

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:**       **Engineering and Construction Management**

**AGENDA DATE:**     **11/2/2010**

**CONTACT PERSON NAME AND PHONE NUMBER:** **R. Alan Shubert, P.E., City Engineer, 541-4423**

**DISTRICT(S) AFFECTED:**   **Citywide**

**SUBJECT:**

Discussion and Action on the City's Capital Improvement Program as follows:

- A. Resolution establishing the list of capital projects totaling approximately \$256,310,020 as listed in the Capital Plan for Fiscal Years 2011 through 2017 utilizing Certificates of Obligation pursuant to the City's Debt Management Policy, and subject to annual budgeting requirements; authorizing the City Manager to establish the funding sources for the capital plan and make all necessary budget transfers at the appropriate times for execution of the capital projects; and directing that the City Manager pursue any state and federal funding that will reduce the City's share of its participation costs to these capital projects.
- B. Concerning City's debt obligation and schedule of debt issuances and related tax support based on the above-referenced capital improvement plan.
- C. Determination of when to hold a Quality of Life Bond Initiative based on the health, safety and transportation priorities as outlined in the above-referenced Capital Improvement Plan, and impact on overall debt service and debt tax rate as a result of Council's direction

**BACKGROUND / DISCUSSION:**

Per City Council direction, City staff proposes a list of priority projects for funding in Fiscal Years 2011 through 2017 and related debt issuances pursuant to the Debt Management Policy. The list of projects is approximately \$256,310,020; following the parameters of the Debt Management Policy, the City proposes to utilize Certificates of Obligation. Resource documentation is attached and includes:

- Resolution authorizing a Capital Plan totaling approximately \$256,310,020 and incorporating Exhibit A that denotes the capital priorities.
- Power point presentation that details the capital project priorities and how the proposed funding plan was developed, schedule for debt issuance and the City's related debt obligation.

**PRIOR COUNCIL ACTION:**

At the October 27, 2009, Council meeting, City Council reaffirmed its Debt Management Policy which sets forth the parameters for issuing new debt for the City of El Paso.

**AMOUNT AND SOURCE OF FUNDING:**

Detailed in backup documentation attached.

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**BOARD / COMMISSION ACTION:**

N/A

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:** \_\_\_\_\_

**(If Department Head Summary Form is initiated by Purchasing, client department should sign also)**

*Information copy to appropriate Deputy City Manager*

## **RESOLUTION**

**WHEREAS**, the El Paso City Council reaffirmed its Debt Management Policy on October 27, 2009 which sets forth the parameters for issuing new debt for the City of El Paso; and

**WHEREAS**, the Debt Management Policy establishes the types of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure-related capital projects (and non-quality of life projects) at a cumulative value of \$100 million or less; and

**WHEREAS**, the El Paso City Council further directed that issuances for proposed capital projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

**WHEREAS**, City staff has developed a proposed listing of capital projects to be undertaken in ensuing Fiscal Years for which the City would need to issue long term debt; and

**WHEREAS**, a proposed capital plan is enumerated in the “Capital Program” for Fiscal Years 2011 through 2017; and

**WHEREAS**, the El Paso City Council asked that the City Manager bring further consideration of the capital plan to the City Council for finalization and action.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:**

1. **THAT** the El Paso City Council affirms that the capital plan totaling approximately \$256,310,020.00, referenced as “Capital Program” and attached hereto as Exhibit A, shall be the established list of capital projects for Fiscal Years 2011-2017 and Certificates of Obligation are initially identified as the funding source, subject to annual budgeting requirements;
2. **THAT** the City Manager be authorized, subject to annual budgeting requirements, to establish the funding sources for the capital plan enumerated in the “Capital Program” for Fiscal Years 2011 through 2017 and make all necessary budget transfers at the appropriate times for execution of the capital projects; and
3. **THAT** the City Manager be directed to pursue any state and federal funding that will reduce the City’s share of its participation costs to these capital projects.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

**CITY OF EL PASO**

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John F. Cook, Mayor

**ATTEST:**

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Richarda Duffy Momsen  
City Clerk

**APPROVED AS TO CONTENT:**

**APPROVED AS TO FORM:**

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R. Alan Shubert, P.E.  
City Engineer

