CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Issuance of $15,400,000 General Obligation Recreation Complex Bonds (Series 2019F) **DATE:** July 15, 2019

FINANCIAL IMPACT: The issuance will be "new money" issued in support of the City's annual Capital Improvement Budget; specifically targeted to finance the MidAmerican Energy RecPlex. Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received on Monday, July 15, 2019. Interest is estimated to range from 1.74% to 2.46% with an approximate all-in interest rate of 3.05%. Final maturity is scheduled for June 1, 2039 (20 year bonds). Bonds due after June 1, 2027 will be subject to call for redemption prior to maturity on said date or any day thereafter.

BACKGROUND: This action allows the sale of $15,400,000 of General Obligation Bonds (Series 2019F), to partially defray the costs of constructing the MidAmerican Energy RecPlex facility in West Des Moines. Staff has factored the cost of the proposed issuance compared to the total amount of funds available through the debt service levy in order to maintain positive cash flow throughout the life of the bond issuance. Funding for all debt service payments will be transferred from Hotel/Motel Tax revenue to the debt service fund.

On August 6, 2018, a public hearing was held to institute proceedings on the issuance of "not to exceed" $15.4 million General Obligation Bonds. Iowa Code Section 384.28 specifically permits the City to sell bonds for different projects together for market efficiency, once legal authority has been established through the required hearings, notices, and approvals. No comments were received.

Iowa Code Section 384.28 specifically permits the City to sell bonds for different projects together for market efficiency once legal authority is established through required hearings, notices, and approvals. All of the associated documents have been prepared by Bond Counsel and, because they are lengthy documents which are similar to those previously approved by Council, they were not attached with this item but are available in the City Clerk's office for viewing.

Competitive bids will be received Monday, July 15, 2019, at 11:00 AM and either staff or a representative of the City's Financial Advisory Firm, Public Financial Management (PFM), will report the results to Council during consideration of this agenda item.

RECOMMENDATION: Adopt motion receiving report of bids and resolution which, among other required action items articulated in the resolution, directs (awards) the sale of $15.4 million General Obligation Bonds (Series 2019F) to the successful bidder.

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

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RESOLUTION NO. _____

Resolution authorizing and approving a Loan Agreement, providing for the sale and issuance of $15,400,000 General Obligation Recreation Complex Bonds, Series 2019F and providing for the levy of taxes to pay the same

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 (the "Project"), 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; and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared to facilitate the sale of the Series 2019F Bonds, and the City Council has made provision for the approval of the P.O.S. and has authorized its preparation and use by PFM Financial Advisors, LLC, as municipal financial advisor (the "Financial Advisor") to the City; and

WHEREAS, pursuant to advertisement of sale, bids for the purchase of the Series 2019F Bonds to be issued in evidence of the City's obligation under the Series 2019F Loan Agreement were received and canvassed on behalf of the City and the substance of such bids noted in the minutes; and

WHEREAS, upon final consideration of all bids, the bid of _____, _____, _____ (the "Purchaser"), is the best, such bid proposing the lowest interest cost to the City for the Series 2019F Bonds; and

WHEREAS, it is now necessary to make final provision for the approval of the Series 2019F Loan Agreement and to authorize the sale and issuance of the Series 2019F Bonds;

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

Section 1. The form of official bid form/agreement of sale of the Series 2019F Bonds with the Purchaser is hereby approved, and the Mayor and City Clerk are hereby authorized to accept and execute the same for and on behalf of the City.

Section 2. The City shall enter into the Series 2019F Loan Agreement with the Purchaser in substantially the form as has been placed on file with the City Council, providing for a loan to the City in the principal amount of $15,400,000 for the purposes set forth in the preamble hereof.

The Mayor and City Clerk are hereby authorized and directed to sign the Series 2019F Loan Agreement on behalf of the City, and the Series 2019F Loan Agreement is hereby approved.

