

CITY OF LA CRESCENT, MN
2016 to 2021 STREET RECONSTRUCTION PLAN

Public Hearing March 28, 2016

Adopted _____

Resolution No. ____

City of La Crescent, MN
2016-2021 Street Reconstruction Plan

Introduction

The City of La Crescent (the “City”) historically has conducted street maintenance and reconstruction as part of its annual operational budget or as part of a street improvement capital improvement project. The maintenance and reconstruction has included seal coating, mill and overlay, complete reconstruction, and other such items incidental to the maintenance of city streets. The City finds that it does not have the resources for reconstructing streets as quickly as required, due to increased need for major reconstruction projects.

Due to this fact, the City has decided to finance a portion of its street reconstruction through the issuance of General Obligation Street Reconstruction Bonds.

Statutory Authority and Requirements

Minnesota Statutes, Section 475.58, Subd. 3b (the “Act”) authorizes Minnesota cities to adopt a Street Reconstruction Plan. The Plan must cover at least a five-year period and set forth the streets to be reconstructed, the estimated costs, and any planned reconstruction of other streets in the municipality over the next five years.

Street Reconstruction Bonds can be used to finance the reconstruction and bituminous overlay of existing city streets. Eligible improvements may include turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects, street reconstruction does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed. Street Reconstruction Bonds are subject to the debt limit.

The Act sets forth specific requirements for the issuance of Street Reconstruction Bonds, which are as follows:

- The projects financed under this authority must be described in a street reconstruction plan, as described above.
- The city must publish notice of and hold a public hearing on the proposed plan and the related issuance of bonds. The notice must be published at least ten days but not more than 28 days prior to the hearing date.
- The plan and the issuance of bonds must be approved by a vote of all of the members of the governing body present at the meeting.
- The issuance of bonds is subject to a reverse referendum. An election is required if voters equal to 5% of the votes cast in the last municipal general election file a petition

with the city clerk within 30 days of the public hearing. If the city decides not to undertake an election, it may not propose the issuance of Street Reconstruction Bonds for the same purpose and in the same amount for a period of 365 days from the date of receipt of the petition. If the question of issuing the bonds is submitted and not approved by the voters, the provisions of section 475.58, subdivision 1a, shall apply (no resubmission for same purpose/amount for 180 days).

History and Existing Street Reconstruction Bonds

At the time of the approval of this Street Reconstruction Plan, the City has no outstanding Street Reconstruction Bonds issued under Chapter 475.

Net Debt Limits

Minnesota Statutes Section 475.53, Subd. 1 states that no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the market value of taxable property in the municipality.

Bonds issued under the authority granted by this Plan are subject to the net debt limit restriction described above. The City has the following net debt capacity.

Computation of Legal Debt Margin as of December 31, 2015:

2014/2015 Estimated Market Value ¹	\$ 372,068,700
Multiplied by 3%	<u> x .03</u>
Statutory Debt Limit	<u>\$ 11,162,061</u>
Less outstanding debt applicable to debt limit:	
\$905,000 G.O. Certificates of Indebtedness, Series 2013A	795,000
\$360,000 G.O. Promissory Note of 2014	<u>315,000</u>
Debt applicable to debt limit:	<u>\$ 1,110,000</u>
Legal debt margin	<u>\$ 10,052,061</u>

¹ Most current taxes payable year available as certified as final by the County.

The City is proposing to issue up to a maximum of \$3,000,000 in new General Obligation Street Reconstruction Bonds between March 30, 2016 and March 30, 2021 to finance a portion of the proposed street reconstruction, as detailed in Table A and the attached Map in Exhibit B. The proposed bond issuance is within the current City's Legal Debt Margin.

