# CITY OF WEST DES MOINES
# CITY COUNCIL MEETING COMMUNICATION

**ITEM:** Issuance of $13,730,000 General Obligation Urban Renewal Bonds (Series 2022F)

**DATE:** October 17, 2022

**FINANCIAL IMPACT:** Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received the morning of Monday, October 17, 2022. The estimated yield rates on each coupon for 2022F are between 3.06% and 4.24% with an estimated all-in interest rate of 3.98%. Final maturity is scheduled for June 1, 2035 (13-year notes). City's repayments begin December 1, 2022 and continue semiannually thereafter. Bonds due after June 1, 2030 will be subject to call for redemption prior to maturity on said date or any day thereafter.

**BACKGROUND:** This action allows the sale of $13,730,000 General Obligation Urban Renewal Bonds Series 2022F. These notes will partially defray the costs of constructing public infrastructure in support of the Ginger West Data Center (Microsoft Corporation) which is being constructed in the Grand Prairie Parkway Urban Renewal Area, including roadways Grand Prairie Parkway (from Mills Civic Parkway to Raccoon River Drive), Grand Avenue (from 88th St to Grand Prairie Parkway) and Booneville Road (from 100th St to 115th St) along with accompanying sewer and water mains.

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 May 3, 2021, a public hearing was held to consider instituting proceedings on the future issuance of "not to exceed" $91.9 million General Obligation Urban Renewal Bonds for the purposes and amounts contained in these issuances. Following the hearing, Council authorized the future issuance of these bonds.

Competitive bids will be received Monday, October 17, 2022, at 10:30am. 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 the City Manager's Staff Report.

**RECOMMENDATION:** Adopt a motion receiving report of bids and resolution which directs (awards) the sale of $13.730 million General Obligation Urban Renewal Bonds (Series 2022F) to the successful bidder.

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

**STAFF REVIEWS**

| | |
|---|---|
| Department Director | |
| Appropriations/Finance | |
| Legal | |
| Agenda Acceptance | |

**PUBLICATION(S)** (if applicable)

| | |
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| Published In | Des Moines Register |
| Dates(s) Published | October 7, 2022 |

**SUBCOMMITTEE REVIEW** (if applicable)

| | | | |
|---|---|---|---|
| Committee | Finance & Admin | | |
| Date Reviewed | September 21, 2022 | | |
| Recommendation | Yes | No | Split |

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Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING SALE OF $13,730,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2022F," 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 $13,730,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2022F

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:

$13,730,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2022F

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 17th day of October, 2022.

_____
Mayor

ATTEST:

_____
City Clerk