CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Issuance of $16,240,000 Taxable General Obligation Urban Renewal Bonds (Series 2021A)

DATE: December 7, 2020

FINANCIAL IMPACT: Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received the morning of Monday, December 7, 2020. The coupon rates for Series 2021A are projected to range between 0.98% and 3.02% with an estimated all-in interest rate of 2.70%. Final maturity is scheduled for June 1, 2039 (19-year notes). Repayments begin June 1, 2021 and continue semiannually thereafter. Bonds due after June 1, 2029, are subject to a call for redemption prior to maturity on said date or any day thereafter. Because portions of the RecPlex facility will be rented to private, profit-motivated tenants, this bond series is considered taxable.

BACKGROUND: This action allows the sale of $16,240,000 Taxable General Obligation Urban Renewal Bonds Series 2021A. These notes will partially defray the costs of constructing the MidAmerican Energy RecPlex project. Because funding to pay the debt service on these bonds will come from future Local Option Sales and Services Tax (LOSST) revenues, there is no effect on the overall debt service levy nor are there plans to collect funds using Urban Renewal.

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. On November 16, 2020, a public hearing was held, following published notice, to institute proceedings on the future issuance of "not to exceed" $17.0 million Taxable General Obligation Urban Renewal Bonds. No comments were received at the public hearing. Following the hearing, Council authorized the issuance of bonds.

Competitive bids will be received Monday, December 7, 2020, at 10:00am. Either staff or a representative of the City's Financial Advisory Firm, Public Financial Management (PFM), will report on the results to Council during consideration of this agenda item.

RECOMMENDATION: Adopt a motion receiving report of bids and approve a resolution which directs (awards) the sale of $16.24 million Taxable General Obligation Urban Renewal Bonds (Series 2021A) 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	Finance & Admin		
Date Reviewed	September 23, 2020		
Recommendation	Yes	No	Split

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Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING SALE OF $16,240,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2021A," and moved its adoption. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the following Resolution duly adopted:

RESOLUTION DIRECTING SALE OF $16,240,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2021A

WHEREAS, bids have been received for the Bonds described as follows and the best bid received (with permitted adjustments, if any) is determined to be the following:

$16,240,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2021A

Bidder: _____ of _____

The terms of award:

Final Par Amount as adjusted: $_____

Purchase Price as adjusted: $ _____

True Interest Rate: _____%

Net Interest Cost: $_____

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

Section 1. That the bid for the Bonds as above set out is hereby determined to be the best and most favorable bid received and, the Bonds are hereby awarded as described above.

Section 2. That the statement of information for Bond bidders and the form of contract for the sale of the Bonds are hereby approved and the Mayor and Clerk are authorized to execute the same on behalf of the City.

Section 3. That the notice of the sale of the Bonds heretofore given and all acts of the Clerk done in furtherance of the sale of the Bonds are hereby ratified and approved.

PASSED AND APPROVED this 7th day of December, 2020.

_____
Mayor

ATTEST:

_____
City Clerk