CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Establishing Date of Public Hearing for the issuance of not to exceed $10,750,000 General Obligation Urban Renewal Bonds (Essential Corporate Purpose) (Osmium Urban Renewal Area)

DATE: November 12, 2018

FINANCIAL IMPACT: Final debt service amounts (principal and interest) not known, pending sale date and interest rate charged; the underlying payment is an economic incentive to Microsoft Corporation which has FY 18-19 budget. 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 Osmium Urban Renewal Area, and bond payments have been considered when projecting future cash flow needs for this URA.

BACKGROUND: A public hearing scheduled for November 26, 2018, will consider the future sale of not to exceed $10.75 million General Obligation Urban Renewal Bonds to defray the cost of an Economic Incentive payment to Microsoft Corporation, required as part of its Development Agreement with the City.

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 collect revenue through Urban Renewal Area tax revenues in amounts needed to repay the bonds.

The recommended action will establish the date for a public hearing needed prior to receiving bids, selling the bonds, and conducting other details of the sale.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Adoption of Resolution instituting proceedings to hold a public hearing on November 26, 2018, to consider the issuance of not to exceed $10,750,000 General Obligation Urban Renewal Bonds (Essential Corporate Purpose).

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			
Date Reviewed			
Recommendation	Yes	No	Split

RESOLUTION NO. _____

Resolution setting the date for a public hearing on proposal to enter into a General Obligation Urban Renewal Loan Agreement and to borrow money thereunder in a principal amount not to exceed $10,750,000

WHEREAS, the City of West Des Moines (the "City"), in Dallas, Madison, Polk and Warren Counties, State of Iowa, proposes to enter into a loan agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed $10,750,000 for the purpose of paying the cost, to that extent, of carrying out an urban renewal project in the Osmium Urban Renewal Area consisting of funding an economic development grant to Microsoft Corporation in connection with the development of data centers, related business facilities and supporting infrastructure improvements (the "Project"), and in lieu of calling an election thereon, the City desires to institute proceedings to enter into the Loan Agreement by causing a notice of such proposal to be published, including notice of the right to petition for an election, under the provisions of Section 384.24A and Section 384.24.3(q) of the Code of Iowa, and it is now necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the Loan Agreement and to give notice thereof as required by such law;

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

Section 1. This City Council shall meet on November 26, 2018, at the _____, West Des Moines, Iowa, at _____ o'clock ___.m., at which time and place a hearing will be held and proceedings will be instituted and action taken to enter into the Loan Agreement.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than ten (10) and not more than twenty (20) days before the date selected for the meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED $10,750,000

(GENERAL OBLIGATION)

The City Council of the City of West Des Moines, Iowa, will meet on November 26, 2018, at the _____, West Des Moines, Iowa, at _____ o'clock ___.m., for the purpose of instituting proceedings and taking action on a proposal to enter into a loan agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed $10,750,000 for the purpose of paying the cost, to that extent, of carrying out an urban renewal project in the Osmium Urban Renewal Area consisting of funding an economic development grant to Microsoft Corporation in connection with the development of data centers, related business facilities and supporting infrastructure improvements.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A and Section 384.24.3(q) of the Code of Iowa and will constitute a general obligation of the City.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 384.26 of the Code of Iowa. If no such petition is filed, at the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

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

Ryan Jacobson
City Clerk

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 4. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved November 12, 2018.

_____
Mayor

Attest:

_____
City Clerk

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At the conclusion of the meeting and upon motion and vote, the City Council adjourned.

_____
Mayor

Attest:

_____