PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 11, 2010

Refunding Issue | **Ratings: Standard & Poor's 'AAA'**
Moody's Investors Service Application Made

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (i) interest on the Notes will be excluded from gross income for federal income tax purpose and, (ii) interest on such Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986. However, interest on the Notes will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations as defined for federal income tax purposes. The Notes will NOT be designated as "qualified tax-exempt obligations". See "TAX EXEMPTION AND RELATED CONSIDERATIONS" *herein for a more detailed discussion.*

CITY OF DES MOINES, IOWA

$24,960,000* General Obligation Refunding Capital Loan Notes, Series 2010C

BIDS RECEIVED: Wednesday, January 20, 2010, 11:00 o'clock A.M., Central Time
AWARD: Wednesday, January 20, 2010, 4:00 o'clock P.M., Central Time

Dated: Date of Delivery (March 3, 2010) | **Minimum Bid:** $24,885,120
Principal Due: June 1, 2011-2016 | **Good Faith Deposit:** Required of Purchaser Only

The $24,960,000* General Obligation Refunding Capital Loan Notes, Series 2010C (the "Notes") are being issued pursuant to Division III of Chapter 384 of the Code of Iowa, and a resolution to be adopted by the City Council of the City of Des Moines, Iowa (the "City"). Proceeds of the Notes will be used to current refund, on June 1, 2010, $8,295,000 of the General Obligation Refunding Bonds, Series 2003A, dated May 1, 2003, maturing 2011 through 2014 (the "Series 2003A Bonds"); and $16,590,000 of the General Obligation Refunding Bonds, Series 2004B, dated June 1, 2004, maturing 2011 through 2016 (the "Series 2004B Bonds"). The Purchaser of the Notes agrees to enter into a loan agreement (the "Loan Agreement") with the City pursuant to authority contained in Section 384.24A of the Code of Iowa. The Notes are issued in evidence of the City's obligations under the Loan Agreement. The Notes are general obligations of the City for which the City will pledge its power to levy direct ad valorem taxes to the repayment of the Notes.

The Notes will be issued as fully registered notes without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Notes. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. The City, as designated Paying Agent/Registrar (the "Registrar"), will pay principal and interest on the Notes to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Notes as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the fifteenth day preceding such interest payment date (the "Record Date").

The Notes will mature June 1 in the years and amounts as follows:

Year	Amount*
2011	$5,690,000
2012	5,780,000
2013	6,175,000
2014	3,655,000
2015	2,480,000
2016	1,180,000

***PRINCIPAL ADJUSTMENT:** Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Notes in such amount as may be necessary to effect the refunding of the Series 2003A and Series 2004B Bonds. However, the maximum par amount will not exceed $26,000,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

INTEREST: December 1, 2010 and semiannually thereafter.

REDEMPTION: The Notes are NOT subject to early redemption.

The Notes are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the legal opinion of Ahlers & Cooney, P.C., Bond Counsel, of Des Moines, Iowa, to be furnished upon delivery of the Notes. It is expected that the Notes will be available for delivery on or about March 3, 2010. This Preliminary Official Statement will be further supplemented by offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and underwriter, together with any other information required by law, and shall constitute a "Final Official Statement" of the City with respect to the Notes, as defined in Rule 15c2-12.

*Preliminary; subject to change.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over $1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Notes to prospective bidders in the interest of receiving competitive bids in accordance with the TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement".

Review Period: This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the City as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to Public Financial Management, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Notes, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the "Syndicate Manager") and syndicate members. Copies of the Final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information of the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of Public Financial Management, Inc. (the "Financial Advisor") payable entirely by the City is contingent upon the sale of the issues.

TABLE OF CONTENTS

TERMS OF OFFERING .... **i**

SCHEDULE OF BOND YEARS .... **v**

INTRODUCTION **1**
- Authority and Purpose 1
- Payment of and Security for the Notes 2
- Book-Entry-Only System 2
- Future Financing 4
- Litigation 5
- Debt Payment History; Legality 6
- Tax Exemption and Related Considerations 7
- Related Tax Matters 8
- Ratings 9
- Financial Advisor 9
- Continuing Disclosure 9

CITY PROPERTY VALUES **10**
- Iowa Property Valuations 10
- 1/1/2008 Valuations (Taxes payable July 1, 2009 through June 30, 2010) 10
- 2008 Gross Taxable Valuation by Class of Property 10
- Trend of Valuations 11
- Larger Taxpayers 11
- Legislation 11

CITY INDEBTEDNESS **12**
- Debt Limit; Direct Debt 12
- Other Debt 18
- Indirect General Obligation Debt; Debt Ratios 20
- Levies and Tax Collections 21
- Tax Rates; Levy Limits 21

THE CITY **22**
- City Government; City Budgeting Process 22
- General Fund - Available Fund Balance 23
- Employees; Pensions 23
- Other Post Employment Benefits 25
- Risk Management 25

GENERAL INFORMATION **27**
- Location and Transportation; General Services and Attractions 27
- Larger Employers 28
- Retail Sales and Buying Income; Average Annual Labor Force Data 29
- Building Permits; U.S. Census Data 30
- Education; Financial Services 31
- Financial Statements; Certification 31

APPENDIX A - FORM OF LEGAL OPINION

APPENDIX B - JUNE 30, 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE

OFFICIAL BID FORM

City of Des Moines, Iowa

Mayor/City Council

T.M. Franklin Cownie	Mayor
Christopher J. Coleman	Council Member – At Large
Skip Moore	Council Member – At Large
Halley Griess	Council Member – Ward 1
Robert L. Mahaffey	Council Member – Ward 2
Christine Hensley	Council Member – Ward 3
Brian Meyer	Council Member – Ward 4

Administration

Richard A. Clark, City Manager
Merrill Stanley, Deputy City Manager
Allen McKinley, Finance Director/Treasurer
Diane Rauh, City Clerk

Corporation Counsel

Bruce E. Bergman

Bond Counsel

Ahlers & Cooney, P.C.
Des Moines, Iowa

Financial Advisor

Public Financial Management, Inc.
Des Moines, Iowa

TERMS OF OFFERING

CITY OF DES MOINES, IOWA

This section sets forth the description of certain of the terms of the Notes as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE NOTES

General Obligation Refunding Capital Loan Notes, Series 2010C (the "Notes"), in the principal amount of $24,960,000* to be dated the date of delivery (March 3, 2010) in the denomination of $5,000 or multiples thereof, and to mature June 1, as follows:

Year	Amount*	Year	Amount*
2011	$5,690,000	2014	$3,655,000
2012	5,780,000	2015	2,480,000
2013	6,175,000	2016	1,180,000

* Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Notes in such amount as may be necessary to effect the refunding of the Series 2003A and Series 2004B Bonds. However, the maximum par amount will not exceed $26,000,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

OPTIONAL REDEMPTION

The Notes will NOT be subject to early redemption.

INTEREST

Interest on the Notes will be payable on December 1, 2010 and semiannually on the 1st day of June and December thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the fifteenth day preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

GOOD FAITH DEPOSIT

A Good Faith Deposit (the "Deposit") in the amount of $249,600 is required from the lowest bidder only. The lowest bidder is required to submit such Deposit payable to the order of the City in the form of either (i) a cashier's check provided to the City or its Financial Advisor prior to the opening of bids or (ii) a wire transfer as instructed by the City's Financial Advisor not later than 1:00 P.M. Central Time on the day of sale of the Notes. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a deposit (the "Deposit") and thereafter may award the sale of the Notes to the same. No interest on a Deposit will accrue to the successful bidder (the "Purchaser"). The Deposit will be applied to the purchase price of the Notes. In the event a Purchaser fails to honor its accepted bid proposal, the Deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for the Notes for a price not less than $24,885,120, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the “RATES OF INTEREST” section below. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City. The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (“TIC”) basis assuming compliance with the “GOOD FAITH DEPOSIT” section on the previous page. The TIC shall be determined by the "present value method", i.e., by ascertaining the semiannual rate, compounded semi-annually, necessary to discount as of the dated date of the Notes, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semiannual rate so ascertained (also known as the "Canadian Method"). The TIC shall be as determined by the Financial Advisor based on the TERMS OF OFFERING and all amendments, and on the bids as submitted. The Financial Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Notes will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Notes, (ii) reject all bids without cause and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

RATES OF INTEREST

The rates of interest specified in the bidder's proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Notes to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. Each rate of interest specified for any annual maturity shall not be less than a rate of interest specified for any earlier maturity. Rates must be level or in ascending order.

RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City or through the Internet Bid System as defined below. The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of the electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the OFFICIAL BID FORM. The time as maintained by the Internet Bid System as defined below shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa 50309.

Internet Bidding: Internet bids must be submitted through the PARITY® competitive bidding system (the “Internet Bid System”). Information about the Internet Bid System may be obtained by calling (212) 404-8102.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its Internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING. The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the Internet bidding and the Internet Bid System is not an agent of the City. Provisions of the TERMS OF OFFERING and OFFICIAL BID FORM shall control in the event of conflict with information provided by the Internet Bid System.

