CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Public Hearing to Enter Into a General Obligation Urban Renewal Loan Agreement for the Issuance of Not to Exceed $15,400,000 General Obligation Urban Renewal Bonds

DATE: August 6, 2018

FINANCIAL IMPACT: Any and all underlying debt will be backed by Hotel/Motel Tax revenues, so these bond issuances will not affect the City's overall debt service levy, currently set at $1.95/$1,000 taxable valuation.

It is anticipated that the overall project will cost approximately $29,400,000 with funding from a variety of sources as follows:

General Obligation Urban Renewal Bonds (anticipated proceeds)	$14,400,000
Private Donations	10,000,000
City Utility Funds (Loan)	1,500,000
Grant Opportunities	1,500,000
Urban Renewal Funds	2,000,000
Total	$29,400,000

The proposed bonds will be sold at the appropriate time – after funding is secure and the budget is formalized for the project. The bonds could be sold in one issuance or staggered with multiple sales, depending on the cash flow needs of the project.

BACKGROUND: The public hearing will consider the future sale of not to exceed $15,400,000 of General Obligation Urban Renewal Bonds to partially defray the costs of constructing, furnishing, and equipping an ice and turf sports recreation campus planned within the Mills Parkway Urban Renewal Area. Per the Code of Iowa, the first step in the bonding process is to set a public hearing date.

Following the public hearing, the Council will be asked to adopt a resolution directing that the City's current and future budgets include the proper amount of revenue needed to meet the debt service requirements of these issuances. This approval will allow the City to institute proceedings needed to issue the bonds and also, although currently not necessary, possibly collect revenue through Urban Renewal Area tax revenues in amounts needed to repay the bonds.

OUTSTANDING ISSUES (if any): None.

RECOMMENDATION: Adoption of Resolution authorizing the issuance of not to exceed $15,400,000 General Obligation Urban Renewal Bonds.

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

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	August 1, 2018		
Recommendation	Yes	No	Split

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RESOLUTION NO. _____

Resolution taking additional action on proposal to enter into a General Obligation Urban Renewal Loan Agreement

WHEREAS, the City of West Des Moines (the "City"), in Dallas, Madison, Polk and Warren Counties, State of Iowa, heretofore proposed to enter into a loan agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed $15,400,000, pursuant to the provisions of Section 384.24A and Section 384.24(3)(q) of the Code of Iowa, for the purpose of paying the cost, to that extent, of undertaking an urban renewal project in the Mills Parkway Urban Renewal Area consisting of constructing, furnishing and equipping an ice and turf sports and recreation campus, including an arena, a fieldhouse, outdoor soccer fields, parking facilities and related improvements, and in lieu of calling an election upon such proposal, has published notice of the proposed action, including notice of the right to petition for an election, and has held a hearing thereon, and as of August 20, 2018, no petition had been filed with the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City;

NOW, THEREFORE, Be It Resolved by the City Council of the City of West Des Moines, Iowa, as follows:

Section 1. The City Council hereby determines to enter into the Loan Agreement in the future and orders that general obligation bonds or notes be issued at such time, in evidence thereof. The City Council further declares that this resolution constitutes the "additional action" required by Section 384.24A of the Code of Iowa.

Section 2. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 3. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved August 20, 2018.

_____
Mayor

Attest:

_____
City Clerk