

OPEN SPACE BOARD OF TRUSTEES

Tuesday September 2, 2014 at 5:00 p.m.

Fishbowl Conference Room – 1777 Broadway

MEETING AGENDA

(Please note that times are approximate.)

- 5:00 I. Public Participation for Items Not on the Agenda
- 5:05 II. Consideration of recommendations to City Council regarding Issuance of Open Space Acquisition Bonds Series 2014 in a principal amount of \$10,000,000 to be used to continue acquisition of open space real property; and supplemental appropriation of the 2014 Open Space Bond proceeds in the Open Space Fund and the Open Space and Mountain Parks budget.*
- 5:35 III. Adjournment

*Public Participation



**CITY OF BOULDER
OPEN SPACE BOARD OF TRUSTEES AGENDA ITEM**

MEETING DATE: September 2, 2014

AGENDA TITLE

Consideration of recommendations to City Council regarding Issuance of Open Space Acquisition Bonds Series 2014 in a principal amount of \$10,000,000 to be used to continue acquisition of open space real property; and supplemental appropriation of the 2014 Open Space Bond proceeds in the Open Space Fund and the Open Space and Mountain Parks budget.

PRESENTERS

Michael Patton, Director, Open Space and Mountain Parks
Michael Orosel, Financial Services Manager

Note: The final numbers for this agenda item will not be available until all bond bids are received the morning of September 2, 2014. A revised agenda packet for this item will be distributed at the beginning of the September 2 meeting with the final numbers filled in.

EXECUTIVE SUMMARY

On Aug. 19, 2014 the City Council authorized the city manager to call for a public sale of \$10,000,000 city of Boulder, Colorado Open Space Acquisition Bonds, Series 2014. The public sale will be held on Sept. 2, 2014 with bids received from 9:30 a.m. to 10:00 a.m. The results of that sale will be put into an ordinance prior to the City Council meeting that night. The ordinance authorizing the sale must be adopted as an emergency as the bids for the bonds are only good for 24 hours.

Open Space and Mountain Parks Department staff has been working with the city's chief financial officer and staff, the city attorney, the city's bond counsel, Kutack Rock LLP, and the city's financial advisor, Piper Jaffray, to prepare for the sale of these bonds. The purpose of the bonds is to continue acquisition of Open Space real property within the context of the Open Space and Mountain Parks Acquisition Update 2013-2019.

Following are estimated figures related to the bond sale. The actual figures will be provided to the Board and council on Sept. 2, 2014, prior to the requested actions.

Sources of Funds (Estimated):

Proceeds of the 2014 Bonds \$10,000,000

Uses of Funds (Estimated):

Project Funds \$ 9,835,000
Costs of Issuance 165,000
Total Uses \$10,000,000

Estimated Payment Schedule:

Payments will be made semi-annually, in February and August, through 2034. Total payment of principal and interest due in 2015 is estimated to be \$554,003 and in 2016 and thereafter estimated to be in the range of \$647,000 to \$653,000 per year over the life of the bonds.

On Sept. 2, 2014 the Board and council will be presented with the actual figures for:

Principal amount \$XXX,XXX
Costs of issuance \$XXX,XXX
Amount to be deposited into the Acquisition Fund \$XXX,XXX
Name of successful bidder _____
Bid amount and net interest _____

At the bond closing, scheduled for Oct. 9, 2014, the bond proceeds will be received by the city and deposited into the Open Space Fund. The ordinance appropriating the funds will be adopted as an emergency measure so that the funds can begin to be expended after receipt in October.

STAFF RECOMMENDATION

Staff recommends that the Open Space Board of Trustees recommend that the City Council (1) approve an emergency ordinance to authorize the City of Boulder to issue Open Space Acquisition Bonds Series 2014 in a principal amount of \$10,000,000 to be used to continue acquisition of open space real property within the context of the Open Space and Mountain Parks Acquisition Update 2013-2019 and to pay the necessary costs of issuance; and, (2) that the City Council approve an emergency ordinance making a supplemental appropriation of the Open Space Acquisition Bonds, Series 2014 proceeds to the 2014 Open Space and Mountain Parks budget in the Open Space Fund.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACT

- Economic – By management of 46,632 acres of land, the Open Space and Mountain Parks Department contributes to the economic goal of the city as it provides the context for the diverse and vibrant economic system that sustains services for residents. The land system and the quality of life it represents attract visitors to the community who make significant contributions to city taxes. The city’s open space values also help businesses recruit and retain quality employees.
- Environmental – Although there are no environmental issues as a result of the proposed bond offering, the preservation of open space lands contributes to the environmental sustainability goal of the City Council. The department’s land acquisition, land and resource management and visitor service programs help preserve and protect the open space values of the surrounding publicly-owned land.
- Social – The city’s open space land is acquired, maintained, preserved, retained and used to preserve or restore natural areas characterized by or including terrain, geologic formations, flora or fauna that are unusual, spectacular, historically important, scientifically valuable or unique, or that represent outstanding or rare examples of native species; to preserve water resources in their natural or traditional state, scenic area or vistas, wildlife habitats or fragile ecosystems; to preserve land for passive recreational use, such as hiking, photography or nature studies, and, if specially designated, bicycling, horseback riding or fishing; to preserve agricultural uses and land suitable for agricultural production; to utilize land for shaping the development of the city, limiting urban sprawl and disciplining growth; to utilize non-urban land for spatial definition of urban areas; to utilize land to prevent encroachment on floodplains; and to preserve land for its aesthetic or passive recreational value and its contribution to the quality of life of the community. Because Open Space and Mountain Parks lands, facilities and programs are equally accessible to all members of the community, they help to support the city’s community sustainability goal because all residents “who live in Boulder can feel a part of and thrive in” this aspect of their community.

OTHER IMPACTS

- Staff time – Administration of the revised debt service on this bond issue is part of normal staff time that is included in the appropriate department budgets.

PUBLIC COMMENT AND PROCESS

This item is being heard at this public meeting, advertised in the *Daily Camera* on Aug. 31, 2014. The Open Space Board of Trustees is scheduled to meet immediately prior to the Sept. 2, 2014 City Council meeting in order to make recommendations to City Council. Staff will verbally update City Council at its Sept. 2, 2014 meeting on the Open Space Board of Trustees recommendation. In order to lay the ground work for that bond issuance, City Council has taken two actions: 1) On Aug. 19, 2014 council passed a resolution declaring the city’s official intent to reimburse itself from bond proceeds for Open Space land purchased prior to the bond proceeds arrival so that timing of Open

Space real estate closings would not have to be delayed and funds from the unrestricted Open Space Fund balance could be used in the interim for this purpose; and 2) on Aug. 19, 2014 council unanimously approved a resolution authorizing the official notice for this bond sale in the principal amount of \$10,000,000.

Submitted by:


Michael D. Patton, Director


Michael Orosel, Finance Manager