BOOK-ENTRY-ONLY SYSTEM

The Notes will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Notes will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Notes maturing in each year will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Notes. Individual purchases of the Notes may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser, as a condition of delivery of the Notes, will be required to deposit the bond certificates with DTC.

MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the City has requested and received a rating on the Notes from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Notes.

DELIVERY

The Notes will be delivered to the Purchaser through DTC in New York, New York, against full payment in immediately available cash or federal funds. The Notes are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by a Purchaser, the Purchaser may withdraw their bid and thereafter their interest in and liability for the Notes will cease. When the Notes are ready for delivery, the City may give the Purchaser five working days notice of the delivery date and the City will expect payment in full on that date, otherwise reserving the right of its option to determine that the Purchaser has failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER

The Purchaser will be required to certify to the City immediately after the opening of bids: (i) the initial public offering price of each maturity of the Notes (not including sales to bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Notes (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Notes on the sale date. The Purchaser will also be required to provide a certificate at closing confirming the information required by this paragraph.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Notes. The Preliminary Official Statement when further supplemented with maturity dates, principal amounts, and interest rates of the Notes, and any other information required by law or deemed appropriate by the City, shall constitute a Final Official Statement of the City with respect to the Notes, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Notes to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which each series of the Notes are awarded up to 45 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Notes are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Notes agrees thereby that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Notes for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to the resolution for the Notes and Continuing Disclosure Certificate for the Notes, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of these undertakings is set forth in APPENDIX C of this Preliminary Official Statement. The City will deliver the Continuing Disclosure Certificate at closing, and any failure on the part of the City to deliver the same shall relieve the Purchaser of its obligation to purchase the Notes. The City has complied in all material respects with its previous undertakings under the Rule.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Notes and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Financial Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Notes shall not be cause for the Purchaser to refuse to accept delivery of said Notes.

BY ORDER OF THE CITY COUNCIL
Diane Rauh, City Clerk
City of Des Moines
400 Robert D. Ray Drive
Des Moines, Iowa 50309

SCHEDULE OF BOND YEARS

$24,960,000*
CITY OF DES MOINES, IOWA
General Obligation Refunding Capital Loan Notes, Series 2010C

Notes Dated: March 3, 2010
Interest Due: December 1, 2010 and each June 1 and December 1 to maturity
Principal Due: June 1, 2011-2016

Year	Principal *	Bond Years	Cumulative Bond Years
2011	$5,690,000	7,080.89	7,080.89
2012	5,780,000	12,972.89	20,053.78
2013	6,175,000	20,034.44	40,088.22
2014	3,655,000	15,513.44	55,601.67
2015	2,480,000	13,006.22	68,607.89
2016	1,180,000	7,368.44	75,976.33

Average Maturity (dated date): 3.044 Years

* Preliminary; subject to change.

OFFICIAL STATEMENT

CITY OF DES MOINES, IOWA

$24,960,000* General Obligation Refunding Capital Loan Notes, Series 2010C

INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Des Moines, Iowa (the "City") and its issuance of $24,960,000* General Obligation Refunding Capital Loan Notes, Series 2010C (the "Notes"). This Preliminary Official Statement has been executed on behalf of the City by its Finance Director/Treasurer and may be distributed in connection with the sale of the Notes authorized therein. Inquiries may be directed to Public Financial Management, Inc., Terrace Place, 2600 Grand Avenue, Suite 214, Des Moines, Iowa 50312, or by telephoning (515) 243-2600. Information can also be obtained from Mr. Allen McKinley, City Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa 50309, or by telephoning (515) 283-4844.

AUTHORITY AND PURPOSE

The Notes are being issued pursuant to Division III of Chapter 384 of the Code of Iowa, and a resolution to be adopted by the City. Proceeds of the Notes will be used to current refund, on June 1, 2010, $8,295,000 of the General Obligation Refunding Bonds, Series 2003A, dated May 1, 2003, maturing 2011 through 2014 (the "Series 2003A Bonds"); and $16,590,000 of the General Obligation Refunding Bonds, Series 2004B, dated June 1, 2004, maturing 2011 through 2016 (the "Series 2004B Bonds"). The Purchaser of the Notes agrees to enter into a Loan Agreement with the City pursuant to authority contained in Section 384.24A of the Code of Iowa. The Notes are issued in evidence of the City's obligations under the Loan Agreement.

Name of Issue to be Refunded	Call Date	Call Price	Maturities to be Refunded	Principal Amount	Coupon
Series 2003A Bonds	6/1/2010	100%	6/1/2011	$2,195,000	4.00%
			6/1/2012	2,325,000	4.00%
			6/1/2013	2,400,000	4.00%
			6/1/2014	1,375,000	5.00%
				$8,295,000	

Name of Issue to be Refunded	Call Date	Call Price	Maturities to be Refunded	Principal Amount	Coupon
Series 2004B Bonds	6/01/2010	100%	6/1/2011	$3,450,000	5.000%
			6/1/2012	3,345,000	5.000%
			6/1/2013	3,780,000	5.000%
			6/1/2014	2,300,000	5.000%
			6/1/2015	2,510,000	5.000%
			6/1/2016	1,205,000	5.000%
				$16,590,000	

*Preliminary; subject to change.

The estimated sources and uses of the Notes are as follows:

<u>Sources of Funds</u>	
Par Amount of Notes	$24,960,000.00*
Solid Waste Funds	72,000.00
Total Uses	$25,032,000.00*
<u>Uses of Funds</u>	
Deposit to Escrow Account	$24,872,843.05
Underwriter's Discount	74,880.00
Cost of Issuance & Contingency	84,276.95
Total Uses	$25,032,000.00*

* Preliminary; subject to change.

PAYMENT OF AND SECURITY FOR THE NOTES

The Notes are general obligations of the City and the unlimited taxing powers of the City are irrevocably pledged for their payment. Upon issuance of the Notes, the City will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due. The City is required to levy ad valorem taxes upon all taxable property in the City without limit as to rate or amount sufficient to pay the debt service except to the extent that other monies are deposited in the debt service fund for such purposes.

Nothing in the resolution authorizing the Notes prohibits or limits the ability of the City to use legally available moneys other than the proceeds of the general ad valorem property taxes levied as described in the preceding paragraph to pay all or any portion of the principal of or interest on the Notes. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Notes, the City may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Notes.

The City's obligation to pay the principal of and interest on the Notes is on parity with the City's obligation to pay the principal of and interest on any other of its general obligation debt secured by a covenant to levy taxes within the City, including any such debt issued or incurred after the issuance of the Notes. The resolution authorizing the Notes does not restrict the City's ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Notes. For a further description of the City's outstanding general obligation debt upon issuance of the Notes and the annual debt service on the Notes, see "DIRECT DEBT" under "CITY INDEBTEDNESS" herein. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "DEBT LIMIT" under "CITY INDEBTEDNESS" herein.

BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FUTURE FINANCING

The City is considering issuing Public Parking System Revenue Refunding Capital Loan Notes. In addition, the City is considering issuing approximately $24 million of Stormwater Management Utility Revenue Bonds and/or State Revolving Fund loans within the next 90 days.

*Preliminary; subject to change.

LITIGATION

In a January 5, 2006 decision, the Iowa District Court for Polk County (the "District Court") ruled that gas and electric franchise fees imposed by the City are illegal because they constitute unauthorized taxes. In reaching that decision, the District Court concluded that a franchise fee, when used as a revenue-generating measure, constitutes a tax which has been assessed in violation of Iowa Code Section 364.3(4). The District Court denied the plaintiff's motion to certify the case as a class action, and enjoined the City from collecting the franchise fees from the individual plaintiff while its ruling remains in effect. The City appealed the District Court's rulings to the Iowa Supreme Court and on May 26, 2006, the Iowa Supreme Court reversed the District Court's ruling and remanded the case to determine the class certification question and for a trial on the question of the appropriate amount of the franchise fees to be charged. (Kragnes v. City of Des Moines, 714 N.W.2d 632 (Iowa 2006)). According to the Iowa Supreme Court's decision, any franchise fee charged by a city must be reasonably related to the City's administrative and regulatory expenses incurred in the exercise of its police power. Those expenses may include the reasonable costs of inspecting, licensing, supervising or otherwise regulating the activity the City is franchising and the incidental consequences of the franchised services. The Court agreed that the City's franchise fees may be assessed as a percentage of the gross receipts derived from the utility's sale of its services to the public, so long as the charge is reasonably related to the City's administrative expenses.

The District Court subsequently certified a class for purposes of the litigation, consisting of all customers of the gas and electric utilities within the City that have paid gas or electric franchise fees since July 27, 1999. The case was tried in October and November, 2008. On June 3, 2009, the District Court filed its ruling and determined that the amount of the franchise fees received by the City exceeded the costs allowable under the Kragnes ruling, and ordered a refund in an amount to be determined. City staff estimates that the amount of the refund ordered by the District Court could be as much as $45-50 million. The District Court denied the plaintiff's request for injunctive relief to prevent the City from continuing to collect franchise fees in the amount of 5% of the gross revenue from gas and electric franchises, because of new legislation (described below) enacted by the Iowa General Assembly which permits such fees to be collected. Following post-trial motions, the Iowa Supreme Court granted interlocutory review of the District Court's rulings on November 19, 2009, and ordered an expedited briefing schedule to be followed. The City currently expects that the appeal will be argued and fully submitted to the Iowa Supreme Court sometime during the second quarter of the 2010 calendar year.

