

City's Capital Needs Exceed Debt Cap

By Shawn Jones

A self-imposed cap on capital debt – issued in the form of general obligation (GO) bonds repayable primarily through property taxes – will soon push the City past its stated debt limit of \$113 million if proposed capital projects are ultimately approved, according to a presentation from City and Library staff at the Oct. 23 City Council meeting.



Rendering of proposed reconfiguration of the Main Library entry hall.

From City of Evanston packet

The City's ordinary capital needs could be met if bonds were issued only up to the limit, but that would change if the Robert Crown project and major renovations to the Main Public Library are added into the mix. The City's GO debt stood at a bit under \$111.5 million in 2017, but it would balloon to more than \$121.5 million in 2018-9 with the inclusion of Crown debt, and nearly \$133 million in 2018 with both Library and Crown debt included.

The Library renovation would be a complete re-envisioning of the function and purpose of the main library building, said Library Director Karen Danczak Lyons. "The Main Library opened 23 years ago," she said, when libraries were very different in purpose and service. The renovations would "move us from scarcity to adequacy," she said. The library "turns people away every day" who are seeking meeting spaces.

The plans, which can be seen on the City's website, cityofevanston.org, would "re-create" the Library "for the way we now learn, gather, use technology and seek assistance," according to Ms. Lyons' presentation. More study spaces, a dedicated eating area, a narrower exit chute from the children's area, and consolidating staff workspace on the fourth floor are among the design upgrades contemplated.

Significantly more meeting spaces to accommodate growing and increasing public programming, such as the tax preparation program; the Veterans' programming, as described by James Hawkins of the Vet Center during public comment; and National Able Network, a workforce placement for walk-in clients, as presented by Matthew Daigler, would be available. Already, Mr. Daigler said, 200 to 300 people visit every month, and National Able places 80% in jobs. Renovation would make more space available, and he would get a "window in my office."

"GO bonds issued to construct the building are being retired," said Ms. Lyons. "It makes sense to issue more bonds now."

It is unclear what impact, if any, the new bonds would have on Evanston taxpayers. The retirement of existing bonds may minimize the impact, but the bond market fluctuates such that predicting debt service is difficult. Also, the symbiotic but separate relationship between the Library and the City is complicated.

Technically, the City of Evanston owns the Main Library building and the North Branch on Central Street but not the Chicago Avenue/Main Street Branch. The City will own the Crown library when built. The library fund pays building upkeep and maintenance, however. Complicating matters more: The City owns and operates and collects revenue from the parking deck under the Main Library and from the adjacent, soon-to-be sold surface parking lot.

All these serve to complicate debt issuance, though resolution and clarification of the relationship between City and Library is not expected any time soon.

On the City side, projects continue to stack up. According to Lara Biggs, the City's Bureau Chief of Capital Planning, said the City prioritizes projects on a worst/first basis: Safety issues, imminent likely failure, or compliance with changing regulations drive project selection and order more than geography.

Capital projects are split among street resurfacing (including tandem water main and sewer replacement projects), water treatment plant upgrades, facilities improvement such for as the Civic Center and Service

Center, parks, other transportation projects (bridges, alley paving, traffic signals, parking lots), and other projects, including the Library.

Streets and water make up the largest in dollar amount, but funding for these projects is less likely to come from GO bonds. The water fund, parking fund, Illinois Environmental Protection Agency loans, motor fuel tax, and federal and state grants, among others, are often funding sources for these projects.

Most facilities and parks get almost no funding from sources other than the City's General Fund, its main operating fund, and GO bonds.

A list of upcoming projects can be found on the City's website.