

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 6, 2010
	Agenda Item No.	42
	Roll Call No.	<u>10-2026</u>
	Communication No.	<u>10-734</u>
	Submitted by:	Allen McKinley, Finance Director

AGENDA HEADING:

Resolution to approve the issuance of City of Des Moines, Iowa Floating Rate Demand Commercial Development Refunding Revenue Bonds (East Grand Office Park Project) Series 2010 in an original principal amount not to exceed \$6,000,000. Bond proceeds will be loaned to East Grand Office Park L.P. to refund in full the outstanding principal amount of the City of Des Moines, Iowa Floating Rate Monthly Demand Commercial Development Revenue Bonds (East Grand Office Park Project) Series 1985.

SYNOPSIS:

East Grand Office Park L.P. has requested that the City issue Floating Rate Demand Commercial Development Refunding Revenue Bonds in the amount not to exceed \$6,000,000. The debt does not constitute general obligation, liability or pledge the full faith and credit of the City. East Grand Office Park L.P. will be legally responsible for paying the debt service.

FISCAL IMPACT

Amount: \$6,000 revenue. The City does not incur any costs for the issuance of these types of bonds. Under the City’s Industrial Revenue Bond (IRB) policy, East Grand Office Park L.P. will pay the City 1/1,000th of the issue amount, \$6,000, as well as all fees charged by non-City parties for work done in conjunction with the review process. East Grand Office Park L.P. will pay the debt service on the bonds.

Funding Source: General Fund

ADDITIONAL INFORMATION:

East Grand Office Park L.P. is a limited partnership organized and existing under the laws of the State of Iowa (the “Obligor”.) ServiShare of Iowa, Inc. is the general partner and 99% owner of the Obligor. Greater Des Moines Partnership is the limited partner and 1% owner of the Obligor. The East Grand Office Park project was originally constructed in 1985 and consists of two 3-story office buildings and is situated at the northeast corner of East Grand Avenue and Robert D Ray Drive. The building sits on 5.52 acres and has 103,500 square feet of available office space.

The City’s bond counsel has reviewed all of the appropriate documents.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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