



Request for City Council Committee Action From the Department of Public Works

Date: August 18, 2009

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: **Early Adoption of 2010 Capital Plan and Appropriation Increase for Dewatering Plant Improvements (New Filter Presses) Project**

Recommendation:

The Public Works Director recommends the City Council pass the following resolutions to accept federal stimulus funds and arrange financing for the expedited construction of the WTR22 New Filter Presses project:

1. Adopt a resolution accepting \$2 million of "principal forgiveness" funds from the American Recovery and Reinvestment Act of 2009 (ARRA) to be used as part of the funding for the WTR22 New Filter Presses project.
2. Adopt a resolution approving early adoption and appropriation of the 2010 and 2011 Capital Budget Request for the WTR22 New Filter Presses project by appropriating an expenditure increase of \$23 million in the Water Capital Agency (07400-9010950-801501 - Project WTR22) to be financed by a general obligation note issued to the Minnesota Public Facilities Authority (PFA) through the Drinking Water Revolving Fund (DWRf) and a \$2 million ARRA grant as described above.
3. Adopt a resolution increasing the revenue budget for the WTR22 project in the Water Capital Agency (07400-9010950-391101 by \$21 million and 07400-9010950-321000 by \$2 million).
4. Adopt a resolution requesting the Board of Estimate and Taxation to incur additional general obligation indebtedness of \$21 million related to the Dewatering Plant Improvements (New Filter Presses) project.
5. Adopt a resolution pursuant to IRS Treasury Regulations declaring official intent to reimburse expenditures related to the New Filter Presses project by incurring tax exempt debt.

Previous Directives:

December 12th, 2008: Resolution 2008R-544, Adopting the 2009-2013 Five Year Capital Program, specifically including \$2,000,000 for spending in 2009 on the WTR22 New Filter Presses project.

March 27th, 2009: As part of the Minneapolis Economic Recovery Strategy, City Council authorized development of an engineering services agreement for the design and bidding phases of this project, using the Public Works Consulting Pool for an amount of approximately \$2,000,000.

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	2009	2010	2011	Total
Capital Budget Request	\$ 2,000,000	\$ 12,000,000	\$ 4,000,000	\$ 18,000,000
Current Budget	\$ 2,000,000	\$ 19,000,000	\$ 4,000,000	\$ 25,000,000
Appropriation Request	\$23,000,000	\$ 0	\$ 0	\$ 25,000,000

On August 10, 2009, the City was notified by the Minnesota Public Facilities Authority that Minneapolis will receive \$2,000,000 in Principal Forgiveness funds from the ARRA.

The current appropriation request is for an additional \$23,000,000, the first \$2,000,000 was appropriated on January, 2009 as part of the 2009 Original Capital Resolution 2008R-544. Of this amount, \$2,000,000 will be provided by principal forgiveness from the ARRA. The rest of the project will be financed by a DWRF loan (General Obligation Note with a significantly discounted interest rate).

Funding Sources	Amount
Total Project	\$ 25,000,000
ARRA Principal Forgiveness Grant	\$ 2,000,000
General Obligation Note (DWRF Loan)	\$ 23,000,000