The City also is a defendant in a separate action pending in the District Court, alleging that the City's cable television franchise fee exceeds the reasonable costs of regulating the cable operator in the City's right of way (Lindstrom v. City of Des Moines). A class action was certified in July, 2007. The Plaintiff class seeks a refund of the allegedly excess fees collected. This matter is stayed while the Iowa Supreme Court considers whether the action is barred by Iowa Code Section 477A.7(5), adopted in May 2007, which retroactively legalized the prior collection and use of cable television franchise fees as a revenue source. This case was submitted to the Iowa Supreme Court on January 21, 2009 and a ruling is expected shortly.

The City ordinances imposing franchise fees on the gross sales of natural gas, electricity and cable television within the City resulted in collections of approximately $15 million during the 2008/2009 fiscal year, with total General Fund budgeted revenues for the 2008/2009 fiscal year being approximately $133.3 million. For the 2009/2010 fiscal year, the City anticipates $14 million in collections, with total General Fund budgeted revenues of $136.3 million.

The City believes it has substantial defenses to these two actions and intends to contest the matters vigorously. There can be no assurance, however, that future rulings in the litigation will not require the City to refund a portion of the franchise fees that have been collected in the past or to substantially reduce the amount of the franchise fees. If the City is required to substantially reduce its franchise fees, City staff presently intends to recommend to the City Council that the City address the loss of franchise fee revenues by reducing or delaying discretionary capital improvements, reallocating costs to other funds or adjusting property tax collections. The City is authorized under Iowa law to certify a special tax levy to pay any final judgments that may be entered, and also may issue general obligation bonds for such purposes following a public hearing on the bond proposal.

On April 27, 2009, the Iowa General Assembly adopted Senate file 478 (the “Act”) which became effective upon receiving the Governor’s approval on May 26, 2009. Under the Act, a franchise fee assessed by a city may be based upon a percentage of gross revenues generated from sales of the franchise within the city not to exceed five percent, without regard to the city’s cost of inspecting, supervising, and otherwise regulating the franchise. Franchise fees collected pursuant to an ordinance in effect on the effective date of this division of this Act shall be deposited in the city’s general fund and such fees collected in excess of the amounts necessary to inspect, supervise, and otherwise regulate the franchise may be used by the city for any other purpose authorized by law. The Act therefore authorizes the collection and usage of City’s current franchise fees. However, the Act is not retroactive and will not eliminate the refund claims asserted in the pending litigation as previously described.

The City is not aware of any threatened or pending litigation affecting the validity of the Notes, or any other litigation which could have a material adverse affect on the City's ability to meet its financial obligations.

DEBT PAYMENT HISTORY

The City knows of no instance in which it has defaulted in the payment of principal or interest on its debt.

LEGALITY

The Notes are subject to approval as to certain matters by Ahlers & Cooney, P.C. of Des Moines, Iowa as Bond Counsel. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto. The “FORM OF LEGAL OPINION” as set out in APPENDIX A to this Preliminary Official Statement, will be delivered at closing.

The legal opinion to be delivered concurrently with the delivery of the Notes expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

There is no bond trustee or similar person to monitor or enforce the provisions of the resolution for the Notes. The owners of the Notes should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolutions for the Notes) may have to be enforced from year to year. The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Notes cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Notes. See “LEVIES AND TAX COLLECTIONS” herein, for a description of property tax collection and enforcement.

In addition, the enforceability of the rights and remedies of owners of the Notes may be subject to limitation as set forth in Bond Counsel’s opinion. The opinion will state, in part, that the obligation of the City with respect to the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal tax law contains a number of requirements and restrictions that apply to the Notes. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of note proceeds and facilities financed with note proceeds, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel: (a) interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes; and (b) interest on the Notes is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations. The interest on the Notes will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

The interest on the Notes is not exempt from present Iowa income taxes. Interest on the Notes will be required to be included in "adjusted current earnings" to be used in computing "state alternative minimum taxable income" of corporations and financial institutions for purposes of Sections 422.23 and 422.60 of the Iowa Code, as amended. Ownership of the Notes may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Notes. Prospective purchasers of the Notes should consult their tax advisors regarding the applicability of any such state and local taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

Not Qualified Tax-Exempt Obligations

The City will **NOT** designate the Notes as qualified tax-exempt obligations under Section 265(b)(3) of the Code; therefore the Notes will **NOT** be bank qualified.

Tax Accounting Treatment of Discount and Premium on Certain Tax-Exempt Notes

The initial public offering price of certain Notes (the "Discount Notes") may be less than the amount payable on such Notes at maturity. An amount equal to the difference between the initial public offering prices of Discount Notes (assuming that a substantial amount of the Discount Notes of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Notes. A portion of such original issue discount allocable to the holding period of such Discount Notes by the initial purchaser will, upon the disposition of such Discount Notes (including by reason of their payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Notes described above under "TAX EXEMPTION AND RELATED CONSIDERATIONS". Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of the Discount Notes, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Notes and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of the Discount Notes by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Notes in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Notes was held) is includable in gross income.

Owners of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Notes may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Notes (the "Premium Notes") may be greater than the amounts payable on such Notes at maturity. An amount equal to the difference between the initial public offering price of the Premium Notes (assuming that a substantial amount of the Premium Notes of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Notes. The basis for federal income tax purposes of the Premium Notes in the hands of such initial purchaser must be reduced each year by the amortizable note premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable note premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the Premium Notes. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable note premium on Premium Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

RELATED TAX MATTERS

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Notes. If an audit is commenced, under current procedures the IRS may treat the City as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome.

There are or may be pending in the Congress of the United States, legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to in this section or affect the market value of the Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Notes issued prior to enactment. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

RATINGS

Standard & Poor's ("S&P") rates the Notes 'AAA'. The City has also requested a rating on the Notes from Moody's Investors Service ("Moody's"). Currently, Moody's and S&P rate the City's outstanding general obligation long-term debt 'Aa2' and 'AAA' respectively, outstanding sewer revenue debt 'Aa3' and 'AA' respectively, and outstanding stormwater revenue debt 'Aa3' and 'AA+' respectively. The City's outstanding public parking system revenue debt is rated 'A3' by Moody's. Such ratings reflect only the view of the rating agencies and any explanation of the significance of such rating may only be obtained from the respective rating agency. There is no assurance that such ratings will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of the ratings may have an effect on the market price of the Notes.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Inc., Des Moines, Iowa as financial advisor (the "Financial Advisor") in connection with the preparation of the issuance of the Notes. In preparing the Preliminary Official Statement, the Financial Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Notes and other Participating Underwriters in the primary offering of the Notes to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Notes, in the resolution authorizing the issuance of the Notes and the Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth as APPENDIX C to this Preliminary Official Statement. The City has complied in all material respects with its previous undertakings under the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Notes or the resolutions for the Notes. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Notes in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Notes and their market price.

CITY PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Polk and Warren County Auditors adjusted the final actual values for 2008. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2008, the Taxable Value rollback rate was 45.5893% of Actual Value for residential property; 93.8568% of Actual Value for agricultural property; and 100% of Actual Value for commercial, industrial, railroad and utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 4% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

1/1/2008 VALUATIONS (Taxes payable July 1, 2009 through June 30, 2010)

	100% Actual Value	Taxable Value (With Rollback)
Residential	$7,084,957,400	$3,209,041,242
Commercial	2,387,324,710	2,387,324,710
Industrial	182,414,290	182,414,290
Railroad	9,540,299	9,540,299
Utilities w/o Gas & Electric	33,524,673	33,524,673
Gross valuation	$9,697,761,372	$5,821,845,214
Less military exemption	(17,112,252)	(17,112,252)
Net valuation	$9,680,649,120	$5,804,732,962
TIF Increment (used to compute Debt service levies and Constitutional debt limit)	$711,108,790	$711,108,790
Taxed separately		
Gas & Electric Utilities	$313,529,408	$232,898,257
Ag. Land	$3,015,040	$2,829,819
Ag. Buildings	$327,340	$307,224

2008 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY [1)]

	Taxable Valuation	Percent Total
Residential	$3,209,041,242	53.00%
Commercial	2,387,324,710	39.43%
Industrial, Railroad & Utility	225,479,262	3.72%
Gas & Electric Utilities	232,898,257	3.85%
Total Gross Taxable Valuation	$6,054,743,471	100.00%

[1)] Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

Assessment Year	Payable Fiscal Year	100% Actual Valuation	Taxable Valuation (With Rollback)	Taxable TIF Increment
2004	2005-06	$8,667,085,560	$5,285,047,624	$488,199,515
2005	2006-07	9,521,138,637	5,523,772,275	594,194,445
2006	2007-08	9,685,762,904	5,622,864,162	584,899,190
2007	2008-09	10,485,684,342	5,874,658,327	656,276,490
2008	2009-10	10,708,629,698	6,037,631,219	711,108,790

The 100% Actual Valuations, before rollback and after reduction of military exemption, include Ag. Land, Ag. Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude Ag. Land, Ag. Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuations including the Taxable TIF Increment.