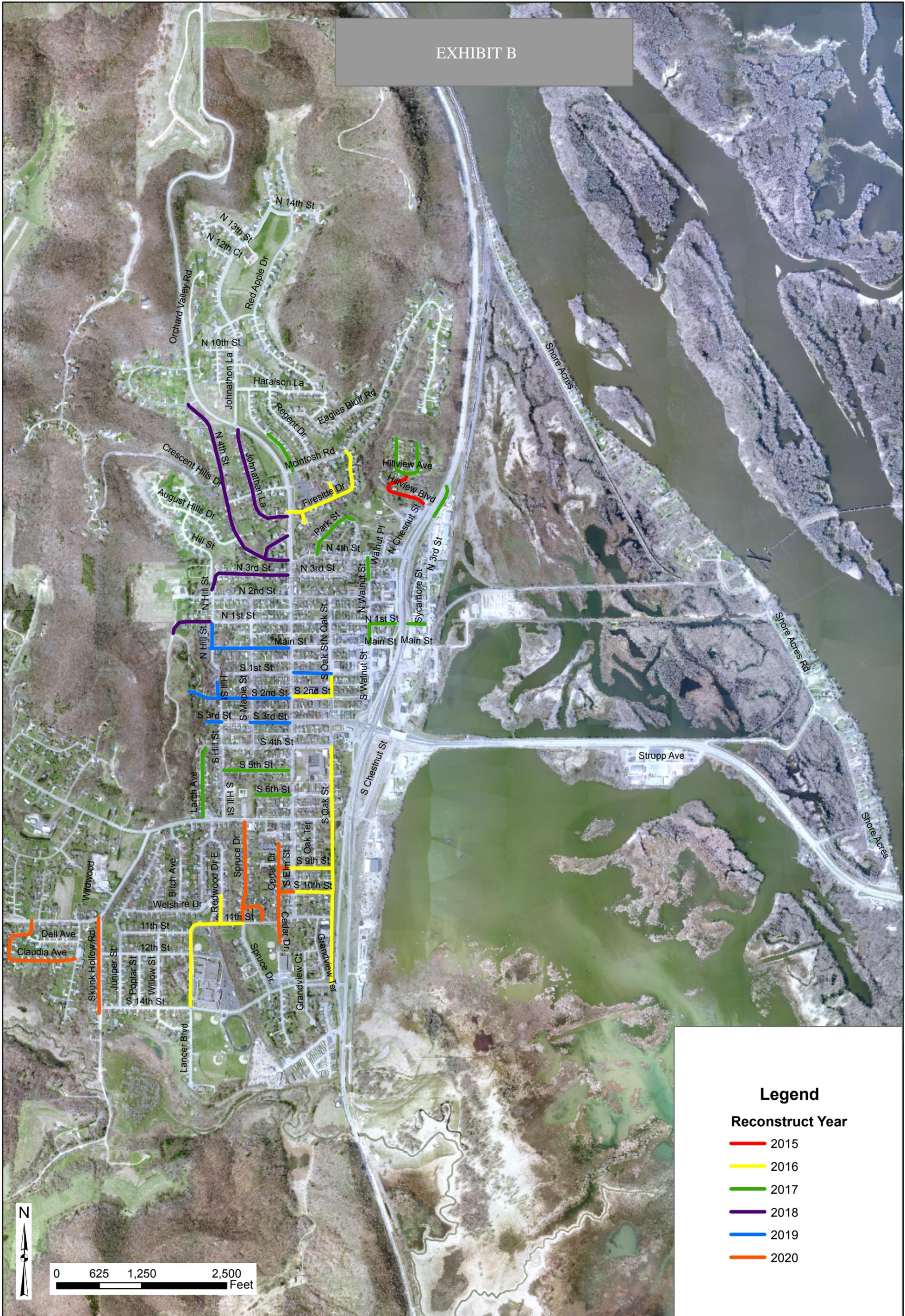
Proposed Street Reconstruction and Cost Estimate

The City's Street Reconstruction Plan, as detailed in Table A and shown on the Map in Exhibit B, includes all street reconstructions to be undertaken between March 30, 2016 and March 30, 2021 to be financed through the issuance bonds and other revenue sources. The City reserves the right to adjust the amount of annual spending between years, as long as the overall 2016-2021 Street Reconstruction Plan is not increased and the issuance of new General Obligation Street Reconstruction Bonds does not exceed \$3,000,000 during the five-year period.

TABLE A

LA CRESCENT 2016-2021 STREET RECONSTRUCTION PLAN	Amounts
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March, 30, 2016 through March 30, 2017	
2016 Street Reconstruction Projects	\$1,305,000
TOTAL	\$1,305,000
March, 30, 2017 through March 30, 2018	
2017 Street Reconstruction Projects	\$2,030,000
TOTAL	\$2,030,000
March, 30, 2018 through March 30, 2019	
2018 Street Reconstruction Projects	\$2,070,000
TOTAL	\$2,070,000
March, 30, 2019 through March 30, 2020	
2019 Street Reconstruction Projects	\$1,850,000
TOTAL	\$1,850,000
March, 30, 2020 through March 30, 2021	
2020 Street Reconstruction Projects	\$1,875,000
TOTAL	\$1,875,000
GRAND TOTAL (3/30/16 THROUGH 3/30/21)	\$9,130,000

EXHIBIT B



- Legend**
- Reconstruct Year**
- 2015
 - 2016
 - 2017
 - 2018
 - 2019
 - 2020

STREET CIP
LA CRESCENT, MN



SHEET 01 OF 01	CHECKED BY: TAH	DRAWN BY: SMH	PROJECT NO. 7904	SCALE: AS SHOWN
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