CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

7(j)

ITEM: Issuance of $1,760,000 Taxable General Obligation Urban Renewal Bonds (Series 2022C)

DATE: May 16, 2022

FINANCIAL IMPACT: Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received the morning of Monday, May 16, 2022. The estimated yield rates on each coupon The yield rates are projected to range between 3.52% and 3.87% with an estimated all-in interest rate of 4.34% (higher due to expected premium). Final maturity is scheduled for June 1, 2029 (7-year notes). The City's repayments begin December 1, 2022, and continue semiannually thereafter. There is no provision for early redemption. This issuance will not affect the City's debt service levy rate of $1.91 per $1,000 of taxable valuation as funds for repayment will be generated through the Alluvion Parkway Urban Renewal Area.

BACKGROUND: This action allows the sale of $1,760,000 Taxable General Obligation Urban Renewal Bonds Series 2022C. These notes will finance an economic incentive payment to Microsoft Corporation. A minimum assessment with the company will provide enough incremental taxable valuation to finance the debt.

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 March 7, 2022, a public hearing was held to institute proceedings on the future issuance of "not to exceed" $16.5 million General Obligation Urban Renewal Bonds or Capital Loan Notes. No comments were received at the public hearing. Following the hearing, Council authorized the future issuance of bonds/notes.

Competitive bids will be received Monday, May 16, 2022, at 9:30am. Either a member of 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 resolution which directs (awards) the sale of $1.760 million Taxable General Obligation Urban Renewal Bonds (Series 2022C) 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	Des Moines Register
Dates(s) Published	May 6, 2022

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Admin		
Date Reviewed	April 20, 2022		
Recommendation	Yes	No	Split

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Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING SALE OF $1,760,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2022C," 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 $1,760,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2022C

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:

$1,760,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) TAXABLE GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2022C

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 16th day of May, 2022.

_____
Mayor

ATTEST:

_____
City Clerk