LARGER TAXPAYERS [1)]

Taxpayer	Type of Property/Business	1/1/2008 Taxable Valuation
Principal Mutual Life	Insurance Company	$234,019,460
MidAmerican Energy	Electric Utility	232,644,330
Nationwide Mutual Life	Insurance Company	112,760,580
Wells Fargo Financial	Banking Services	105,667,640
Employers Mutual Casualty	Insurance Company	46,385,070
Mercy Medical	Hospital	44,894,700
Ruan Center Corp.	Transportation	44,241,150
Iowa Methodist Hospital	Hospital	44,201,860
Meredith Corporation	Publishing	42,151,060
Hubbell Realty	Property Management	36,923,690

[1)] This list represents larger taxpayers in this jurisdiction, not necessarily the top 10 taxpayers.

LEGISLATION

From time to time, legislative proposals are pending in the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation debt that: "The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full." Purchasers of the Notes should consult their tax advisors regarding any pending or proposed federal tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Notes and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal tax legislation.

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2008 actual valuation currently applicable to the fiscal year 2009-10, is as follows:

2008 Actual Valuation of Property	$10,725,741,950
Less: Military Exemption	(17,112,252)
Subtotal	$10,708,629,698
Legal Debt Limit of 5%	0.05
Legal Debt Limit	$535,431,485
Less: General Obligation Debt Subject to Debt Limit	(359,230,134)
Less: Other Debt Subject to Debt Limit	(1,655,000) [1]
Legal Debt Margin	$174,546,351

1) As of June 3, 2009, the City has two outstanding Section 108 CDBG Loans totaling $10,155,000, one of which is subject to annual appropriation. The amount subject to the Debt Limit for FY 2009/10 is $1,655,000.

DIRECT DEBT

General Obligation Debt Paid by Property Taxes (Includes a portion of the Notes)

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
6/02E	$26,605,000	Various Purpose	6/22	$22,785,000
6/02F	3,505,000	Various Purpose	6/22	2,800,000
5/03A	18,878,000	Refunding	6/10	1,930,000 [1]
6/03C	18,415,000	Various Purpose	6/23	15,778,778
6/03D	840,000	Various Purpose	6/23	654,420
8/03E	7,330,000	Refunding	6/10	745,000 [2] [3]
6/04B	26,470,000	Refunding	6/10	2,920,000 [4]
6/04C	13,685,000	Various Purpose	6/10	200,000 [5]
4/05A	22,049,000	Refunding	6/18	10,905,000
6/05B	27,775,000	Various Purpose	6/25	25,135,000
6/05D	95,000	Various Purpose	6/12	45,000
12/05E	20,825,000	Refunding	6/20	18,765,000
8/06A	20,295,000	Various Purpose	6/26	18,855,000
6/07B	18,255,000	Various Purpose	6/27	17,735,000
6/08D	24,055,000	Various Purpose	6/28	24,055,000
6/09C	16,045,000	Refunding	6/19	16,045,000
6/09E	19,605,000	Various Purpose	6/29	19,605,000
6/09G	3,115,000	Various Purpose	6/19	3,115,000
1/10A	15,320,000	Refunding	6/24	15,320,000
1/10C	20,790,000*	Refunding	6/16	20,790,000*
Subtotal				$238,183,198

1) The 2011-2014 maturities will be current refunded by the Notes.
2) The 2011-2014 maturities will be current refunded by Series 2010A Bonds.
3) The 2010 maturity will be defeased with debt service monies upon closing.
4) The 2011-2016 maturities will be current refunded by the Notes.
5) The 2011-2024 maturities will be advance refunded by Series 2010A Bonds.

* Preliminary, subject to change.

General Obligation Debt Paid by Tax Increment (Includes a portion of the Notes)

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
10/00F	$10,000,000	Taxable – Land Acquisition	6/10	$806,079 1)
3/02A	3,170,000	1993A TIF Refunding	6/12	1,165,000
6/02E	4,315,000	Various Purpose (TIF Portion)	6/22	3,460,000
6/02F	5,010,000	Various Purpose (TIF Portion)	6/22	3,900,000
5/03A	1,930,000	Refunding	6/10	195,000 2)
6/03C	725,000	Various Purpose	6/23	591,222
6/03D	11,020,000	Various Purpose	6/23	8,590,580
8/03E	2,130,000	Refunding	6/10	215,000 3) 4)
6/04B	6,830,000	Refunding	6/10	780,000 5)
6/04D	14,425,000	Various Purpose	6/10	100,000 6)
6/04E	4,830,000	Various Purpose	6/13	2,640,000
4/05A	5,324,000	Refunding	6/18	3,279,000
6/05C	10,000,000	Various Purpose	6/23	10,000,000
6/05D	4,890,000	Various Purpose	6/12	2,500,000
12/05E	7,360,000	Refunding	6/20	6,865,000
8/06B	9,210,000	Various Purpose	6/26	9,110,000
4/07A	4,635,000	Taxable - Refunding	6/19	4,080,000
6/07B	160,000	Various Purpose (TIF Portion)	6/27	155,000
6/07C	15,045,000	Various Purpose	6/22	13,570,000
6/08E	6,325,000	Various Purpose	6/23	6,020,000
6/09A	1,155,000	Refunding	6/14	975,000
6/09B	2,940,000	Refunding	6/21	2,870,000
6/09C	15,261,000	Refunding	6/19	15,210,000
6/09F	3,055,000	Various Purpose	6/17	3,055,000
1/10A	670,000	Refunding	6/14	670,000
1/10B	13,440,000	Refunding	6/24	13,440,000
1/10C	4,170,000*	Refunding	6/16	4,170,000*
Subtotal				$118,411,881

1) Debt represents a non-appropriation loan agreement. The total debt service payments of $1,690,268 are appropriated in FY 2009-10, of which $845,134 is outstanding for the 2009-10 fiscal year and is included for purposes of the legal debt limit calculation.
2) The 2011-2014 maturities will be current refunded by the Notes.
3) The 2011-2014 maturities will be current refunded by Series 2010A Bonds.
4) The 2010 maturity will be defeased with debt service monies upon closing.
5) The 2011-2016 maturities will be current refunded by the Notes.
6) The 2011-2024 maturities will be advance refunded by Series 2010B Bonds.

* Preliminary, subject to change.

General Obligation Debt Paid from Hotel-Motel Tax Revenues

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
6/01E	$5,950,000	Refunding	12/11	$1,550,000
3/02B	3,290,000	Refunding	12/11	840,000
Subtotal				$2,390,000

1) Approximately 89% of the annual debt service on the Series 2001E and Series 2002B Bonds is being abated from revenues generated by a lodging tax. The remaining 11% is being abated by revenue from eight surrounding local governments as set out in a 28E Agreement signed by all eight communities and the City.

General Obligation Debt Paid from Airport Revenues

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
4/05A	$941,000	Refunding	6/10	$150,000

General Obligation Debt Paid from Solid Waste Revenues

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
5/03A	$162,000	Refunding	6/10	$15,000 [2)]
4/05A	116,000	Refunding	6/11	41,000
Subtotal				$56,000

2) City will pay off the 2011-2014 maturities with cash on June 1, 2010.

Summary of General Obligation Debt Outstanding

General Obligation Debt Paid by Property Taxes	$238,183,198
General Obligation Debt Paid by Tax Increment	118,411,881
General Obligation Debt Paid by Hotel-Motel Tax Revenues	2,390,000
General Obligation Debt Paid by Airport Revenues	150,000
General Obligation Debt Paid by Solid Waste Revenues	56,000
General Obligation Debt outstanding:	$359,191,079
Less: Non-appropriation debt Series 2000F	(806,079)
Plus: Appropriated payment Series 2000F	845,134
Total General Obligation Debt Subject to Limit:	**$359,230,134**

Annual Fiscal Year Debt Service Payments

G.O. Debt Paid by Property Taxes (Includes a portion of the Notes)

	Current Outstanding G.O. Debt Paid by Property Taxes		**The Notes**		**Total Outstanding**	
Fiscal Year	Current Outstanding Principal	Current Outstanding Principal and Interest	Principal	Principal and Interest	Total Outstanding Principal	Total Outstanding Principal and Interest
2009-10	$18,011,571	$23,122,498			$18,011,571	$23,122,498
2010-11	13,520,083	21,895,936	$4,755,000	$5,516,668	18,275,083	27,412,604
2011-12	13,271,040	21,192,413	4,865,000	5,360,558	18,136,040	26,552,971
2012-13	12,680,857	20,150,360	5,170,000	5,536,635	17,850,857	25,686,995
2013-14	13,179,633	20,192,691	2,980,000	3,194,120	16,159,633	23,386,811
2014-15	12,871,269	19,380,320	2,000,000	2,114,290	14,871,269	21,494,610
2015-16	13,400,904	19,390,591	1,020,000	1,060,290	14,420,904	20,450,881
2016-17	13,977,139	19,420,290			13,977,139	19,420,290
2017-18	14,577,595	19,441,300			14,577,595	19,441,300
2018-19	14,085,689	18,333,688			14,085,689	18,333,688
2019-20	12,074,784	15,717,783			12,074,784	15,717,783
2020-21	11,460,918	14,568,368			11,460,918	14,568,368
2021-22	12,020,471	14,601,180			12,020,471	14,601,180
2022-23	9,841,245	11,866,637			9,841,245	11,866,637
2023-24	8,625,000	10,201,171			8,625,000	10,201,171
2024-25	7,900,000	9,072,524			7,900,000	9,072,524
2025-26	6,040,000	6,831,746			6,040,000	6,831,746
2026-27	4,695,000	5,198,984			4,695,000	5,198,984
2027-28	3,480,000	3,755,044			3,480,000	3,755,044
2028-29	1,680,000	1,779,120			1,680,000	1,779,120
Total	$217,393,198		$20,790,000		$238,183,198	

