

**CITY OF WEST DES MOINES  
CITY COUNCIL MEETING COMMUNICATION**

**ITEM:** Public Hearing for the Issuance of Not to Exceed  
\$42,800,000 General Obligation Urban Renewal  
Capital Loan Notes (Economic Development Digital  
Enterprise Urban Renewal Area) (Series 2020C)

**DATE:** July 6, 2020

**FINANCIAL IMPACT:** Any and all underlying future debt will be backed by the City's existing \$1.95 per thousand debt service levy rate, so there will be no effect on the City's current overall tax rate. The proposed notes will be sold at an appropriate time – and only after adequate funding through lease agreement(s) is secure. The note issuances will likely be staggered over 2020, 2021, and 2022 with multiple smaller sales to match on the cash flow needs of the underlying digital enterprise project.

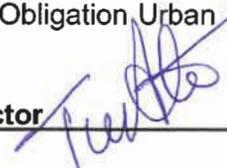
Also, because private entities will be leasing sections of the constructed improvements, and those entities will most likely be generating revenue, the future notes will be classified as taxable.

**BACKGROUND:** This public hearing will consider the future sale of not to exceed \$42.8 million of General Obligation Urban Renewal Capital Loan Notes to partially defray the costs of planning, undertaking and carrying out urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the Economic Development Digital Enterprise Urban Renewal Area, as amended, mainly the construction of a city-wide fiber conduit network. Per the Code of Iowa, the first step in the bonding process is to set a public hearing date.

Following this 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, although currently not necessary, possibly collect revenue through Urban Renewal Area tax revenues in amounts needed to repay the notes.

**OUTSTANDING ISSUES** (if any): None

**RECOMMENDATION:** Conduct the public hearing and adopt the resolution which authorizes the future issuance of not to exceed \$42,800,000 General Obligation Urban Renewal Capital Loan Notes.

**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	June 19, 2020

**SUBCOMMITTEE REVIEW** (if applicable)

Committee	Finance & Admin		
Date Reviewed	June 3, 2020		
Recommendation	<input checked="" type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> Split

AYES: \_\_\_\_\_

\_\_\_\_\_

NAYS: \_\_\_\_\_

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE  
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO  
EXCEED \$42,800,000 GENERAL OBLIGATION URBAN  
RENEWAL CAPITAL LOAN NOTES

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 authorization of a Loan Agreement and the issuance of not to exceed \$42,800,000 General Obligation Urban Renewal Capital Loan Notes, 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 Economic Development Digital Enterprise Urban Renewal Area, as amended, including construction of a city-wide conduit network, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Notes; 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 \$42,800,000 General Obligation Urban Renewal Capital Loan Notes, 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 Notes. The amounts so advanced shall be reimbursed from the proceeds of the Notes 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 6<sup>th</sup> day of July, 2020.

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Mayor

ATTEST:

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City Clerk