after the date of the public hearing described in Section 3(c) of this resolution.

Approved:



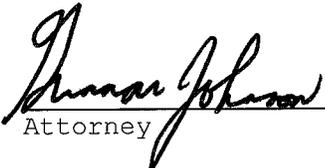
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN WP:le 11/27/2012

STATEMENT OF PURPOSE: This resolution approves the 2013-2017 capital improvement plan, declares the City's intent to issue general obligation capital improvement bonds in 2013 in an amount not to exceed \$1,900,000 for certain capital improvements as listed in the resolution, reallocating up to \$50,000 of the Series 2007C Capital Improvement Bonds to MIS improvements to City Hall and reallocating up to \$360,000 of the Series 2008D Capital Improvement Bonds to improvements to City Hall, including MIS upgrades; acquisition and construction of a public safety facility, including a communications tower for police and fire departments; and a facility needs project for a new public works facility.