G.O. Debt Paid by Tax Increment (Includes a portion of the Notes)

	Current Outstanding G.O. Debt Paid by Tax Increment		The Notes		Total Outstanding	
Fiscal Year	Current Outstanding Principal	Current Outstanding Principal and Interest	Principal	Principal and Interest	Total Outstanding Principal	Total Outstanding Principal and Interest
2009-10	$10,659,508	$13,026,141			$10,659,508	$13,026,141
2010-11	9,223,917	13,207,019	$935,000	$1,088,683	10,158,917	14,295,702
2011-12	9,253,960	12,914,009	915,000	1,015,588	10,168,960	13,929,597
2012-13	8,904,143	12,237,398	1,005,000	1,081,340	9,909,143	13,318,738
2013-14	9,380,367	12,409,626	675,000	721,693	10,055,367	13,131,319
2014-15	7,328,731	10,044,709	480,000	504,080	7,808,731	10,548,789
2015-16	7,649,096	10,080,786	160,000	166,320	7,809,096	10,247,106
2016-17	7,937,861	10,070,885			7,937,861	10,070,885
2017-18	7,857,405	9,677,015			7,857,405	9,677,015
2018-19	7,894,311	9,394,981			7,894,311	9,394,981
2019-20	6,850,216	8,026,891			6,850,216	8,026,891
2020-21	6,509,082	7,403,036			6,509,082	7,403,036
2021-22	6,459,529	7,083,205			6,459,529	7,083,205
2022-23	4,648,755	5,000,382			4,648,755	5,000,382
2023-24	2,175,000	2,334,388			2,175,000	2,334,388
2024-25	730,000	798,888			730,000	798,888
2025-26	765,000	801,038			765,000	801,038
2026-27	15,000	15,675			15,000	15,675
Total	$114,241,881		$4,170,000		$118,411,881	

1) The June 1, 2010 interest payment will be paid by the escrow account.

G.O. Debt Paid by Hotel-Motel Tax Revenues

Fiscal Year	Total Outstanding Principal	Total Outstanding Principal and Interest
2009-10	$0	$58,070
2010-11	1,200,000	1,287,259
2011-12	1,190,000	1,219,189
Total	$2,390,000	

G.O. Debt Paid by Airport Revenues

Fiscal Year	Total Outstanding Principal	Total Outstanding Principal and Interest
2009-10	$150,000	$153,000

G.O. Debt Paid by Solid Waste Revenues

Fiscal Year	Total Outstanding Principal	Total Outstanding Principal and Interest
2009-10	$35,000	$37,660
2010-11	21,000	21,840
Total	$56,000	

OTHER DEBT

Revenue Debt Supported by Sewer Revenues

The City has revenue debt payable from net revenues of the Sewer Enterprise Fund as follows:

Sewer Revenue Bonds

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
11/04G	$5,160,000	Sewer Improvements	6/19	$4,600,000
11/04H	14,040,000	Sewer Revenue Refunding	6/20	14,040,000
11/04I	5,965,000	Sewer Improvements	6/25	5,035,000
Subtotal				$23,675,000

Des Moines Metropolitan Wastewater Reclamation Authority ("WRA")

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
6/95	$809,840	Sewer Revenue (SRF Loan No. 4)	6/15	$245,194 [1)]
6/95	7,985,127	Sewer Revenue (SRF Loan No. 6)	6/16	3,624,369 [2)]
6/96	4,382,792	Sewer Revenue (SRF Loan No. 7)	6/18	2,417,431 [3)]
11/04A	21,357,014	Sewer Revenue Acquisition Bonds	6/12	7,816,138 [4)]
11/04B	24,191,647	Sewer Improvements	6/34	20,793,100 [5)]
12/06	11,313,574	Sewer Improvements	6/36	11,050,533 [6)]
6/08A	5,732,440	Sewer Improvements	6/39	5,975,284 [7)]
Subtotal				$51,922,049

Total Sewer Revenue Debt Outstanding: $75,597,049

The amounts below represent the City's share of the debt service payments of the various issues. Other participating communities of the WRA pay the remaining amount.

1) This represents the City's share of the WRA's SRF Loan No. 4 outstanding in the amount of $1,192,000, originally issued by the City of Des Moines on behalf of (and subsequently transferred to) the WRA in the amount of $3,937,000.

2) This represents the City's share of the WRA's SRF Loan No. 6 outstanding in the amount of $5,099,000, originally issued by the City of Des Moines on behalf of (and subsequently transferred to) the WRA in the amount of $11,234,000.

3) This represents the City's share of the WRA's SRF Loan No. 7 outstanding in the amount of $3,401,000, originally issued by the City of Des Moines on behalf of (and subsequently transferred to) the WRA in the amount of $6,166,000.

4) This represents the City's share of the WRA's Series 2004A outstanding in the amount of $9,665,000, originally issued by the WRA in the amount of $26,850,000. The City's share is determined by participation in refunded series, and is not subject to change.

5) This represents the City's estimated flow-based share of the WRA's Series 2004B outstanding in the amount of $63,580,000, originally issued by the WRA in the amount of $66,830,000. The City's flow-base share is calculated annually and subject to change.

6) This represents the City's estimated flow-based share of the WRA's Series 2006 outstanding in the amount of $37,325,000, originally issued by the WRA in the amount of $38,050,000. The City's flow-base share is calculated annually and subject to change.

7) This represents the City's share of the WRA's Series 2008A SRF Loan outstanding in the amount of $16,520,000 originally issued by the WRA in the amount of $16,520,000. Principal outstanding as of January 20, 2010 exceeds the original amount issued due to increase in debt allocated to the City as a result of increased flow. The City's flow-based share is calculated annually and subject to change.

Revenue Debt Supported by Parking Revenues

The City has revenue debt payable from the Parking Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
6/00A	$19,545,000	Refunding & Improvements	6/20	$17,040,000
3/09D	2,845,000	Refunding	6/12	2,845,000
7/04	14,606,558	Lease Purchase Agreement	6/14	7,304,918 [1]
Total				$27,189,918

[1] Lease Purchase Agreement. Amount outstanding is subordinate to the Series 2000A and 2009D Bonds.

Revenue Debt Supported by Airport Revenues

The City has revenue debt payable from the Airport Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
4/98A	$6,335,000	Airport Improvements	7/28	$5,315,000
4/98B	23,870,000	Airport Improvements	7/28	20,060,000
4/98C	12,465,000	Airport Improvements	7/28	10,605,000
Total				$35,980,000

Airport Commercial Paper Program

Date of Issue	Authorized Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
1/05C	$12,000,000	Commercial Paper Program	6/11	$12,000,000

Revenue Debt Supported by Stormwater Revenues

The City has revenue debt payable from the Stormwater Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 1/20/10
5/03B	$9,440,000	Stormwater Improvements	6/18	$6,345,000
7/04F	8,510,000	Stormwater Improvements	6/19	6,595,000
12/06D	16,750,000	Stormwater Improvements	6/23	15,180,000
Total				$28,120,000

INDIRECT GENERAL OBLIGATION DEBT

Taxing District	1/1/2008 Taxable Valuation [1]	Percent In City	G.O. Debt Outstanding	City's Proportionate Share
Polk County	$18,988,975,907	35.55%	$227,843,000	$80,998,187
Warren County	1,576,500,758	0.09%	420,000	378
Carlisle CSD	231,500,761	14.30%	8,535,000	1,220,505
Des Moines Ind. CSD	6,810,735,968	95.55%	2,060,000	1,968,330
Indianola CSD	673,610,018	0.03%	24,870,000	7,461
Johnston CSD	1,690,544,610	8.09%	48,015,000	3,884,414
Norwalk CSD	379,610,995	0.09%	19,545,000	17,591
Saydel CSD	600,770,782	3.10%	3,000,000	93,000
Southeast Polk CSD	1,361,537,055	3.03%	55,520,000	1,682,256
West Des Moines CSD	4,259,274,759	0.33%	1,190,000	3,927
Urbandale Sanitary Sewer	1,878,965,981	0.09%	1,060,000	954
Urbandale-Windsor Heights Sanitary Sewer	370,336,010	4.93%	0	0
Des Moines Area Comm. College	33,610,813,667	20.08%	80,065,000	16,077,052
City's Share of Total Indirect G.O. Debt				$105,954,055

[1] Includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.