Section 3. The Series 2019F Bonds, in the aggregate principal amount of $15,400,000, are hereby authorized to be issued to the Purchaser. The Series 2019F Bonds shall be dated August 1, 2019, shall be issued in the denomination of $5,000 each or any integral multiple thereof and shall mature on June 1 in each of the years, in the respective principal amounts, and bearing interest at the respective rates as follows:

Date	Principal	Interest Rate	Date	Principal	Interest Rate
2020	$690,000	_____%	2030	$750,000	_____%
2021	$630,000	_____%	2031	$770,000	_____%
2022	$645,000	_____%	2032	$790,000	_____%
2023	$655,000	_____%	2033	$815,000	_____%
2024	$665,000	_____%	2034	$840,000	_____%
2025	$680,000	_____%	2035	$865,000	_____%
2026	$690,000	_____%	2036	$895,000	_____%
2027	$705,000	_____%	2037	$920,000	_____%
2028	$720,000	_____%	2038	$955,000	_____%
2029	$735,000	_____%	2039	$985,000	_____%

Section 4. UMB Bank, n.a., Kansas City, Missouri, is hereby designated as the Registrar and Paying Agent for the Series 2019F Bonds and may be hereinafter referred to as the "Registrar" or the "Paying Agent." The City shall enter into an agreement (the "Registrar/Paying Agent Agreement") with the Registrar, in substantially the form as has been placed on file with the Council; the Mayor and City Clerk are hereby authorized and directed to sign the Registrar/Paying Agent Agreement on behalf of the City; and the Registrar/Paying Agent Agreement is hereby approved.

The City reserves the right to optionally prepay part or all of the principal of the Series 2019F Bonds maturing in the years 2028 to 2039, inclusive, prior to and in any order of maturity on June 1, 2027, or on any date thereafter upon terms of par and accrued interest. If less than all of the Series 2019F Bonds of any like maturity are to be redeemed, the particular part of those Series 2019F Bonds to be redeemed shall be selected by the Registrar by lot. The Series 2019F Bonds may be called in part in one or more units of $5,000.

If less than the entire principal amount of any Bond in a denomination of more than $5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. All of such Bonds as to which the City reserves and exercises the right of

redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

Accrued interest on the Series 2019F Bonds shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2019. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on the Series 2019F Bonds shall be made to the registered owners appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date and shall be paid to the registered owners at the addresses shown on such registration books. Principal of the Series 2019F Bonds shall be payable in lawful money of the United States of America to the registered owners or their legal representatives upon presentation and surrender of the Bond or Series 2019F Bonds at the office of the Paying Agent.

The Series 2019F Bonds shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk and shall be fully registered Series 2019F Bonds without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Series 2019F Bonds shall cease to be such officer before the delivery of the Series 2019F Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Series 2019F Bonds shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Registrar.

The Series 2019F Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar, and after such registration, payment of the principal thereof and interest thereon shall be made only to the registered owners or their legal representatives or assigns. The Series 2019F Bonds shall be transferable only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of the owners of the Series 2019F Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 5. Notwithstanding anything above to the contrary, the Series 2019F Bonds shall be issued initially as Depository Bonds, with one fully registered Bond for each maturity date, in principal amounts equal to the amount of principal maturing on each such date, and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). On original issue, the Series 2019F Bonds shall be deposited with DTC for the purpose of maintaining a book-entry system for recording the ownership interests of its participants and the transfer of those interests among its participants (the "Participants"). In the event that DTC determines not to continue to act as securities depository for the Series 2019F Bonds or the City determines not to continue the book-entry system for recording ownership interests in the Series 2019F Bonds with DTC, the City will discontinue the book-entry system

with DTC. If the City does not select another qualified securities depository to replace DTC (or a successor depository) in order to continue a book-entry system, the City will register and deliver replacement bonds in the form of fully registered certificates, in authorized denominations of $5,000 or integral multiples of $5,000, in accordance with instructions from Cede & Co., as nominee for DTC. In the event that the City identifies a qualified securities depository to replace DTC, the City will register and deliver replacement bonds, fully registered in the name of such depository, or its nominee, in the denominations as set forth above, as reduced from time to time prior to maturity in connection with redemptions or retirements by call or payment, and in such event, such depository will then maintain the book-entry system for recording ownership interests in the Series 2019F Bonds.

Ownership interests in the Series 2019F Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Series 2019F Bonds as nominees will not receive certificated Bonds, but each such Participant will receive a credit balance in the records of DTC in the amount of such Participant's interest in the Series 2019F Bonds, which will be confirmed in accordance with DTC's standard procedures. Each such person for which a Participant has an interest in the Series 2019F Bonds, as nominee, may desire to make arrangements with such Participant to have all notices of redemption or other communications of the City to DTC, which may affect such person, forwarded in writing by such Participant and to have notification made of all interest payments.

The City will have no responsibility or obligation to such Participants or the persons for whom they act as nominees with respect to payment to or providing of notice for such Participants or the persons for whom they act as nominees.

As used herein, the term "Beneficial Owner" shall hereinafter be deemed to include the person for whom the Participant acquires an interest in the Series 2019F Bonds.

