



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: November 11, 2004
Subject: Bond Ordinance for Special Service Areas 1, 2, 3, & 4

List of committees that have reviewed: Finance and Administration

Background: The City of O'Fallon has worked on SSA's since March. We have completed numerous committee meetings, passed four ordinances and held four public hearing. With these Bond ordinances, we are now ready to complete this nine month process.

There is no change in maximum dollar amounts approved or parties involved. The principal and interest amounts of the bonds are blank and will be filled before the final vote on 6 December. This is necessary as the price of the bonds needs to be determined as close to the sales date as possible.

A brief review of each SSA is provided, and the total 64 page package is available on the web site.

Agenda Package.

- SSA1, Shoppes at Greenmount provides not to exceed \$1,930,000 in bond proceeds to build a 2,936 foot road from Greenmount to the Regency Extension (SSA4). Also, included are associated utilities for the development (water, sewer, lighting-all permanent infrastructure items) and associated cost (debt reserve, construction period interest, engineering, legal and finance services and related cost approved under the SSA status). Bond payments will be divided equally across the future owners of the 37.4 acre track and will be collected through a special tax levy on property tax number 03-36-0-200-011.

-SSA2 Greenmount Commercial will provide not to exceed \$460,000 to signalize the intersection of Greenmount, Pierce, and Regency Park. Also included are two right turn lanes, striping, lighting, and associated cost. Bond payment will be divided between Delmar Gardens, (17 acres/28%), Peoples National Bank (6.74 acres/11%) and the Shoppes at Greenmount (37.4 acres/61%). This tax levy will cover the following property tax numbers, 04-31-0-329-014 (St.

Clair County will subdivide this number with a sub number for Delmar, and one for Peoples) and the Shoppes 03-36-0-200-011.

-SSA3 Central Park Plaza #1 (Newbold BMW) will provide not to exceed, \$1,200,000 for permanent infrastructure to develop a stand-alone BMW dealership. Included are paving, water, sewer, lighting and associated cost. The tax levy will be against five acres of tax numbers 03-36-0-102-001 to be further divided by St. Clair Co.

-SSA4 Regency Extension will provide not to exceed \$1,285,000 to connect Regency Park from Carr Street to the Shoppes at Greenmount (SSA-1). Improvement and cost are reflective of SSA-1. Part of the road and infrastructure from Carr Street to just past Cat City Bowl is already complete but has not been dedicated to the City and does not yet include sidewalks. The tax levy will be divided equally against the 27.1 acres in tax number 03-36-0-200-021.

Legal Considerations, if any: This is the City of O'Fallon's first establishment of SSA's for economic development and issuance of SSA Bonds. This package has undergone extensive review by attorneys, Kurt Froehlich and Dale Funk for the City, Rand Juliano for SSA1 & 2, Deborah Rush for SSA3, and Thomas LeChien for SSA4. To the best of their ability, all agree that as currently presented, these SSA's meet the requirement of current SSA status, and the understanding of their clients. The next requirement is a second reading of the bond ordinances on 6 December followed by sale of the bonds.

Budget Impact: This project is no cost or liability to the City.

Staff recommendation: Staff recommends the Council approval of the four bond ordinances for SSA1, Shoppes at Greenmount; SSA2, Greenmount Commercial; SSA3, Central Park Plaza #1, and SSA4, Regency Extension on first reading.