



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
(563) 264-1550
Fax (563) 264-0750

To: Greg Jenkins, Interim City **FINANCE & RECORDS** Administrator

From: Nancy A. Lueck, Finance Director

Date: February 18, 2020

Re: Resolution Setting the Date for Public Hearings and Additional Actions on Proposals to Enter into General Obligation Loan Agreements and to Borrow Money Thereunder

Introduction and Background:

The City's next bond issue is scheduled for May 2020. This bond issue will provide funding for a number of City projects that have recently been completed, are currently underway, or will be underway in calendar years 2020 and 2021. These projects and the proposed bond issue were reviewed with City Council as part of the recent budget sessions. The projects included in this issue are listed on the following page.

The bond issue is estimated at \$6,310,000 with \$6,200,000 for project costs and \$110,000 for estimated bond issuance costs. Project costs include \$3,200,000 for the Downtown Streetscaping Project. The annual debt service payments on this portion of the bond issue will be funded from future tax increment funds (TIF).

Proposed Projects to be Funded from the May 2020 Bond Issue

	<u>Bond Requirements</u>
Property Purchase:	
Former IDOT Property	\$ 610,000
Engineering Study/Preliminary Work for Renovation of Former IDOT Maintenance Facility	303,000
Street Improvements:	
Local Share of Conversion of Portion of Park Avenue from 4-Lanes to 3-Lanes (Series A)	425,000
Park Improvements:	
Fence Replacement and/or New Fencing (Riverfront or Soccer Expansion)	76,000
Fuller Park Playground Resurfacing	140,000
Soccer Field #3 Improvements	120,000
Deferred Building Maintenance Projects:	
Roofs, Windows, Doors, Radiant Heater, etc.	225,000
Transfer Station Project:	
Fire Suppression System Repair	130,000
Airport Projects:	
Local Share of New Airport Hangars and Apron Expansion Phase II	346,000
Trail Project:	
West Side Trail - Additional Local Share Funding	625,000
Total General Obligation Portion of Issue (Debt Levy Funded Portion)	\$ 3,000,000
Tax Increment Financing Funding for Downtown Streetscaping Project:	
Estimated Project Costs	3,200,000
Total Bond Issue (Before Issuance Costs)	\$ 6,200,000
Estimated Bond Issuance Costs/Underwriters Discount	110,000
Total Proposed Bond Issue	<u>\$ 6,310,000</u>

The above projects include those classified as Essential Corporate Purposes (Park Avenue Improvements, Park Improvements, Westside Trail/Sidewalk Project, Airport Improvements, and a portion of the Downtown Streetscaping project); General Corporate Purposes (City Building Improvements, Transfer Station Fire Suppression System, and a portion of the Downtown Streetscaping project); and Urban Renewal (IDOT Property Acquisition and Engineering Study). There are separate provisions for public hearing notices and public hearings for each of these types of debt. It is necessary to hold public hearings on the proposed issue prior to City Council taking additional action on the bond issue and authorizing the pre-levy of taxes for this issue.

While the General Corporate Purpose public hearing notice includes language for possible funding of improvements to municipal parking facilities including new parking meters, this funding would only be available if there would be funds remaining from the portion of the bond issue that will fund the Downtown Streetscaping Project.

Recommendation:

Dorsey & Whitney, the City's bond counsel prepared the attached resolution setting the date for the public hearings on the proposed issue for March 5, 2020. Please include this resolution on the agenda for the February 20, 2020 meeting.

Please contact me if you have any questions or need additional information.

MINUTES TO SET DATE FOR HEARINGS ON LOAN AGREEMENTS

421464-60

Muscatine, Iowa

February 20, 2020

The City Council of the City of Muscatine, Iowa, met on February 20, 2020, at Seven o'clock p.m., at the City Hall Council Chambers, Muscatine, Iowa. The Mayor presided and the roll was called showing the following members of the City Council present and absent:

Present:

Absent:

Council Member _____ introduced the resolution hereinafter next set out and moved its adoption, seconded by Council Member _____; and after due consideration thereof by the City Council, the Mayor put the question upon the adoption of the said resolution and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared the resolution duly adopted as hereinafter set out.