DTC will receive payments from the City, to be remitted by DTC to the Participants for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Series 2019F Bonds will be recorded on the records of the Participants whose ownership interest will be recorded on a computerized book-entry system kept by DTC.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City to DTC, and DTC shall forward (or cause to be forwarded) the notices to the Participants so that the Participants can forward the same to the Beneficial Owners.

Beneficial Owners will receive written confirmations of their purchases from the Participants acting on behalf of the Beneficial Owners detailing the terms of the Series 2019F Bonds acquired. Transfers of ownership interests in the Series 2019F Bonds will be accomplished by book entries made by DTC and the Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2019F Bonds, except as specifically provided herein. Interest and principal

will be paid when due by the City to DTC, then paid by DTC to the Participants and thereafter paid by the Participants to the Beneficial Owners.

Section 6. The Series 2019F Bonds shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF IOWA
DALLAS, MADISON, POLK AND WARREN COUNTIES
CITY OF WEST DES MOINES

GENERAL OBLIGATION RECREATION COMPLEX BONDS, SERIES 2019F

No. _____ $_____

RATE	MATURITY DATE	BOND DATE	CUSIP
____%	June 1, 20___	August 1, 2019	___

The City of West Des Moines (the "City"), in Dallas, Madison, Polk and Warren Counties, State of Iowa, for value received, promises to pay on the maturity date of this Bond to

Cede & Co.
New York, New York

or registered assigns, the principal sum of

THOUSAND DOLLARS

in lawful money of the United States of America upon presentation and surrender of this Bond at the office of UMB Bank, n.a., Kansas City, Missouri (hereinafter referred to as the "Registrar" or the "Paying Agent"), with interest on said sum, until paid, at the rate per annum specified above from the date of this Bond, or from the most recent interest payment date on which interest has been paid, on June 1 and December 1 of each year, commencing December 1, 2019, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond is payable to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date, and shall be paid to the registered owner at the address shown on such registration books. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

This Bond is one of a series of General Obligation Recreation Complex Bonds, Series 2019F (the "Series 2019F Bonds") issued by the City to evidence its obligation under a certain loan agreement, dated as of August 1, 2019 (the "Series 2019F Loan Agreement") entered into by the City 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.

The Series 2019F Bonds are issued pursuant to and in strict compliance with the provisions of Chapters 76 and 384 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council, adopted on July 15, 2019, authorizing and approving the Series 2019F Loan Agreement and providing for the issuance and securing the payment of the Series 2019F Bonds (the "Resolution"), and reference is hereby made to the Resolution and the Series 2019F Loan Agreement for a more complete statement as to the source of payment of the Series 2019F Bonds and the rights of the owners of the Series 2019F Bonds.

The City reserves the right to optionally prepay part or all of the principal of the Series 2019F Bonds maturing in the years 2028 to 2039, inclusive, prior to and in any order of maturity on June 1, 2027, or on any date thereafter upon terms of par and accrued interest. If less than all of the Series 2019F Bonds of any like maturity are to be redeemed, the particular part of those Series 2019F Bonds to be redeemed shall be selected by the Registrar by lot. The Series 2019F Bonds may be called in part in one or more units of $5,000.

If less than the entire principal amount of any Bond in a denomination of more than $5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. All of such Series 2019F Bonds as to which the City reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

This Series 2019F Bonds are fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Bond were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on this Bond as the same will respectively become due; and that the total

indebtedness of the City, including this Bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of West Des Moines, Iowa, by its City Council, has caused this Bond to be executed with the duly authorized facsimile signature of its Mayor and attested with the duly authorized facsimile signature of its City Clerk, all as of August 1, 2019.

CITY OF WEST DES MOINES, IOWA

By (DO NOT SIGN)
Mayor

Attest:

(DO NOT SIGN)
City Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2019F Bonds described in the within-mentioned resolution.

UMB BANK, N.A.
Kansas City, Missouri
Registrar

By: (Signature)
Authorized Officer

ABBREVIATIONS

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UTMA _____
(Custodian)
As Custodian for _____
(Minor)
under Uniform Transfers to Minors Act
_____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Bond to

_____
(Please print or type name and address of Assignee)

_____
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

_____

_____

(Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signatures to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.)

_____

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Bond in every particular, without alteration or enlargement or any change whatever.

