

BOND ELECTION 2014



CITY OF ST. LOUIS

AGENDA

1. **Welcome** **President Lewis E. Reed**
2. **Bond Overview.....** **Budget Director Paul Payne**
3. **STL Bond History...** **Legislative Director Michael Powers**

Small Group Breakout Sessions

Takeaways from Breakout Sessions

4. **How to Stay Involved..** **President Lewis E. Reed**

What is a General Obligation Bond?

General Obligation bonds are bonds that are issued and backed with the full faith and credit of the city. The money used to pay the debt and interest on these bonds usually comes from a **property tax increase**.

What is it for?

Proceeds fund projects that **serve the entire community**: roads and bridges, police/fire equipment replacement, upgrades to city-owned properties, for example.

Why a town hall discussion?

G.O. Bonds often find their way to ballots with little input from residents, giving **communities little say** in how bond revenues are spent and **what projects** and **investments** are prioritized. These meetings will begin a broader community conversation and resident input is essential in **ensuring program success**.



Approval Process

- **Ballot Language** Introduce to **BOA**
- **Ways & Means** Holds Public Hearings
Amendments Introduced
- Language **Approved** by **Board of Election**
Commissioners
- **Bond** proposal Presented to **Voters** for approval

Identified Needs

Fire Department

\$26m for Vehicles and Equipment (74%)

- Fire trucks, EMS vehicles, new generators, safety equip

\$12m for Department Buildings (26%)

- Fire house upgrades- roofing, HVAC, electrical, etc.



Identified Needs

Police Department

\$11m for **Building & Equipment Upgrades**

- **Building a Real Time Intelligence Center** for monitoring neighborhood security cameras;
- Renovation work for building **new Headquarters** in Downtown West, Constructing new building for “Property Custody Unit;”
- Upgrading North/South/Central Patrol buildings.



Identified Needs

Condemned Buildings

\$15m for **Demolition**

- Over **2,600 buildings** structurally condemned, some classified 'emergency structural condemnation.' **Cost = \$7,900/building.**



Identified Needs

Corrections/Public Safety

\$31m for Building & Equipment Upgrades

- **Install latest securing technologies-** key systems, metal detectors, watch towers;
- **Respond to deferred maintenance-** roofs, windows, HVAC, asbestos abatement, ADA compliance,
- Enhance visiting booths, parking lots and lobbies and build new CEMA “**Public Safety Answering Point.**”



Identified Needs

Transportation Upgrades

\$18m for Rebuilding **Roads & Bridges**

- **Streets:** Arterial street resurfacing.
- **Bridges:** Southwest/Columbia, Compton, Hamilton, Lindell/Union and Grand Dr. (over Metro), Holly Hills over Union Pacific.



Identified Needs

City Owned Assets

\$38m for **Buildings & Vehicles**

- **Buildings:** Court Houses, 1520 Market, Facilities, etc.
- **Vehicles:** Trash Trucks, Snow Plows, Tow Trucks, etc.



Repayment

How are bonds repaid?

Bonds are repaid through **tax revenues generated by municipalities.**

The current proposal includes a **property tax increase** of **\$0.1505** rates based on home and personal property values.

The tax would be collected until the bond is **fully repaid**, which is estimated at **20 years.**

Effect of General Obligation Bond Issue Passage - Typical City Resident

\$175 M Scenario Illustration

| <u>Year of Issue</u> | <u>Bond Issue Authorization</u> | <u>Tax Levy Impact</u> |
|----------------------|---------------------------------|--|
| 2014 | \$45.0 M | No tax increase required (utilize pending rollback to finance) |
| 2015 | \$65.0 M | Increase of approx. \$0.1505 |
| 2016 | \$65.0 M | No increase required |
| | <u>\$175.0 M *</u> | |

* Per Stifel analysis 3/4/14



| | Homeowner #1 | Homeowner #2 | Homeowner #3 |
|---------------------------|--------------|--------------|--------------|
| Appraised Home Value | \$75,000 | \$125,000 | \$250,000 |
| Appraised Car Value(s) | \$5,000 | \$15,000 | \$25,000 |
| Current Tax Burden (2013) | \$1,208 | \$2,181 | \$4,236 |
| Amount of Levy Increase | \$0.1505 * | | |

*Assumes amortization of issues for 20 years @ 4.5% and 1% annual valuation growth

| <u>Plus Proposed Bond Issue</u> | <u>Request</u> | <u>Recommend</u> | | | |
|-----------------------------------|------------------|------------------|---------------|---------------|---------------|
| Fire Dept. Vehicles & Equip. | \$45.8 M | \$26.5 M | \$3.6 | \$6.5 | \$12.7 |
| Fire Dept. Buildings | \$22.1 M | \$12.2 M | \$1.7 | \$3.0 | \$5.9 |
| Police Department | \$24.0 M | \$11.4 M | \$1.6 | \$2.8 | \$5.5 |
| Corrections/Other Public Safety | \$38.5 M | \$30.5 M | \$4.2 | \$7.5 | \$14.7 |
| Building Demolition | \$21.2 M | \$15.3 M | \$2.1 | \$3.8 | \$7.3 |
| City Streets & Bridges | \$21.8 M | \$17.9 M | \$2.4 | \$4.4 | \$8.6 |
| Other City Buildings & Facilities | \$134.9 M | \$32.2 M | \$4.4 | \$8.0 | \$15.5 |
| Other City Vehicles | \$15.3 M | \$9.0 M | \$1.2 | \$2.2 | \$4.3 |
| Other - TBD | | \$20.0 M | \$2.7 | \$4.9 | \$9.6 |
| Total | <u>\$323.6 M</u> | <u>\$175.0 M</u> | <u>\$24.0</u> | <u>\$43.3</u> | <u>\$84.0</u> |

| | | | |
|--|---------|---------|---------|
| Estimated Tax Burden After Levy Increase | \$1,231 | \$2,224 | \$4,320 |
|--|---------|---------|---------|

QUESTIONS?

