# CITY OF WEST DES MOINES
# CITY COUNCIL MEETING COMMUNICATION

**ITEM:** Direct Advertisement for Sale, Approval of Electronic Bidding Procedures, and Approval of Official Statement – Issuance of $12,835,000 Taxable General Obligation Urban Renewal Bonds

**DATE:** February 23, 2015

**FINANCIAL IMPACT:** Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received on Monday, March 9, 2015. Interest is estimated to range from 1.52% to 3.07% with an approximate overall interest rate of 2.84%, with final maturity scheduled for June 1, 2025 (10 year bonds). Interest payments begin December 1, 2015 and continue semiannually thereafter. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Bonds due after June 1, 2023, will be subject to call for prior redemption on said date or on any day thereafter upon terms of par plus accrued interest to date of call.

**BACKGROUND:** This action allows the sale of $12,835,000 of General Obligation Bonds (Series 2015B), to partially defray the costs of constructing a number of CIP projects related to Project Alluvion. Staff has factored the cost of the proposed issuance compared to the total amount of funds available from the Alluvion Urban Renewal Area in order to maintain positive cash flow throughout the life of the bond issuance and the urban renewal area.

The resolution for this item also approves a Preliminary Official Statement and authorizes its distribution with respect to the above-referenced issues. The Council is encouraged to review the Official Statement as its preparation is subject to Federal Securities Law regulation. As such, the City must be certain that facts and representations are true and correct in all material respects, up to and including the date of the delivery of the bonds. A copy of the Preliminary Official Statement has been sent electronically to the Councilmembers and is available for review in the offices of the City Clerk and Finance Director.

On June 2, 2014, a public hearing was held to institute proceedings on the issuance of "not to exceed" $87 million General Obligation Bonds, covering all issuances of Alluvion-related bonds. No public comments were received at the previous hearing.

Proposals will be received Monday, March 9, 2015, at 10:00am, and either staff or a representative of the City's Financial Advisory Firm, Public Financial Management (PFM), will report on the results to Council at its meeting scheduled for that same evening.

**RECOMMENDATION:** Adoption of Resolution instituting proceeds to take additional action, approval of the Preliminary Official Statement, and authorization of electronic bidding procedures for the issuance of not to exceed $12,835,000 General Obligation Urban Renewal Bonds

**Lead Staff Member:** Tim Stiles, Finance Director

**STAFF REVIEWS**

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|---|---|
| Department Director | |
| Appropriations/Finance | |
| Legal | |
| Agenda Acceptance | RTG |

**PUBLICATION(S)** (if applicable)

| | |
|---|---|
| Published In | |
| Dates(s) Published | |

**SUBCOMMITTEE REVIEW** (if applicable)

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| Committee | | | |
| Date Reviewed | | | |
| Recommendation | Yes | No | Split |

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Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING THE ADVERTISEMENT FOR SALE OF $12,835,000 TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2015B, AND APPROVING ELECTRONIC BIDDING PROCEDURES AND OFFICIAL STATEMENT" and moved its adoption. Council Member _____ seconded the Resolution to adopt. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION DIRECTING THE ADVERTISEMENT FOR SALE OF $12,835,000 TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2015B, AND APPROVING ELECTRONIC BIDDING PROCEDURES AND OFFICIAL STATEMENT

WHEREAS, the Issuer is in need of funds to pay costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the Alluvion Urban Renewal Area, including power line relocation; funding incentives pursuant to a development agreement with Microsoft, essential corporate urban renewal purpose project(s), and it is deemed necessary and advisable that the City issue Taxable General Obligation Urban Renewal Bonds, for such purpose(s) to the amount of not to exceed $87,000,000 as authorized by Sections 384.25 and 403.12 of the Code of Iowa; and

WHEREAS, pursuant to notice published as required by Sections 384.24 (3)(q), 384.25, and 403.12 this Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of said Bonds, and all objections, if any, to such Council action made by any resident or property owner of the City were received and considered by the Council; and no petition having been filed, it is the decision of the Council that additional action be taken for the issuance of said Bonds for such purpose(s), and that such action is considered to be in the best interests of the City and the residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, STATE OF IOWA:

Section 1. That the receipt of electronic bids by facsimile machine and through the Parity Competitive Bidding System described in the Notice of Sale and Official Statement are hereby found and determined to provide reasonable security and to maintain the integrity of the competitive bidding process, and to facilitate the delivery of bids by interested parties in connection with the offering at public sale.

Section 2. That $12,835,000 Taxable General Obligation Urban Renewal Bonds, Series 2015B, of City of West Des Moines, State of Iowa, in the amount of $12,835,000, to be issued as referred to in the preamble of this Resolution, to be dated April 7, 2015, be offered for sale pursuant to the published advertisement.

Section 3. That the preliminary Official Statement in the form presented to this meeting be and the same hereby is approved as to form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to such revisions, corrections or modifications as the Mayor and City Clerk, upon the advice of bond counsel and the City's Municipal Advisor, shall determine to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

Section 4. That the Clerk is hereby directed to publish notice of sale of the Bonds at least once, the last one of which shall be not less than four clear days nor more than twenty days before the date of the sale. Publication shall be made in the "Des Moines Register", a legal newspaper, printed wholly in the English language, published within the county in which the Bonds are to be offered for sale or an adjacent county. The notice is given pursuant to Chapter 75 of the Code of Iowa, and shall state that this Council, on the 9th day of March, 2015, at 5:30 P.M., will hold a meeting to receive and act upon bids for said Bonds, which bids were previously received and opened by City Officials at 10:00 A.M. on said date. The notice shall be in substantially the following form:

(Notice to be published on or before: March 3, 2015)

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of Bonds of the City of West Des Moines, State of Iowa, hereafter described, must be received at the office of the City Clerk, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa; Telephone: 515-222-3600 (the "Issuer") before 10:00 A.M., on the 9th day of March, 2015. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

The Bonds: The Bonds to be offered are the following:

GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2015A, in the amount of $22,490,000*, to be dated April 7, 2015;

TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2015B, in the amount of $12,835,000*, to be dated April 7, 2015; and

GENERAL OBLIGATION URBAN RENEWAL REFUNDING BONDS, SERIES 2015C, in the amount of $3,475,000*, to be dated April 7, 2015

(collectively the "Bonds")

*Subject to principal adjustment pursuant to official Terms of Offering.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Clerk at City Hall, 4200 Mills Civic Parkway, P.O. Box 65320, West Des Moines, Iowa 50265.

- Electronic Internet Bidding: Electronic internet bids will be received at the office of the City Clerk at City Hall, 4200 Mills Civic Parkway, P.O. Box 65320, West Des Moines, Iowa 50265. The bids must be submitted through the PARITY® competitive bidding system.

- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City Clerk at City Hall, 4200 Mills Civic Parkway, P.O. Box 65320, West Des Moines, Iowa 50265 (facsimile number: 515-222-3620). Electronic facsimile bids will be treated as sealed bids.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa at a meeting of the City Council on the above date at 5:30 P.M.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and Official Bid Forms, which are incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the City Clerk, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa; Telephone: 515-222-3600 or the Issuer's Municipal Advisor, Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, Telephone: 515-243-2600.

Terms of Offering: All bids shall be in conformity with and the sale shall be in accord with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: The Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed Bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of West Des Moines, State of Iowa.

_____

City Clerk, City of West Des Moines, State of Iowa

(End of Notice)

PASSED AND APPROVED this 23rd day of February, 2015.

_____
Mayor

ATTEST:

_____
City Clerk