CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Public Hearing for the Issuance of Not to Exceed $91,900,000 General Obligation Urban Renewal Bonds (Grand Prairie Parkway Urban Renewal Area)

DATE: May 3, 2021

FINANCIAL IMPACT: It is expected that several issuances of bonds will be issued to fund projects related to infrastructure, payment of economic incentives, and other costs related to development of a Microsoft Data Center ("Ginger West") within the Grand Prairie Parkway Urban Renewal Area. Any and all issuance proceeds will not affect the City's overall debt service levy, which has been set at $1.91/$1,000 taxable valuation, as all underlying debt will be backed by incremental tax revenues produced by the Microsoft Data Center project. A development agreement with Microsoft Corporation, which is expected to be approved by Council following a public hearing at this meeting, will allow for the needed incremental property valuation. The framework and financing structure of the development agreement and associated city infrastructure will be similar, if not identical, to that of the three previous Microsoft Data Center projects.

BACKGROUND: This public hearing will consider the future sale of not to exceed $91,900,000 of General Obligation Urban Renewal Bonds to partially defray the costs of constructing several CIP projects included in the Grand Prairie Parkway Urban Renewal Area. These issuances may be either taxable or tax exempt bonds and will likely be staggered over the next several years as projects are developed and constructed. Per the Code of Iowa, the first step in the process is to set a public hearing date and publish notice of the hearing.

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

OUTSTANDING ISSUES (if any): None.

RECOMMENDATION: Conduct Public Hearing and adopt Resolution on the proposed issuance of not to exceed $91,900,000 General Obligation Urban Renewal Bonds (Grand Prairie Parkway URA).

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

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	DM Register
Dates(s) Published	April 20, 2021

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $91,900,000 GENERAL OBLIGATION URBAN RENEWAL BONDS", and moved:

☐ that the Resolution be adopted.

☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at _____ _____.M. on the _____ day of _____, 2021, at this place.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $91,900,000 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 $91,900,000 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 Plan for the Grand Prairie Parkway Urban Renewal Area, including street and roadway improvements, bridges and bridge improvements, railroad crossings, sidewalks, trails, pedestrian overpass and underpasses, traffic signals, street lights, and real estate for any of the foregoing purposes, with related site improvements, and water, sewer, stormwater extensions and improvements for projects related to Booneville Road, Grand Avenue, South Grand Prairie Parkway, South 115th Street, the Iowa Interstate Railroad Crossing, the Sugar Creek Sewer, the Johnson Creek Sewer, and the Johnson Creek Conveyance Improvement project; and funding incentives under a Development Agreement with Microsoft Corporation for the Ginger West 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 $91,900,000 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 3rd day of May, 2021.

_____

Mayor

ATTEST:

_____

City Clerk