Citizen Input

Your Voice is Essential

This Board Bill was drafted to **begin** a community conversation. The thoughts, concerns and **priorities** of the public will play a role in what is funded, if anything.



Other Expenditures?

Up to \$40m

Crime Prevention Technology?

Health Centers?

Affordable Housing Programs?

Youth & Family Centers?

Home Repair Programs?

Economic Development/Business
Incubation?

Streetscape or Sidewalk
Improvement?

Identified Needs:

\$155m

Fire Dept \$49m

Police Dept \$11m

Building Demo.... \$15m

Corrections &
Public Safety..... \$31m

Streets & Bridges.. \$18m

City Vehicle &
Bldg Upgrades... \$38m



← **Home Repair**
Austin, TX

Job Creation
Oklahoma City, OK →





← Historic Preservation

Phoenix, AZ

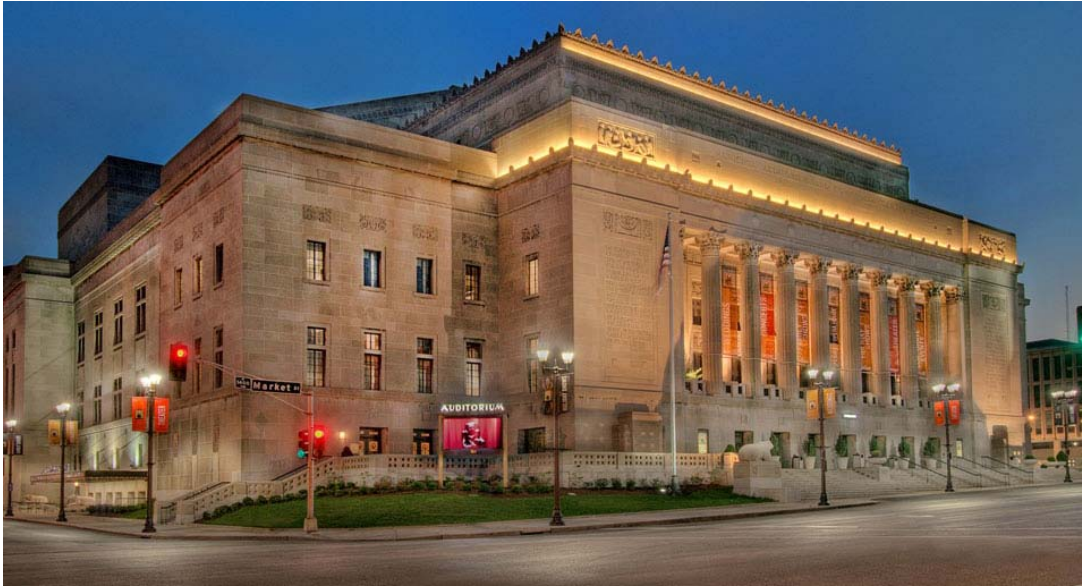
Police Substations →

Tacoma, WA



STL Bond History

1923 / 2013
\$87m / \$1.17b



Keil Auditorium



Aloe Plaza



Civil Courts

STL Bond History

- #1 **Hospitals**, health centers: \$7.5m
- #2 Expressways: \$18m
- #3 Parks, **Playgrounds**: \$11m
- #4 Blight Removal: \$10m
- #5 **Neighborhood Rehabilitation**: \$4m
- #6 Widening streets: \$11.6m
- #7 Bridges and Viaducts: \$11.4m
- #8 Resurfacing Streets: \$2m
- #9 **Street Lighting**: \$6m
- #10 Voting Machines: \$2.3m
- #11 Correctional and Juvenile Institutions: \$.5.2m
- #12 Fire Department: \$2.1m

1955

\$110.6m

VOTE MAY 26



FOR the BOND

2013

\$955m

STL Bond History

#13 **Public Buildings:** \$1.5m

#14 **Rubbish and Garbage Disposal:** \$2.4m

#15 **Street Cleaning:** \$425,000

#16 **Planetarium:** \$1m

#17 **Zoo Improvements:** \$1.6m

#18 **Public Library:** \$1m

#19 **Art Museum:** \$1m

#20 **Flood Control:** \$7.5m

#21 **Docks, Wharves:** \$2.5m

#22 **Civil Defense:** \$125,000

#23 **City Auditing and Record Keeping:** \$400,000



What's Most Important to you? *(Choose 3)*

- Community Health Centers
- Investments in Transit
- Economic Development/Business Incubation
- Neighborhood Housing Stabilization
- Building Demolition
- Home Repair Programs
- Building New Assets for the City
- Utilize new crime prevention technologies
- Streetscape Projects
- Other _____

WHAT'S THE BIG IDEA? Tell us on the back on this survey!

Breakout Sessions

Bond Oversight Committee

Board Bill #2 establishes a 9 member resident-led bond oversight committee to:

- ensure efficiency, equity, timeliness & accountability in the expenditure of proceeds from bonds;
- give citizen an ability to monitor spending;
- create a mechanism of reporting findings to the general public; and to
- Ensure quality development.

Thank YOU!

Your Voice Matters!

Thank you for attending.

Continue the Conversation Online:

PropelSTL.org

Nextdoor.com

Twitter: [#PropelSTL](https://twitter.com/PropelSTL)