Section 7. The Series 2019F Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible, and thereupon they shall be delivered to the Registrar for registration, authentication and delivery to or on behalf of the Purchaser, as determined by the City Council, upon receipt of the bond proceeds, minus and original issue discounts (the "Bond Proceeds"), and all action heretofore taken in connection with the sale and award of the Series 2019F Bonds is hereby ratified and confirmed in all respects.

A portion of the Bond Proceeds ($_____) shall be retained by the Purchaser as Underwriter's Discount.

A portion of the Bond Proceeds ($_____), plus the additional proceeds ($_____), received from the sale of the Series 2019F Bonds shall be deposited in a dedicated fund (the "Project Fund"), which is hereby created, to be used for the payment of costs of the Project and to the extent that any such proceeds (the "Project Proceeds") remain after the full payment of the costs of the Project, such Project Proceeds, shall be transferred to the Debt Service Fund for the payment of interest on the Series 2019F Bonds.

The remainder of the Bond Proceeds ($_____) (the "Cost of Issuance Proceeds"), received from the sale of the Series 2019F Bonds shall be deposited in the Project Fund, and shall be used for the payment of costs of issuance of the Series 2019F Bonds, and to the extent that Cost of Issuance Proceeds remain after the full payment of the costs of issuance of the Series 2019F Bonds, such Cost of Issuance Proceeds shall be transferred to the Debt Service Fund for the payment of interest on the Series 2019F Bonds.

The City shall keep a detailed and segregated accounting of the expenditure of, and investment earnings on, the Bond Proceeds.

Section 8. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Series 2019F Bonds as the same become due, there is hereby ordered levied on all the taxable property in the City the following direct annual tax for collection in each of the following fiscal years:

For collection in the fiscal year beginning July 1, 2020, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2021, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2022, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2023, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2024, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2025, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2026, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2027, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2028, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2029, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2030, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2031, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2032, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2033, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2034, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2035, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2036, sufficient to produce the net annual sum of $_____;

For collection in the fiscal year beginning July 1, 2037, sufficient to produce the net annual sum of $_____; and

For collection in the fiscal year beginning July 1, 2038, sufficient to produce the net annual sum of $_____.

Section 9. A certified copy of this resolution shall be filed with the County Auditors of Dallas, Madison, Polk and Warren Counties, and the County Auditors are hereby instructed to enter for collection and assess the tax hereby authorized. When annually entering such taxes for collection, the County Auditors shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be converted into

the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Series 2019F Bonds hereby authorized and for no other purpose whatsoever. Any amount received by the City as accrued interest on the Series 2019F Bonds shall be deposited into such special account and used to pay interest due on the Series 2019F Bonds on the first interest payment date.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Series 2019F Bonds remain outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose, including, but not limited to, incremental property tax revenues as provided for in Section 403.19 of the Code of Iowa, local option sales and services tax revenue and/or hotel/motel tax revenues may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Series 2019F Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 8 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for such purpose, and evidenced in the City's budget. The City reaffirms the Project as an urban renewal project to be undertaken in the Mills Parkway Urban Renewal Area (the "Urban Renewal Area"). The City reserves the right to use incremental property tax revenues derived from the Urban Renewal Area for the payment of principal of and interest on the Series 2019F Bonds.

Section 10. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current funds on hand in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the sum thus advanced.

Section 11. It is the intention of the City that interest on the Series 2019F Bonds be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof, the City covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Series 2019F Bonds will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

Section 12. It is the intention of the City that the interest on the Series 2019F Bonds be and remain exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, as amended. The City hereby declares that the Series 2019F Bonds are being issued solely for the urban renewal purposes of the City pursuant to the authority granted in Section 403.12 of the Code of Iowa and under the urban renewal plan for the Urban Renewal Area. Furthermore, the City covenants to use the proceeds from the issuance of the Series 2019F Bonds strictly for the carrying out of urban renewal projects in the Urban Renewal Area as set forth in the preamble hereof

Section 13. The Securities and Exchange Commission (the "SEC") has promulgated certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule") that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of $1,000,000 or more unless, before submitting a bid or entering into a purchase contract for such securities, an underwriter has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the holders of such securities to provide certain disclosure information to prescribed information repositories on a continuing basis so long as such securities are outstanding or unless and to the extent the offering is exempt from the requirements of the Rule.

On the date of issuance and delivery of the Series 2019F Bonds, the City will execute and deliver a Continuing Disclosure Certificate pursuant to which the City will undertake to comply with the Rule. The City covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the Rule and the Continuing Disclosure Certificate.

Section 14. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 15. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved July 15, 2019.

_____
Mayor

Attest:

_____
City Clerk