DEBT RATIOS

	Debt	Debt/Actual Market Value ($10,708,629,698) [1]	Debt/198,682 [2] Population
Total General Obligation Debt	$359,191,079	3.35%	$1,807.87
Less: G.O. Debt Paid From Enterprise Funds	(206,000)		
Less: G.O. Debt Paid From Lodging Tax	(2,390,000)		
Net G.O. Debt Paid by Taxes and Tax Increment	$356,595,079	3.33%	$1,794.80
City's share of overlapping G.O. debt	$105,954,055	0.99%	$533.28

[1] Based on the City's 2008 Actual Valuation; includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.
[2] Based on the City's 2000 U.S. Census.

LEVIES AND TAX COLLECTIONS

Fiscal Year	Levy	Collected During Collection Year	Percent Collected	Delinquent Tax Collections
2005/06	$109,371,566	$109,155,320	99.80%	$23,192
2006/07	118,115,488	117,615,781	99.58%	11,609
2007/08	120,216,875	119,879,638	99.72%	84,877
2008/09	127,273,592	126,767,148	99.60%	89,136
2009/10	132,194,448	-------------------------In process of collection-----------------------		

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

TAX RATES

	FY 2005/06 $/$1,000	FY 2006/07 $/$1,000	FY 2007/08 $/$1,000	FY 2008/09 $/$1,000	FY 2009/10 $/$1,000
Polk County [1]	9.94318	10.17511	10.16218	10.12532	9.97134
Warren County [2]	6.49546	6.88094	7.23323	6.89026	6.56329
City of Des Moines	16.52000	16.45083	16.59028	16.57606	16.57614
Des Moines Ind. CSD	18.01394	18.01713	17.93709	17.78888	17.64277
Des Moines Area Comm. College	0.68408	0.68688	0.60276	0.56386	0.56778
Des Moines Regional Transit Authority	---	0.59998	0.59997	0.60079	0.46232
State of Iowa	0.00400	0.00400	0.00350	0.00350	0.00300
Total Tax Rate - Polk County Resident	45.16520	45.93393	45.89578	45.65841	45.22335
Total Tax Rate - Warren County Resident	41.71748	42.63976	42.96683	42.42335	41.81530

[1] Polk County tax rate includes the following tax rates: Polk County-wide, Polk County Assessor, Polk County Ag. Extension and the Broadlawns Medical Center.

[2] Warren County tax rate includes the following tax rates: Warren County-wide, Warren County Assessor and the Warren County Ag. Extension.

LEVY LIMITS

A city's general fund tax levy is limited to $8.10 per $1,000 of taxable value, with provision for an additional $0.27 per $1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the $8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City’s general fund levy subject to the $8.10 limitation is $8.10 for FY 2009-10. The City does levy costs for tort liability, other insurance expense and employee benefits in addition to the $8.10 general fund limit as authorized by law. Currently, the City does not levy for an emergency fund. Debt service levies are not limited.

THE CITY

CITY GOVERNMENT

The City, incorporated as a town in 1851 and as a city in 1857, is the State of Iowa's capital, Polk County's seat, and the most populous city in the State. The City operates under a council-manager-ward form of government. The Mayor and two other Council Members are elected at-large; four Council Members each represent a ward of the City.

Mr. Richard Clark is the City Manager and is responsible for the day-to-day management of the City. Mr. Clark has a Bachelors degree in Business and Economics from Cornell College and a Masters Degree in Community and Regional Planning from Iowa State University. As City Manager, Mr. Clark serves as the Chief Administrative Officer for the City, supervises all City departments and staff, serves as the primary advisor to the City Council, prepares the operating and capital improvements budgets for final approval, works with State and Federal legislative issues, meets with citizens and neighborhood organizations, directs major economic development initiatives, and is the chief negotiator for city government.

Mr. Allen McKinley is the Finance Director/Treasurer and is responsible for the financial affairs of the City. Mr. McKinley was appointed to the position in July 2006 after serving as the City's Research and Budget Officer for 21 years. Mr. McKinley holds a Bachelor of Arts degree in Political Science from San Diego State University and a Masters in Public Administration – Public Finance from Indiana University's School of Public and Environmental Affairs. Since 2000 he has served on the board of the Municipal Fire and Police Retirement System of Iowa.

CITY BUDGETING PROCESS

The City's budget policy states that the proposed budget will balance ongoing revenues and expenditures without the use of one-time revenues. Goals of the budget policy include development of a general fund balance that equals 10% of the general fund budget and reduced reliance on property tax revenues with development of significant new revenue sources. One-time surplus revenues will have a first priority of supporting capital investment in neighborhood economic development programs and ongoing surplus revenues will have a first priority of increasing the number of police officers for the City.

In August of each year, preliminary budget materials are distributed to departments to begin compilation of the revised budget estimates for the current fiscal year and recommended budget estimates for the upcoming fiscal year. Staffing levels, materials and equipment are essential to every City activity. As a result, budget preparation involves reviewing those resources to ensure the quantity of each necessary to maintain the existing level of services. New requests are evaluated to determine what they would accomplish and how necessary the accomplishments are in terms of adequately providing for the well being, safety and development of the community. The request must also include a level of performance and measure that can be used to determine the progress being made towards the service goal. For services funded from the general fund, any new requests must have no negative financial impact. Thus, either a new revenue source must be identified or existing resources reallocated.

Departmental requests for capital outlays are submitted to the Research and Budget Office in the finance department for review and possible inclusion in the preparation of the budget. Meetings are held between the Research and Budget staff and departments to review budget recommendations and discuss the effectiveness of existing or proposed programs. Particular attention is directed towards proposals to improve productivity and efficiency. From these discussions, the Research and Budget staff may modify their recommended appropriation levels and revenue estimates and staffing levels. Those programs expected to be fully or partially self-supporting are examined to ensure that they, in fact, achieved that status.

In September the City Council holds regularly scheduled budget workshops with the City Manager and departments to review various financial forecasts and strategies and establish priorities for the coming year. These workshops are held until the budget is adopted in late February.

The City Manager, with assistance from the Research and Budget Office, reviews the departments' budget requests and revenue forecasts to ensure that current expenditures do not exceed current revenues. If there are sufficient resources available, the City Manager may include either an increase to an existing service(s) or a new service(s) that addresses the priorities established in the council workshop process. The recommended budget is then presented to the City Council in January. Public hearings precede Council modifications and approval of the budget. Tax levies for the new fiscal year are certified to the State of Iowa by March 15.

GENERAL FUND – AVAILABLE FUND BALANCE

The City Council has established a goal to maintain a General Fund balance equal to approximately 10% of General Fund operating expenditures plus operating transfers out. The table below details the historical General Fund Balance available:

	2005	**2006**	**2007**	**2008**	**2009**
Available General Fund Balance	$9,280,167	$10,048,736	$11,160,869	$11,148,852	$9,522,706
General Fund Operating Expenditures	$115,827,346	$123,652,983	$127,951,732	$132,286,214	$132,788,990
Available General Fund Balance as a Percent of General Fund Expenditures	8.01%	8.13%	8.72%	8.43%	7.17%

EMPLOYEES; PENSIONS

The City currently has 1,787 permanent full-time employees, 57 permanent part-time employees and 236 temporary employees. Of the City's 2,080 employees, 373 are police officers and 282 are full-time fire fighters. The following section describes seven unions representing 1,526 City employees.

Central Iowa Public Employees Council (CIPEC) – Employees from the Park and Recreation, Public Works, Aviation, and Engineering Departments. These employees' duties are construction, maintenance, and operations. The total number of employees covered by this bargaining unit is 502. The current contract expires June 30, 2012.

American Federation of State, County, and Municipal Employees (AFSCME) – Employees from the Housing Services Department. These employees' duties are administration and maintenance. The total number of employees covered by this bargaining unit is 34. The current contract expires June 30, 2011.

Municipal Employees Association (MEA) – Clerical and Support staff throughout the City. The total number of employees covered by this bargaining unit is 349. The current contract expires June 30, 2011.

Des Moines Association of Professional Fire Fighters, Local 4 – These employees are from the Fire Department and their responsibilities include fire suppression, emergency, and inspection. The total number of employees covered by this bargaining unit is 280. The current contract expires June 30, 2011.

Des Moines Police Bargaining Unit Association – These employees are from the Police Department and they are police officers and senior police officers. The total number of employees covered by this bargaining unit is 285. The current contract expires June 30, 2012.

Professional Employees Lodge No. 254, Unit 10 – These employees are from the Des Moines Public Library and they include building equipment and maintenance workers, clerks, and couriers. The total number of employees covered by this bargaining unit is 35. Their contract expires June 20, 2011.

Professional Employees Lodge No. 254, Unit 11 – These employees are from the Des Moines Public Library and they include professional librarians and library assistants. The total number of employees covered by this bargaining unit is 41. Their contract expires June 20, 2011.