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Mark Shoesmith  
Assistant City Attorney

**CAPITAL IMPROVEMENT PLAN for FY 2011-2017**

PROJECT	TOTAL BUDGET	ANTICIPATED YEAR OF EXPENDITURE						
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operations Center	\$ 12,803,800		\$ 5,690,578	\$ 7,113,222				
Alameda BRT	\$ 35,500,000	\$ 2,366,667	\$ 10,058,333	\$ 15,300,000	\$ 7,775,000			
Dyer BRT	\$ 6,112,000				\$ 873,143	\$ 3,000,000	\$ 2,238,857	
Mesa BRT	\$ 5,420,000			\$ 1,355,000	\$ 4,065,000			
Montana BRT	\$ 8,558,000						\$ 1,917,584	\$ 6,640,416
<b>SUBTOTAL - TRANSIT PROJECTS</b>	<b>\$ 68,393,800</b>	<b>\$ 2,366,667</b>	<b>\$ 15,748,911</b>	<b>\$ 23,768,222</b>	<b>\$ 12,713,143</b>	<b>\$ 3,000,000</b>	<b>\$ 4,156,441</b>	<b>\$ 6,640,416</b>
Fire Station 37 @ Edgemere & Rich Beem	\$ 3,100,000		\$ 3,100,000					
Fire Station 5 & 13 Consolidation and Relocation (Subject to approval of consolidation by Council; otherwise will require two separate station re-builds)	\$ 4,233,000			\$ 400,000	\$ 3,833,000			
Fire Training Academy	\$ 14,000,000		\$ 1,500,000	\$ 3,000,000	\$ 5,000,000	\$ 4,500,000		
Fire Station 12 Replacement @3801 Ft. Blvd.	\$ 2,626,490					\$ 290,000	\$ 2,336,490	
Fire Station 15 Replacement @ 115 Shorty Lane	\$ 2,672,652						\$ 318,362	\$ 2,354,290
Fire Station 17 8803 Alameda	\$ 275,000							\$ 275,000
<b>SUBTOTAL - FIRE DEPARTMENT PROJECTS</b>	<b>\$ 26,907,142</b>	<b>\$ -</b>	<b>\$ 4,600,000</b>	<b>\$ 3,400,000</b>	<b>\$ 8,833,000</b>	<b>\$ 4,790,000</b>	<b>\$ 2,654,852</b>	<b>\$ 2,629,290</b>
Median Landscaping	\$ 5,000,000		\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
NIP	\$ 2,160,000		\$ 720,000	\$ -	\$ 720,000	\$ -	\$ 720,000	\$ -
NTMP	\$ 3,750,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 750,000	\$ 750,000
Open Space Acquisition	\$ 3,000,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Overwidth Paving	\$ 2,500,000			\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Pasodale Phase 4 and Schwabe	\$ 6,000,000		\$ 3,000,000	\$ 3,000,000				
Signage - Citywide regulatory/advisory replacement	\$ 4,650,000		\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000
Signage-Citywide overhead street name replacement	\$ 600,000		\$ -	\$ 600,000				
Signals & Flashers	\$ 8,000,000		\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Street Lighting	\$ 420,000		\$ 90,000	\$ 50,000	\$ 90,000	\$ 50,000	\$ 90,000	\$ 50,000