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At the conclusion of the meeting and upon motion and vote, the City Council adjourned.

Mayor

Attest:

Greg Jenkins, Interim City Clerk

RESOLUTION NO. _____

Resolution setting the date for public hearings on proposals to enter into General Obligation Loan Agreements

WHEREAS, the City of Muscatine (the “City”), in Muscatine County, now proposes to enter into a General Obligation Loan Agreement (the “Essential Purpose Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$5,200,000 for the purpose of paying the costs, to that extent, of (1) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (2) making improvements to city parks; (3) constructing improvements at the municipal airport; and (4) acquiring and installing street lighting, signage and signalization, and it is necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the Essential Purpose Loan Agreement and to give notice thereof as required by such law; and

WHEREAS, the City also proposes to enter into a General Obligation Loan Agreement (the “General Purpose Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$560,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of (1) repairing the fire suppression system at the municipal transfer station; (2) constructing and installing repairs and improvements to municipal buildings and facilities; and (3) improving municipal parking facilities, including new parking meters, and it is now necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the General Purpose Loan Agreement and to give notice thereof as required by such law, including notice of the right to petition for an election on such proposal; and

WHEREAS, the City also proposes to enter into a General Obligation Loan Agreement (the “Urban Renewal Loan Agreement” and together with the Essential Purpose Loan Agreement and the General Purpose Loan Agreement, the “Loan Agreements”) and to borrow money thereunder in a principal amount not to exceed \$1,000,000 pursuant to the provisions of Section 384.24A and Section 384.24(3)(q) of the Code of Iowa for the purpose of paying the cost, to that extent, of undertaking the Municipal Building Project, an authorized urban renewal project in the Consolidated Muscatine Urban Renewal Area, including site acquisition and engineering/study costs for site development (this purpose, together with the purposes set forth in the preceding paragraphs above shall collectively hereinafter be referred to as the “Projects”), and it is now necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the Urban Renewal Loan Agreement and to give notice thereof as required by such law, including notice of the right to petition for an election on such proposal;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. The City Council shall meet on March 5, 2020, at the City Hall Chambers, Muscatine, Iowa, at Seven o’clock p.m., at which time and place hearings will be held and proceedings will be instituted and action taken to enter into the Loan Agreements.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the Essential Purpose Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than four (4) and not more than twenty (20) days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,200,000

(GENERAL OBLIGATION)

The City Council of the City of Muscatine, Iowa, will meet on March 5, 2020, at the City Hall Council Chambers, Muscatine, Iowa, at Seven o'clock p.m., for the purpose of instituting proceedings and taking action on a proposal to enter into a loan agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed \$5,200,000 for the purpose of paying the costs, to that extent, of (1) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (2) making improvements to city parks; (3) constructing improvements at the municipal airport; and (4) acquiring and installing street lighting, signage and signalization.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

At that time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the City Council of the City of Muscatine, Iowa.

Greg Jenkins
Interim City Clerk

Section 3. The City Clerk is hereby directed to give notice of the proposed action on the General Purpose Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than ten (10) and not more than twenty (20) days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$560,000

(GENERAL OBLIGATION)

The City Council of the City of Muscatine, Iowa, will meet on March 5, 2020, at the City Hall Council Chambers, Muscatine, Iowa, at Seven o'clock p.m., for the purpose of instituting proceedings and taking action to enter into a loan agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed \$560,000 for the general corporate purpose of paying the cost, to that extent, of (1) repairing the fire suppression system at the municipal transfer station; (2) constructing and installing repairs and improvements to municipal buildings and facilities; and (3) improving municipal parking facilities, including new parking meters.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

The maximum rate of interest which may be payable under the Loan Agreement is 7% per annum.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 384.26 of the Code of Iowa.

By order of the City Council of the City of Muscatine, Iowa.

