CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Public Hearing for the issuance of not to exceed $16,800,000 General Obligation Urban Renewal Bonds

DATE: May 2, 2016

FINANCIAL IMPACT: Final debt service amounts (principal and interest) not known, pending sale date and interest rate charged; projected costs are already included in the fiscal year 2015-16 budget. Staff estimates that actual amount of borrowing under these issuances, based on the underlying projects, is approximately $15,815,000.

BACKGROUND: This public hearing will allow the sale of not to exceed $16.8 million General Obligation Urban Renewal Bonds to partially defray the costs of constructing S. 60th Street from Mills Parkway to Grand Avenue (Phase 1), S. 88th Street from Sugar Creek Drive to Booneville Drive, and the Sugar Creek Conveyance Improvements (Phases 1A and 1B), each of which is included in the current year (FY 15-16) or the prior year (FY 14-15) CIP budget.

It is expected that these bonds will close prior to June 30, 2016, so staff has factored the costs associated with this proposed issuance into the FY 2015-16 budget. The next FY 15-16 budget amendment will factor these funds into the total amount of funds available for the CIP program. A large majority of the proceeds will be expended either in the current year or FY 2016-17.

This issuance will not affect the City's debt service levy rate of $1.95 per $1,000 of taxable valuation. Repayment funds will be generated through the Mills Urban Renewal Area, and bond payments have been considered when projecting future cash flow needs for this URA.

The recommended action will establish authorization for the City to receive bids and conduct other details associated with the sale.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Adoption of Resolution instituting proceedings to take additional action on the issuance of not to exceed $16,800,000 Essential Corporate Purpose General Obligation Bonds.

Lead Staff Member: Tim Stiles, Finance Director

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	The Des Moines Register
Dates(s) Published	April 15, 2016

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	February 17, 2016		
Recommendation	Yes	No	Split

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AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $16,800,000 GENERAL OBLIGATION URBAN RENEWAL BONDS

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of not to exceed $16,800,000 General Obligation Urban Renewal Bonds, for the essential corporate urban renewal purposes, in order to provide funds to pay the 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 plans for the Mills Parkway Urban Renewal Area, as amended, including public street construction, reconstruction, and/or widening and related activities including right-of-way acquisition, related utilities and sewers, storm water conveyance structures, bridges, railroad crossings, bike/pedestrian trails and under crossings, traffic signals and signage, turn lanes, medians, landscaping, street lights and related improvements for portions of the Sugar Creek Conveyance Improvement Project, South 88th Street Reconstruction Project, and the South 60th Street Reconstruction Project, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds; and no petition was filed calling for a referendum thereon. The following action is now considered to be in the best interests of the City and residents thereof.

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

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of not to exceed $16,800,000 General Obligation Urban Renewal Bonds, for the foregoing essential corporate urban renewal purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Bonds. The amounts so advanced shall be reimbursed from the proceeds of the Bonds not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is

placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 2nd day of May, 2016.

_____
Mayor

ATTEST:

_____
City Clerk