**CAPITAL IMPROVEMENT PLAN for FY 2011-2017**

PROJECT	TOTAL BUDGET	ANTICIPATED YEAR OF EXPENDITURE						
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Street Reconstruction	\$ 26,000,000				\$ 3,000,000	\$ 10,000,000	\$ 3,000,000	\$ 10,000,000
Street Reconstruction - Montwood St. Construction	\$ 7,000,000			\$ 7,000,000				
Street Resurfacing	\$ 22,200,000		\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000
Unpaved ROW	\$ 3,000,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Upper Valley Plan Improvements	\$ 8,161,000				\$ 1,000,000	\$ 2,161,000	\$ 2,500,000	\$ 2,500,000
<b>SUBTOTAL - STREET INFRASTRUCTURE PROJECTS</b>	<b>\$ 102,441,000</b>	<b>\$ -</b>	<b>\$ 10,585,000</b>	<b>\$ 17,925,000</b>	<b>\$ 13,085,000</b>	<b>\$ 22,136,000</b>	<b>\$ 16,235,000</b>	<b>\$ 22,475,000</b>
Animal Shelter	\$ 5,000,000				\$ 5,000,000			
Bus shelter Acquisition	\$ 2,000,000			\$ 2,000,000				
City Hall Improvements	\$ 8,710,000			\$ -		\$ 300,000	\$ 8,410,000	
City Hall New Entry Improvements & Public Art	\$ 4,000,000		\$ 1,000,000	\$ 1,500,000	\$ 1,500,000			
Facility Rehabilitation Citywide	\$ 14,000,000		\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
IT Capital	\$ 15,000,000			\$ 5,000,000	\$ 2,500,000	\$ 5,000,000	\$ 2,500,000	
<b>SUBTOTAL - OTHER FACILITIES</b>	<b>\$ 48,710,000</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>	<b>\$ 10,500,000</b>	<b>\$ 11,500,000</b>	<b>\$ 7,800,000</b>	<b>\$ 13,410,000</b>	<b>\$ 2,500,000</b>
<b>SUBTOTAL - ALL PROJECTS</b>	<b>\$ 246,451,942</b>	<b>\$ 2,366,667</b>	<b>\$ 33,933,911</b>	<b>\$ 55,593,222</b>	<b>\$ 46,131,143</b>	<b>\$ 37,726,000</b>	<b>\$ 36,456,293</b>	<b>\$ 34,244,706</b>
<b>2% for the Arts</b>	<b>\$ 4,929,039</b>	<b>\$ 47,333</b>	<b>\$ 678,678</b>	<b>\$ 1,111,864</b>	<b>\$ 922,623</b>	<b>\$ 754,520</b>	<b>\$ 729,126</b>	<b>\$ 684,894</b>
<b>2% for Bond Issuance Costs</b>	<b>\$ 4,929,039</b>	<b>\$ 47,333</b>	<b>\$ 678,678</b>	<b>\$ 1,111,864</b>	<b>\$ 922,623</b>	<b>\$ 754,520</b>	<b>\$ 729,126</b>	<b>\$ 684,894</b>
<b>New Authorization Totals</b>	<b>\$ 256,310,020</b>	<b>\$ 2,461,334</b>	<b>\$ 35,291,267</b>	<b>\$ 57,816,951</b>	<b>\$ 47,976,389</b>	<b>\$ 39,235,040</b>	<b>\$ 37,914,545</b>	<b>\$ 35,614,494</b>



# **Proposed Capital Improvement Plan** ***FY2011-FY2017***

**November 2, 2010**



## HIGHLIGHTS

- 7-yr capital plan funded through COs
  - Supports M&CC strategic goals
- Utilized relative consultant studies, assessments & other valid departmental data to determine objective prioritization citywide
- Accounts for realistic timeframe to execute projects
  - Interagency coordination
  - Project development, design and construction stages



## HIGHLIGHTS

- Priorities based on:
  - Rehabilitation/expansion of existing critical infrastructure
  - Public safety facilities necessitated by growth demand
  - Addressing multi-modal initiatives and transportation planning efforts

## TRANSIT PROJECTS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Operations Center	12,803,800		5,690,578	7,113,222				
Alameda BRT	35,500,000	2,366,667	10,058,333	15,300,000	7,775,000			
Dyer BRT	6,112,000				873,143	3,000,000	2,238,857	
Mesa BRT	5,420,000			1,355,000	4,065,000			
Montana BRT	8,558,000						1,917,584	6,640,416
<b>SUBTOTAL</b>	<b>68,393,800</b>	<b>2,366,667</b>	<b>15,748,911</b>	<b>23,768,222</b>	<b>12,713,143</b>	<b>3,000,000</b>	<b>4,156,441</b>	<b>6,640,416</b>