The City contributes to two employee retirement systems, the Iowa Public Employees' Retirement System (the "IPERS") and the Municipal Fire and Police Retirement System of Iowa (the "MFPRSI"). The State of Iowa administers IPERS and a nine-member board of trustees governs the MFPRSI. Though separate and apart from state government, the board is authorized by state legislature, which also establishes by statute the pension and disability benefits and the system's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

Iowa Public Employees' Retirement System (IPERS): The City contributes to IPERS, which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries.

Plan members are required to contribute 3.90 percent of their annual covered salary, and the City is required to contribute 6.05 percent of annual covered payroll. Contribution requirements are established by state statute. Under legislation approved in April 2006, the contribution rates will increase 0.5% per year for four years beginning July 1, 2007. The increase will be split 60/40 between employer and employee. City's contribution to IPERS for the years ended June 30, 2009, 2008 and 2007 were $4,339,150, $4,012,560, and $3,714,966, respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI): The City contributes to MFPRSI, which is a cost-sharing multiple-employer defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute.

The MFPRSI contribution rates for plan members and the City were as follows:

Fiscal Year	Plan Member Contribution	City Contribution
2006-2007	9.35%	27.75%
2007-2008	9.35%	25.48%
2008-2009	9.35%	18.75%
2009-2010	9.35%	17.00%
2010-2011	9.40%	19.90%

The City contributed the required amount to MFPRSI for each year as follows:

	2007	2008	2009
MFPRSI City Contribution	$11,202,963	$10,556,294	$8,078,982

Deferred Compensation: The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

OTHER POST EMPLOYMENT BENEFITS

Post-Retirement Health and Dental Care Benefits: Post-retirement health and dental benefits are available to all full-time employees of the City who retire at the normal retirement age. The group health insurance plan provided to full time City employees allows retirees to continue medical coverage if such election is made within 31 days subsequent to retirement. Although retirees pay 100% of the "cost of coverage", the pre-age 65 group of retirees is grouped with the active employees when determining the cost of coverage. The computation creates a small implicit rate subsidy that would not exist if the cost of the coverage for this group (pre-age 65 retirees) was computed separately and paid 100% by that group. As of October 31, 2009, 179 retirees were covered under the city's current group health plan.

Beginning with the Fiscal Year that commenced on July 1, 2007, the City is now required by the Government Accounting Standards Boards Statement No. 45 (the "GASB 45"), Accounting by Employers for Other Postemployment Benefits (the "OPEB"), to report an actuarially determined cost of post-employment benefits, other than pension, such as health and life insurance for current and future retirees. The City contracted for an actuarial determination of the City's implicit liability under GASB 45. The report computed the City's Actuarial Accrued Liability (the "AAL") at $8.8 million. The report further computed the City's Annual Required Contribution (the "ARC") at $1.048 million with an offsetting pay-as-you-go funding of $238,000 for a Net OPEB Obligation (the "NOO") of $810,000. This liability was allocated across all appropriate funds with the General Fund NOO computed at $618,000 and the Stormwater NOO computed at $12,600. The City updates the actuarial determination every other year.

RISK MANAGEMENT

The City has a Risk Management Office within the Finance Department. Information is collected on the City's loss experience and efforts are directed at maintaining a comprehensive risk management program. The program identifies exposures, educates employees and management about the risks, and implements risk reduction and control programs. The risk identification and control efforts, as well as the educational process, are ongoing.

Property insurance for the City is provided by Travelers Property Casualty Insurance Company in the aggregate amount of $250,000,000 with loss of business income and extra expense coverage of up to $9,000,000. Excess liability coverage is maintained through Everest National Insurance Company in the amount of $10,000,000 per occurrence and aggregate, with a $2,000,000 self-insured retention. For certain enterprise fund operations (including Storm Water), automobile liability insurance is maintained through St. Paul Travelers Insurance Company with a per occurrence limit of $2,000,000 with a $5,000 deductible. This covers the excess liability self-insured retention. Workers compensation insurance is maintained through Safety National Casualty Corporation at statutory limits with a $450,000 self-insured retention.

Chapter 384 of the Code of Iowa provides that a city may establish a Debt Service Fund, and shall certify taxes to be levied for the Debt Service Fund in the amount necessary to pay judgments against the city, except those authorized by State law to be paid from other funds. As a result, the City self-insures the first $2 million per occurrence of liability on its General Fund operations, and is able to provide this coverage through its taxing process.

The City's tort liability claims and related administration expenses are accounted for in the General Fund Tort Account. Health benefit claims and related administration expenses are accounted for in an internal service fund. The current portion of worker's compensation claims is recorded in the same fund as the recipient's payroll. The City has excess or stop-loss coverage as follow:

	Losses in excess of	
	Per Incident	**Per Year**
Workers' Compensation	$450,000	Up to Statutory Limits
Tort Liability	$2,000,000	Variable

There has been only one instance in which a claim has exceeded the City's self-insured retention. There has been no change in insurance coverage.

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors.

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located near the center of Iowa and serves as Iowa's capital. The City also serves as the political, economic, and cultural capital of the State. The City is a center of insurance, printing, retail and wholesale trade as well as industry, providing a diverse economic base. Highways serving the area include Interstates 35, 235 and 80. In addition to rail service and motor carrier transportation, air travel is available through the Des Moines International Airport located just south of downtown Des Moines.

GENERAL SERVICES AND ATTRACTIONS

The City provides its citizens a full range of services including the municipal functions of police and fire protection; sanitation services; park and recreational programs and activities; construction and maintenance of infrastructure, including streets, roads and bridges; enforcement of building code regulations; traffic control and parking; operation and maintenance of an international airport; housing and other community improvements and social services; economic development; and six libraries.

The City currently maintains 70 parks, covering approximately 3,210 acres, 5 cemeteries, and road medians and boulevards. Recreation facilities include playgrounds, tennis courts, softball and soccer complexes, bike trails, swimming pools, community centers and three golf courses. The City is also home to the Principal Park baseball stadium (formerly Sec Taylor Stadium), which serves the Iowa Cubs AAA baseball team.

Municipal water, sanitary sewer and storm sewer services are provided to essentially all developed areas of the City. The Des Moines Water Works is under the direction of a five-member Board of Trustees, which oversees the management and operation of Des Moines Water Works including setting water rates. The Water Works Trustees are appointed by the Mayor, subject to the approval of the City Council, and serve six-year terms. The Des Moines Water Works utilizes water from the Raccoon River and the Des Moines River as its primary sources for water supply. Also, the Water Works owns the 1.5 billion-gallon Maffitt Reservoir and 5 billion gallons of storage capacity in the Saylorville Reservoir, which may be used to release water into the rivers at periods of low-river flow. The Water Works distribution system consists of over 1,000 miles of pipe, with two standpipes, an elevated storage tank and a ground storage tank providing total storage capacity of approximately 15 million gallons.

The City, as Operating Contractor to the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), is responsible for the design, construction, and operation of wastewater reclamation facility, conveyance and flow equalization facilities. The WRA, which includes the City, ten surrounding communities, two counties and three sanitary sewer districts, was formed to implement wastewater conveyance and treatment facilities improvements mandated by federal law. Each WRA participant institutes user charges to cover the cost of operation of WRA facilities as well as debt payments related to the construction of improvements.

To facilitate the implementation of capital improvements to expand the treatment and conveyance capacity of the existing facility, the constituent communities reorganized the WRA to provide for a financing structure that allows all participants to share in debt liability, as well as establish a mechanism for new communities to acquire ownership rights to facility.

The new WRA is a separate legal entity created July 1, 2004, governed by an Intergovernmental Agreement under Chapters 28E (Joint Exercise of Governmental Powers) and 28F (Joint Financing of Public Works and Facilities) of the Code of Iowa.

LARGER EMPLOYERS

A representative list of larger employers in the Des Moines Metropolitan Area is as follows:

Employer	Type of Business	Approximate Number of Employees
Wells Fargo	Financial Services	11,700 [1)]
State of Iowa	State Government	8,900 [2)]
Principal Financial Group	Insurance	8,169 [3)]
Iowa Health Systems	Healthcare	6,470
Des Moines Public Schools	Education	4,904
Mercy Hospital Medical Center	Healthcare (Hospitals and Clinics)	4,650 [4)]
Nationwide/Allied Insurance	Insurance	4,402
MidAmerican Energy Company	Utility	3,653
CDS Global	Magazine & Direct Marketing Services	3,000
City of Des Moines	Local Government	2,080
Pioneer Hi-Bred International Inc.	Seed Manufacturing	2,000
Marsh Company	Insurance	1,700
Hy-Vee Food Stores	Retail Food Stores	1,672
Wellmark Inc.	Insurance Provider	1,647
United Parcel Service (UPS)	Package Shipping	1,600
Firestone Agricultural Tire	Tire Manufacturing	1,500
John Deere Des Moines Works	Manufacturer of Agricultural Equipment	1,245 [5)]
EDS Corp.	Global Technology Services	1,200
FBL Financial Services, Inc.	Financial Services	1,200
John Deere Credit Company	Consumer Financial Services	1,200
Qwest	Telecommunications	1,200
EMC Insurance Companies	Insurance	1,192
Polk County	County Government	1,120
Prairie Meadows	Entertainment Facility	1,097
Casey's General Store, Inc.	Retail General Store	1,076
Meredith Corporation	Publishing	1,013 [6)]
Broadlawns Medical Center	Medical Center	1,010
Tyson Fresh Meats	Processor and marketer of meat products	1,000
Aviva USA	Financial Services	941
Dahl's Foods	Retail Food Stores	900
Drake University	Higher Education	900
ING Life Insurance & Annuity Co.	Insurance and Financial Services	750 [7)]
American Enterprise Mutual Holding	Insurance	600
Citi Cards, a division of Citigroup	Credit Card Operations Center	600
Titan Tire Corporation	Tire Manufacturing	600

1) Includes both Wells Fargo Banks and Wells Fargo Financial.

