

TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

SUBJECT: Proceedings to Set Public Hearing on the Issuance of Not to Exceed \$24,500,000 Sales Tax Increment Revenue Bonds (Flood Mitigation Program)

DATE: April 15, 2015

Budget Director Jennifer Larson recommends that a public hearing be set for May 4, 2015, on the proposition of selling not to exceed \$24,500,000 in Sales Tax Increment Revenue Bonds (Flood Mitigation Program), the proceeds of which will be used to pay costs of the Bee Branch Watershed Flood Mitigation Project.

The revenue bonds are payable from sales tax increment revenue and will have a bond reserve fund to cover the highest year of debt service in the event that the sales tax increment revenues are insufficient to pay principal and interest.

The Series 2015A Sales Tax Increment Revenue Bonds are the first of its kind being sold in the Iowa Market. Financing for the project was reviewed by the City's financial advisor, Independent Public Advisors, LLC and the City's Bond Counsel, Ahlers and Cooney. In addition, the bond structure, timing and marketing of the bonds was reviewed by the City's underwriter, R.W. Baird.

I concur with the recommendation and respectfully request Mayor and City Council approval.



Michael C. Van Milligen

MCVM/jml
Attachment

cc: Barry Lindahl, City Attorney
Cindy Steinhauser, Assistant City Manager
Teri Goodmann, Assistant City Manager
Jennifer Larson, Budget Director
Kenneth TeKippe, Finance Director
Gus Psihoyos, City Engineer