**MASS TRANSIT DEPARTMENT (SUN METRO) CAPITAL PLAN  
(Revised October 28, 2010)**

<b>RECOMMENDED FUNDING</b>										
Priority	Project	Total Project Cost	City Local Match	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1	Operations Center	\$12,803,800	\$12,803,800	\$0	\$5,690,578	\$7,113,222	\$0	\$0	\$0	\$0
2	Alameda BRT	\$35,500,000	\$35,500,000	\$2,366,667	\$10,058,333	\$15,300,000	\$7,775,000	\$0	\$0	\$0
3	Mesa BRT	\$27,100,000	\$5,420,000	\$0	\$0	\$1,355,000	\$4,065,000	\$0	\$0	\$0
4	Dyer BRT	\$30,560,000	\$6,112,000	\$0	\$0	\$0	\$873,143	\$3,000,000	\$2,230,857	\$0
5	Montana BRT	\$42,790,000	\$8,558,000	\$0	\$0	\$0	\$0	\$0	\$1,917,584	\$6,640,416
	Subtotal	\$148,753,800	\$68,393,800	\$2,366,667	\$15,748,911	\$23,768,222	\$12,713,143	\$3,000,000	\$4,156,441	\$6,640,416
	2% for Arts		\$1,367,876	\$47,333	\$314,978	\$475,364	\$254,263	\$60,000	\$83,129	\$132,808
	2% Bond Issuance Costs		\$1,395,234	\$48,200	\$321,278	\$484,872	\$259,348	\$61,200	\$84,791	\$135,464
	<b>Total</b>		\$71,156,910	\$2,462,281	\$16,385,167	\$24,728,458	\$13,226,753	\$3,121,200	\$4,324,361	\$6,908,689

General Notes:

- Debt service on transit projects will be evaluated for maximum absorption by the Sun Metro Enterprise Fund, including rolling stock, to reduce impact to the General Fund.
- Pursuing federal earmark & competitive 5309 funding for projects.
- Project matches assume 50% FTA contribution on Mesa and Dyer with a 57% FTA contribution on Montana.
- Pursuing amendment of 2008 Comprehensive Mobility Plan to reallocate \$27 million to three BRT's to leverage federal funding & to lower local participation costs.
- Project match assumes 30% CMP contribution on Mesa and Dyer; 23% contribution on Montana.
- Project schedule developed to maximize cash flow management & maintain debt service rate given other City priorities.
- Project estimates for BRT Corridors include funding for rolling stock needed for each corridor.

Project Notes:

**Priority 1** Assumes \$28,607,600 as construction cost for a facility handling 200 buses; estimate includes 40% markup for FFE. At least one-half of the debt service for this project will be absorbed by the Sun Metro Enterprise Fund, including rolling stock.

**Priority 2** Estimated construction completion in FY 2014. Project reviewed by MTB & CC.

**Priority 3** Assumes CMP funding in the amount of \$8.13 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion in FY 2014. Project has received MTB/CC and MPO approval.

**Priority 4** Assumes reallocation of CMP funding in the amount of \$9.168M, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion in FY 2016. Project reviewed by MTB/CC.

**Priority 5** Assumes CMP funding in the amount of \$9.702 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion in FY 2017. Project has received MTB/CC and MPO approval.

Update to March BRT costs:	\$ 103,000,000
Landscaping	\$ 1,500,000
Far Eastside Transfer Center	\$ 5,000,000
Five Points Transfer Center renovati	\$ 500,000
FTA Required Elements	\$ 5,000,000
Underestimated costs	\$ 900,000
Inflation of 4% over 2010 costs	\$ 19,250,000
<b>BRT Revised Cost</b>	<b>\$ 135,950,000</b>

## FIRE DEPARTMENT PROJECTS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
<i>Fire Station 37 Edgemere &amp; Rich Beem</i>	3,100,000		3,100,000					
<i>* Fire Station 5 &amp; 13 Consolidation and Relocation</i>	4,233,000			400,000	3,833,000			
<i>Fire Training Academy</i>	14,000,000		1,500,000	3,000,000	5,000,000	4,500,000		
<i>Fire Station 12 Replacement 3801 Ft. Blvd.</i>	2,626,490					290,000	2,336,490	
<i>Fire Station 15 Replacement 115 Shorty Ln</i>	2,672,652						318,362	2,354,290
<i>Fire Station 17 8803 Alameda</i>	275,000							275,000
<b>SUBTOTAL</b>	<b>26,907,142</b>	<b>0</b>	<b>4,600,000</b>	<b>3,400,000</b>	<b>8,833,000</b>	<b>4,790,000</b>	<b>2,654,852</b>	<b>2,629,290</b>

