

# Bond 2019 FAQs

## Get Detailed Information About Items on the May 4 Bond Election

### 1. What is a bond election?

It is an election where the city seeks permission from voters to issue debt to pay for designated capital improvement projects.

### 2. Will this raise my taxes?

General Obligation (G.O.) bonds are backed by the city's taxing ability; however, the current city portion of the tax rate is sufficient to pay for the debt being brought before the voters.

### 3. Why does the city issue bonds?

The city uses its ability to access low interest rates to spread out the cost of multi-million dollar improvement projects. In a simple analogy, it is similar to taking out a mortgage to purchase or improve a home. It also spreads the cost of capital projects that will be used for many years, thereby spreading the cost out so today's taxpayers aren't the only ones paying for tomorrow's users.

### 4. What is the impact of the proposed bonds on the city's total assessed valuation?

The city currently has about \$237 million in outstanding debt, which is approximately 1 percent of the city's total assessed value of property. The city currently has a total assessed valuation of property of more than \$22 billion, which is the funding source to pay for general obligation bonds. The combined \$350 million bond authorization from this election would represent 1.59 percent of the city's total assessed valuation, and combined with current outstanding debt would represent 2.67 percent of the total assessed valuation.

Compare that to a home valued at \$400,000 with a current mortgage. Current outstanding debt would approximate a mortgage of \$4,000, and adding new debt would still only constitute \$7,500 on a \$400,000 home value.

## **Prop A: \$75,000,000 for public safety facilities**

### 5. Is the city seeking approval to expand the Public Safety facilities?

The current Public Safety Building was constructed on a 16-acre site and occupied in 2006 for the McKinney Police Department and the McKinney Fire Department Administration. At the time, McKinney's population was around 100,000 residents.

The existing facilities were designed in phases to accommodate each department's needs coinciding with the growth of the city. Since opening, McKinney has doubled in population, and expanding the public safety facility addresses growth in the city.

### 6. How are the locations of fire stations determined?

Future fire station locations are selected based on the Fire Department's efforts to maintain an industry leading ISO Rating of 1, which includes response times and maintenance of citywide service.

## **Prop B: \$50,000,000 for a municipal community complex**

### **7. Why is the city seeking approval for a new Municipal Community Complex?**

The current municipal complex is a converted bank building constructed in the 1950s and a Development Services building from the 1960s. The buildings are not large enough to house a growing city and city staff, the city leases additional space around the city. In all, city administrative and parks employees are located in nine buildings and at a cost of \$650,000 in annual rent.

The new building could be designed to accommodate the city's growth for the next generation, at a location that would serve as a central gathering space, a catalyst for development.

### **8. What locations are being considered?**

City staff and City Council are considering several locations throughout McKinney. Each of the locations would need to appropriately allow the municipal complex to meet the needs of the city.

### **9. How much does the city spend in rent each year?**

The city currently spends \$650,000 each year to rent facilities for the delivery of municipal services.

### **10. Will \$50 million cover the cost of a new Municipal Community Complex?**

\$50 million will serve as a major source of funding, but it will not cover the entire cost. However, the city is confident this funding can leverage additional public-private partnership opportunities that will help share some of the project costs and risks, as well as utilize private sector finance and innovation.

### **11. What will happen to the old City Hall and city facilities?**

City Council will determine what to do with the old facilities. Options include selling the land and allowing for new redevelopment, to razing the buildings and creating public open space. Any proceeds from a sale could offset some of the costs associated with a new municipal community complex.

## **Prop C: \$91,000,000 for parks and recreation facilities**

### **12. Will the current Senior Center be expanded or will a new one be built?**

A newly-designed and larger senior recreation center would likely be built. The exact location within our parks system will be determined based upon the final building program and site area requirements.

### **13. What is the relationship with the McKinney Community Development Corporation(MCDC)?**

MCDC has pledged \$5.5 million each year during the next six years for both new parks and parks improvements, which is an important funding source. Developers also contribute money or land towards parks when they build a new residential neighborhood, but this resource is variable and tied to the general geographical location in which the development is located. In all, this funding is only a portion of the funds needed to continue to maintain and expand the parks and recreation amenities in the community.

The 2017 Parks and Recreation Master Plan sets a standard target level of service (LOS) based upon national and regional metrics for both neighborhood and community parks in order to provide for and meet the recreational needs of our residents.

The standard LOS for neighborhood parks for McKinney is two acres for every 1,000 residents. We currently sit at 1.4 acres per 1,000 residents. For community parks, McKinney's target LOS is six acres for every 1,000 residents and the city currently has an LOS of 6.2 acres per 1,000 residents.

### **Prop D: \$34,000,000 public works facilities**

#### **14. Why is this facility being submitted to the voters?**

McKinney's current Public Works complex was originally built in the 1993 to provide Public Works services to a McKinney population of approximately 25,000 citizens. In 1995, a Fleet Maintenance facility was constructed to provide services for a population of approximately 30,000 and to maintain a city vehicle fleet of around 225 vehicles. In 1998, a Water and Wastewater building was constructed to provide services for a population of approximately 38,000. In 2000, a Purchasing, Parks and Warehouse facility was constructed to provide services for a population of approximately 54,000. With a city population of nearly 190,000, the current Public Works facilities are too small to provide needed services.

#### **15. What will happen to the old facilities?**

The current facilities will be either repurposed, renovated, or reconstructed to most effectively serve the needs of the Public Works functions of the city.

### **Prop E: \$100,000,000 for street improvements including sidewalk, alley and other traffic flow improvements**

#### **16. Will this money pay for the construction of U.S. 380?**

U.S. 380 is a state / federal highway and is funded from state and federal funds. The projects that would be funded with these bond proceeds are strictly for city-owned streets and related improvements.

#### **17. Will this money fund public transit in McKinney?**

No. Public transit is funded by state, federal and local general fund monies.