CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval of Reimbursement – Ginger East Capital Project Funds DATE: November 1, 2021

FINANCIAL IMPACT: No Direct Impact

BACKGROUND: U.S. Treasury Regulations require a governmental entity to declare, in advance, intent to reimburse accounts where expenditures have been made for capital projects. Reimbursement to those accounts will then be made from future debt issued by the governmental entity. The attached Resolution has been prepared to comply with the regulations.

In this instance, the City's General Fund will loan and ultimately be reimbursed for funds advanced to the Alluvion TIF Fund in order to cover the costs of projects either directly related to the Microsoft Ginger East Development Agreement or an access road associated with the construction of a new water tower near the Ginger East Facility being constructed by WDM Water Works.

OUTSTANDING ISSUES (if any): none

RECOMMENDATION: Approval of Resolution declaring intent, under Treasury Regulations, to issue debt for reimbursement of expenditures for specific capital projects.

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

Council Member _____ introduced the following Resolution entitled "RESOLUTION DECLARING AN OFFICIAL INTENT UNDER TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO REIMBURSE THE CITY FOR CERTAIN ORIGINAL EXPENDITURES PAID IN CONNECTION WITH SPECIFIED PROJECTS" and moved that it be adopted. Council Member _____ seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTION DECLARING AN OFFICIAL INTENT UNDER TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO REIMBURSE THE CITY FOR CERTAIN ORIGINAL EXPENDITURES PAID IN CONNECTION WITH SPECIFIED PROJECTS

WHEREAS, the City anticipates making cash expenditures for one or more capital improvement projects, generally described below (each of which shall hereinafter be referred to as a "Project"); and

WHEREAS, the City reasonably expects to issue debt to reimburse the costs of a Project; and

WHEREAS, the Council believes it is consistent with the City's budgetary and financial circumstances to issue this declaration of official intent.

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

Section 1. That this Resolution be and does hereby serve as a declaration of official intent under Treasury Regulation 1.150-2.

Section 2. That it is reasonably expected that capital expenditures will be made in respect of the following Project(s), from time to time and in such amounts as this Council determines to be necessary or desirable under the circumstances then and there existing.

Section 3. That the City reasonably expects to reimburse all or a portion of the following expenditures with the proceeds of bonds, notes or other indebtedness to be issued or incurred by the City in the future.

Section 4. That the total estimated costs of the Project(s), the maximum principal amount of the bonds, notes or other indebtedness to be issued for the foregoing Project(s) and the estimated dates of completion of the Project(s) are reasonably expected to be as follows:

Project	Fund from which original expenditures are to be Advanced	Total Estimated Cost	Amount of Borrowing Anticipated	Estimated Date of Completion
Reconstruct County Line Rd – Veterans Pkwy to Soteria	General Fund	$7,500,000	$7,500,000	2023
Construct County Line Rd – Orilla Rd to Veterans Parkway	General Fund	$2,500,000	$ 500,000	2023
Reconstruct Adams St – West of Orilla Rd	General Fund	$1,500,000	$ 300,000	2023
Throttling Valve	General Fund	$ 750,000	$ 750,000	2022

Section 5. That the City reasonably expects to reimburse the above-mentioned Project costs not later than the later of eighteen months after the capital expenditures are paid or eighteen months after the property is placed in service, but in no event more than three (3) years after the original expenditure is paid.

Section 6. That this Resolution be maintained by the City Clerk in an Official Intent File maintained in the office of the Clerk and available at all times for public inspection, subject to such revisions as may be necessary.

PASSED AND APPROVED this 1st day of November 2021.

_____

Steven K. Gaer, Mayor

ATTEST:

_____

Ryan Jacobson, City Clerk