*\*Subject to approval of consolidation by Council; otherwise will require two separate station rebuilds*

# STREET INFRASTRUCTURE PROJECTS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Median Landscaping	5,000,000		500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000
NIP	2,160,000		720,000		720,000		720,000	
NTMP	3,750,000		500,000	500,000	500,000	750,000	750,000	750,000
Open Space Acquisition	3,000,000		500,000	500,000	500,000	500,000	500,000	500,000
Overwidth Paving	2,500,000			500,000	500,000	500,000	500,000	500,000
Pasodale Phase 4 and Schwabe	6,000,000		3,000,000	3,000,000				
Signage – Citywide regulatory/advisory Replacement	4,650,000		775,000	775,000	775,000	775,000	775,000	775,000
Signage-Citywide overhead street name Replacement	600,000			600,000				
Signals & Flashers	8,000,000		1,000,000	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Street Lighting	420,000		90,000	50,000	90,000	50,000	90,000	50,000

## STREET INFRASTRUCTURE PROJECTS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Street Reconstruction	26,000,000				3,000,000	10,000,000	3,000,000	10,000,000
Street Reconstruction – Montwood St. Construction	7,000,000			7,000,000				
Street Resurfacing	22,200,000		3,000,000	3,000,000	3,000,000	4,400,000	4,400,000	4,400,000
Unpaved ROW	3,000,000		500,000	500,000	500,000	500,000	500,000	500,000
Upper Valley Traffic Plan Improvements	8,161,000				1,000,000	2,161,000	2,500,000	2,500,000
<b>SUBTOTAL</b>	<b>102,441,000</b>	<b>0</b>	<b>10,585,000</b>	<b>17,925,000</b>	<b>13,085,000</b>	<b>22,136,000</b>	<b>16,235,000</b>	<b>22,475,000</b>

## FACILITY IMPROVEMENTS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Animal Shelter	5,000,000				5,000,000			
Bus shelter Acquisition	2,000,000			2,000,000				
City Hall Improvements	8,710,000					300,000	8,410,000	
City Hall New Entry & Public Art	4,000,000		1,000,000	1,500,000	1,500,000			
Facility Rehabilitation Citywide	14,000,000		2,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000
IT Capital	15,000,000			5,000,000	2,500,000	5,000,000	2,500,000	
<b>SUBTOTAL</b>	<b>48,710,000</b>	<b>0</b>	<b>3,000,000</b>	<b>10,500,000</b>	<b>11,500,000</b>	<b>7,800,000</b>	<b>13,410,000</b>	<b>2,500,000</b>

## NEW AUTHORIZATION TOTALS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
<b>SUBTOTAL – ALL PROJECTS</b>	<b>246,451,942</b>	<b>2,366,667</b>	<b>33,933,911</b>	<b>55,593,222</b>	<b>46,131,143</b>	<b>37,726,000</b>	<b>36,456,293</b>	<b>34,244,706</b>
<b>2% for the Arts</b>	<b>4,929,039</b>	<b>47,333</b>	<b>678,678</b>	<b>1,111,864</b>	<b>922,623</b>	<b>754,520</b>	<b>729,126</b>	<b>684,894</b>
<b>2% for Bond Issuance Costs</b>	<b>4,929,039</b>	<b>47,333</b>	<b>678,678</b>	<b>1,111,864</b>	<b>922,623</b>	<b>754,520</b>	<b>729,126</b>	<b>684,894</b>
<b>Total</b>	<b>256,310,020</b>	<b>2,461,334</b>	<b>35,291,267</b>	<b>57,816,951</b>	<b>47,976,369</b>	<b>39,235,040</b>	<b>37,914,545</b>	<b>35,614,494</b>



# Proposed Debt Plan Related to Proposed CIP Plan



- Key Assumptions:
  - Issuance of All Existing Debt Remaining
  - Assessed Valuation Growth
  - True Interest Cost
  - Use of Fund Balance
  - Timing of Issuances of Remaining Debt
  - Maximum Debt Rate of 25 cents