Greg Jenkins
Interim City Clerk

Section 4. The City Clerk is hereby directed to give notice of the proposed action on the Urban Renewal Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than ten (10) and not more than twenty (20) days before the date selected for the meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000

(GENERAL OBLIGATION)

The City Council of the City of Muscatine, Iowa (the “City”), will meet on March 5, 2020, at the City Hall Council Chambers, Muscatine, Iowa, at Seven o’clock p.m., for the purpose of instituting proceedings and taking action on a proposal to enter into a loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$1,000,000 for the purpose of paying the costs, to that extent, of undertaking the Municipal Building Project, an authorized urban renewal project in the Consolidated Muscatine Urban Renewal Area, including site acquisition and engineering/study costs for site development.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A and Section 384.24(3)(q) of the Code of Iowa and will constitute a general obligation of the City.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 384.26 of the Code of Iowa. If no such petition is filed, at the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the City Council of the City of Muscatine, Iowa.

Greg Jenkins
Interim City Clerk

Section 5. Pursuant to Section 1.150-2 of the Income Tax Regulations (the “Regulations”) of the Internal Revenue Service, the City declares (a) that it intends to undertake the Projects which are reasonably estimated to cost approximately \$6,760,000, (b) that other than (i) expenditures to be paid or reimbursed from sources other than the issuance of bonds, notes or other obligations (the “Bonds”), or (ii) expenditures made not earlier than 60 days prior to the date of this Resolution or a previous intent resolution of the City, or (iii) expenditures amounting to the lesser of \$100,000 or 5% of the proceeds of the Bonds, or (iv) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the Projects have heretofore been made by the City and no expenditures will be made by the City until after the date of this Resolution or a prior intent resolution of the City, and (c) that the City reasonably expects to reimburse the expenditures made for costs of the City out of the proceeds of the Bonds. This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 6. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved February 20, 2020.

Diana Broderon, Mayor

Attest:

Greg Jenkins, Interim City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
MUSCATINE COUNTY SS:
CITY OF MUSCATINE

I, the undersigned, Interim City Clerk of the City of Muscatine, do hereby certify that attached hereto is a true and correct copy of the proceedings of the City Council relating to fixing a date for hearings on the City's proposal to take action in connection with certain loan agreements, as referred to therein.

WITNESS MY HAND this _____ day of _____, 2020.

Greg Jenkins, Interim City Clerk

ORGANIZATION CERTIFICATE

STATE OF IOWA
MUSCATINE COUNTY SS:
CITY OF MUSCATINE

I, the undersigned Interim City Clerki, do hereby certify that the City of Muscatine is organized and operating under the provisions of Title IX of the Code of Iowa and not under any special charter and that the City is operating under the Mayor-Council form of government and that there is not pending or threatened any question or litigation whatsoever touching the incorporation of the City, the inclusion of any territory within its limits or the incumbency in office of any of the officials hereinafter named.

And I do further certify that the following named parties are officials of the City as indicated:

- _____, Mayor
- _____, Interim City Administrator/City Clerk
- _____, Finance Officer
- _____, Council Member/Mayor Pro Tem
- _____, Council Member

WITNESS MY HAND this ____ day of _____, 2020.

Greg Jenkins, Interim City Clerk

PUBLICATION CERTIFICATE

(PLEASE NOTE: Do not date and return this certificate until you have received the publisher’s affidavits and have verified that the notices were published on the dates indicated in the affidavits but please return all other completed pages to us as soon as they are available.)

STATE OF IOWA
MUSCATINE COUNTY SS:
CITY OF MUSCATINE

I, the undersigned, Interim City Administrator of the City of Muscatine, do hereby certify that pursuant to the resolution of the City Council fixing a date of meeting at which it is proposed to take action to enter into certain loan agreements, the notices, of which the printed slips attached to the publisher’s affidavits hereto attached are true and complete copies, were published on the dates and in the newspaper specified in such affidavits, which newspaper has a general circulation in the City.

WITNESS MY HAND this _____ day of _____, 2020.

Greg Jenkins, Interim City Clerk

(Attach here the publisher’s original affidavits with clippings of the notices, as published.)