

# THE BOND BUYER

## Cleveland City Council approves borrowing \$156 million

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CLEVELAND, Ohio — The City Council gave approval to Mayor Frank Jackson's administration to borrow more than \$156 million for capital improvements, including a new police station and equipment to make Cleveland's streets safer.

Council's votes on a series of ordinances allow the administration to start getting the money together for capital improvements, even though specific costs and projects for 2018 have not yet been set.

It's a step similar to a consumer getting borrowing levels approved for a mortgage ahead of settling on a house. Like that example, this borrowing is capped so that it cannot rise above specific limits. It could be lower, depending on what projects are approved.

The city typically retires about \$45 million in debt each year, often replacing it with new bonds for new projects. The total will be pushed up this year because of the police headquarters and plans to install new street lights and security cameras.

Here's a look at how the money will be spent.

**Housing the police:** Up to \$64 million could be borrowed for establishing a new police headquarters for Cleveland's police department.

The city has agreed to sell its portion of the Justice Center downtown -- which houses headquarters and the city jail -- to Cuyahoga County. Cleveland will pay the county to handle jail services and has agreed to rent office space from the county until it finds a new site for its police headquarters.

The city is still considering a handful of sites, including the home of cleveland.com at 1801 Superior Ave. Up to \$55 million of the \$64 million could be

used to construct a new building. The price could be cheaper if the city can refit an existing building. A decision is expected within a month.

**Boosting street safety:** Two of the bond issues, one for up to \$67.5 million and another for nearly \$6.1 million, would include money for security cameras to be mounted atop city street lights and for LED lighting to make all street lights brighter.

About \$35 million of a \$67.5 million bond for improving bridges and roadways would pay for the LED lighting. That portion of the bonds would be repaid through an expected \$14 million a year in electrical savings from the lights, which are brighter but use less electricity.

That bond will also raise a portion of the \$12 million Cleveland expects to spend repaving side streets in 2018.

Money from the other bond would be used to pay for cameras, which will be mounted in strategic locations around the city and give police real-time surveillance abilities.

The city hasn't bid out the camera work yet and doesn't have hard figures for the costs. But Jackson has said it will likely be millions of dollars. The work will be done in phases.

**Parks upgrades:** The Jackson administration hopes to bolster parks and recreation centers so that residents view them as safe havens from urban crime and violence. An \$18.5 million issue would raise money for park and rec improvements.

**Debt refinancing:** In addition to the borrowing, City Council approved refinancing up to \$92 million in existing debt, contingent on finding better interest rates than what is attached to the current bonds.

Cleveland's annual capital improvement schedules are derived from longer term plans. The administration is expected to present its 2018 plan for capital improvements to City Council in the next few weeks.