# PROJECTED ISSUANCES 2011 AND BEYOND:

- Projected issuances
  - Existing authorizations
  - Proposed Scenario
  - Modifying principal structure could provide further tax rate relief
  - January 2006 and Storm 2006 Authorizations are exhausted after November 2010 issuance

## Remaining Authorizations

January 2006 Authorization

Storm 2006 Authorization

December 2008 Authorization

February 2010 Authorization

March 2010 Authorization



# ASSESSED VALUATION GROWTH

■ The following assessed valuation growth has been built in the tax model:

■ Affecting Fiscal Years

■ 2011	(2.51)%
■ 2012	1.00%
■ 2013	1.00%
■ 2014	2.00%
■ 2015	2.00%
■ 2016+	2.50%



# TRUE INTEREST COST

- Interest Rate Assumptions:
  - Projected based on current market trends
  - Subject to market variations and the use of BABS
  - Projected rates
    - Series 2010 3.30%
    - Series 2011 5.00%
    - Series 2012 5.50%
    - Series 2013+ 5.75%



# FUND BALANCE USE

- Need to review tax collections over the next few years to determine if fund balance will be available to utilize to mitigate the increase in tax rate
- Dependent on collections over the 100% assumed rate of collections



# TIMING OF ISSUANCES

<b>Remaining Authorizations</b>	
January 2006 Authorization	\$44,830,000
Storm 2006 Authorization	23,801,000
December 2008 Authorization*	57,800,131
February 2010 Authorization	40,000,000
March 2010 Authorization	19,767,218
<b>Subtotal – Authorized</b>	<b>\$174,198,349</b>
Proposed Transportation and Infrastructure Projects	256,310,020
<b>Total</b>	<b>\$430,508,369</b>

\*Includes \$19 million in self-supporting debt from Sun Metro



**City of El Paso, Texas**  
**Tax Rate Impact of Current Debt and Proposed Long-Term Debt Issuance**  
**As of October 25, 2010**

FYE	Current	Authorized but not Issued <sup>1</sup>	Proposed Scenario
2010	0.21180	0.21180	0.21180
2011	0.22330	0.22330	0.22330
2012	0.23390	0.24220	0.24120
2013	0.22750	0.24440	0.24380
2014	0.22900	0.24860	0.25500
2015	0.21550	0.24690	0.26340
2016	0.19990	0.23770	0.26520
2017	0.18020	0.21710	0.25950
2018	0.17590	0.21180	0.26020
2019	0.16700	0.20210	0.25850
2020	0.16130	0.19560	0.25320

Note: Instances of non-compliance in Proposed Scenario beginning in 2014

 Maximum Debt Tax Rate

Red indicates rate in excess of 25 cents.

<sup>1</sup>This column included debt that has been authorized by Council but not yet issued through contractual obligations.

**Assumptions:**

- (1) Assumes annual taxable value growth as noted on previous slide.
- (2) Net of self-supporting debt and BAB Tax Credit payments. The 2009 Pension Obligation Bonds structure assumes an initial 5 year bullet at 3.74%; thereafter, debt service shown is for 25 years at 7%.
- (3) Net of Capitalized Interest.
- (4) Years beyond 2021 reflect a declining debt tax rate.

\*Subject to change.



# PLAN LIMITATIONS

- Prioritized to keep under \$50M annually to reduce debt service impact as much as possible; however, even within these constraints will require a tax increase for debt service to support proposed investments
- Does not totally address all needs but will be sufficient to assure ongoing investment and reinvestment
- Does not provide for any other funding for strategic property acquisitions, so once current \$10M allocation is exhausted, we would need new authorization
- Does not account for quality of life investments other than ongoing maintenance as part of the general ‘facilities maintenance’ activity center



# QUALITY OF LIFE BOND INITIATIVE

- Based on health, safety and transportation initiatives outlined in CIP, determine the following:
  - When to hold an election
  - Impact on overall debt service and debt tax rate as a result of Council's direction



# ***Comments/Questions***

November 2, 2010