2) Total is for the Greater Des Moines metropolitan statistical area which includes Dallas, Guthrie, Madison and Warren counties. In October, 2009 Governor Culver ordered a 10% across-the-board budget cut for all departments. Many departments have scheduled furloughs for the remainder of FY2010. To date 385 positions have been eliminated statewide with another 549 positions being considered for elimination. The full impact of the budget cuts remain unknown at this time.

3) Updated total reflects the elimination of 300 positions in January 2009 and 20 positions in March 2009 (610 positions eliminated worldwide).

4) Updated total reflect the elimination of 1,950 positions through attrition, voluntary layoffs, early retirement from eligible employees and workforce reductions.

5) Updated total reflects the elimination of 160 positions in April 2009.

6) Updated total reflects the elimination of 72 positions in January 2009 (750 positions eliminated nationwide).

7) Updated total reflects the elimination of 178 positions since January 2009 (over 250 positions eliminated nationwide).

Source: OneSource Information Service; Des Moines Business Record *2008 Book of Lists*; Greater Des Moines Partnership; Manufacturers News; LocationOne Information System website and the Des Moines Register as of November 2009.

RETAIL SALES AND BUYING INCOME

The following table lists the City's total effective buying income ("EBI"), median household EBI, total retail sales and per capita retail sales for the survey years 2005 through 2009.

Survey Year	Total EBI ($000)	Median Household EBI	Total Retail Sales ($000)	Retail Sales Per Household
2005	$3,186,405	$34,347	$2,402,585	$30,490
2006	3,317,915	35,739	2,388,172	30,373
2007	3,548,008	36,977	2,199,408	27,234
2008	3,464,658	35,970	2,161,086	26,816
2009	3,508,283	35,624	2,424,234	27,707

Note: The Iowa median household EBI for 2009 was $38,919.

	2009 Effective Buying Income Groups		
	$20,000-$34,999	$35,000-$49,999	$50,000 and Over
City	26.5%	21.0%	30.0%
Polk County	21.6%	19.7%	42.8%
State of Iowa	24.2%	20.5%	35.4%

Source: *Sales and Marketing Management's* "Survey of Buying Power" for 2005 and Claritas, Inc. for 2006 through 2009.

AVERAGE ANNUAL LABOR FORCE DATA

	Total Civilian Labor Force		Unemployment Rate	
	Des Moines Metro Area	State of Iowa	Des Moines Metro Area	State of Iowa
2005	296,300	1,630,000	4.0%	4.3%
2006	304,700	1,656,900	3.4%	3.8%
2007	310,500	1,664,400	3.5%	3.7%
2008	313,600	1,676,000	3.9%	4.1%
2009 [1)]	315,200	1,679,600	5.5%	5.9%

[1)] Includes the averages for January through November 2009.

Source: Iowa Workforce Development

BUILDING PERMITS

City officials report the following construction activity as of October 31, 2009. Permits for the City are reported on a fiscal year basis.

	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Single Family Homes:					
No. of new homes:	341	272	207	143	48
Valuation:	$51,809,629	$44,824,544	$35,082,469	$26,841,561	$8,736,466
Multiple Family Dwellings:					
No. of new buildings:	52	26	54	2	3
Valuation:	$47,385,626	$80,667,854	$31,841,094	$7,028,461	$7,163,466
Residential Homes - Additions & Alterations:					
No. of permits issued:	1,492	1,612	1,680	1,360	624
Valuation:	$75,639,855	$61,111,699	$51,438,200	$21,521,694	$36,588,540
Commercial/Industrial/Other:					
No. of new buildings/additions:	191	180	118	81	34
Valuation:	$115,535,163	$242,093,870	$165,446,440	$112,388,931	$57,356,492
Commercial/Industrial/Other Remodels & Alterations:					
No. of permits:	285	347	301	275	100
Valuation:	$56,693,450	$63,523,279	$54,330,049	$58,393,313	$17,103,305
Demolitions:					
No. of permits:	215	230	179	219	73
Valuation:	$0	$0	$0	$0	$0
Total Permits:	2,576	2,667	2,539	2,080	882
Total Valuations:	$347,063,723	$492,221,246	$338,138,252	$226,173,960	$126,948,269

U.S. CENSUS DATA

City Population

1970 U.S. Census	201,404
1980 U.S. Census	191,007
1990 U.S. Census	193,189
2000 U.S. Census	198,682
2008 U.S. Census Estimate	197,052

Source: U.S. Census Bureau website.

EDUCATION

The Des Moines Independent Community School District provides education in the City. The District has had the following enrollment for the last five school years:

School Year	Total Enrollment
2004-05	31,851
2005-06	31,549
2006-07	31,218
2007-08	30,683
2008-09	30,783

The Des Moines metropolitan area is also served by five other community school districts. Those districts are Carlisle, Johnston, Saydel, Southeast Polk and West Des Moines Community School Districts. Higher educational facilities serving the Des Moines area include the four-year private institutions of Drake University, Des Moines University (formerly University of Osteopathic Medicine and Health Services) and Grand View College. Two-year degree programs are offered at Des Moines Area Community College, American Institute of Business (AIB) and Hamilton College.

FINANCIAL SERVICES

Residents of the City are serviced by numerous regional banking institutions. Collective total deposits for banks located within Polk County as of September 30, 2009 exceeding $7.7 billion. Total deposits as of September 30, 2000 for a sampling of banks headquartered within the City are listed as follows:

Bank	Deposits
Principal Bank	$2,226,328,000
Bankers Trust Company, N.A.	1,747,945,000
Iowa State Bank	238,560,000

FINANCIAL STATEMENTS

The City's June 30, 2009 Comprehensive Annual Financial Report as prepared by a certified public accountant is reproduced as APPENDIX B. The City's certified public accountant has not consented to distribution of the audited financial statement and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Comprehensive Annual Financial Reports may be obtained from the City's Financial Advisor, Public Financial Management, Inc.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Notes. I have reviewed the information contained within this Preliminary Official Statement prepared on behalf of the City of Des Moines, Iowa, by Public Financial Management, Inc., Des Moines, Iowa and said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of $24,960,000* General Obligation Refunding Capital Loan Notes, Series 2010C

CITY OF DES MOINES, IOWA
/s/ Allen McKinley, Finance Director/Treasurer

* Preliminary; subject to change.

APPENDIX A

FORM OF LEGAL OPINION

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AHLERS & COONEY, P.C.

100 COURT AVENUE, SUITE 600
DES MOINES, IOWA 50309-2231
PHONE: 515-243-7611
FAX: 515-243-2149
WWW.AHLERSLAW.COM

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Des Moines, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Refunding Capital Loan Notes, Series 2010C, by the Issuer, dated the date of delivery, in the denomination of $5,000 or multiples thereof, in the aggregate amount of $24,960,000 (the "Notes").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution authorizing the Loan Agreement and issuance of the Notes (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have not been engaged to or undertaken to review the accuracy, completeness or sufficiency of the preliminary Official Statement dated January 11, 2010, the final Official Statement dated ______________, 2010, or any other offering material relating to the Notes, and we express no opinion relating thereto.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and Loan Agreement and issue the Notes.

2. The Loan Agreement and Notes are valid and binding general obligations of the Issuer.

3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Notes. Taxes have been levied by the Resolution for the payment of the Notes and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent the necessary funds are not provided from other sources.

4. The interest on the Notes is excluded from gross income for federal income tax purposes and interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on such corporations. We express no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the Notes.

For the purpose of rendering the opinion set forth in paragraph numbered 4 above, we have assumed compliance by the Issuer with requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Notes to be so included in gross income retroactive to the date of issuance of the Notes. The Issuer has covenanted to comply with such requirements.

It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

APPENDIX B

JUNE 30, 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Des Moines, State of Iowa (the "Issuer"), in connection with the issuance of $24,960,000 General Obligation Refunding Capital Loan Notes, Series 2010C, (the "Notes") dated the date of delivery. The Notes are being issued pursuant to a Resolution of the Issuer approved on January ___, 2010 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Holders" shall mean the registered holders of the Notes, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA".

"Participating Underwriter" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with the report for the 2009/2010 fiscal year, provide to the National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in such format as is required by the MSRB (currently electronically in PDF format, and after January 1, 2010, in searchable PDF format). The Annual Report may be submitted as a single document or as separate documents comprising a package. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the National Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) each year file the Annual Report with the National Repository; and

(ii) (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Report has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The City's comprehensive annual financial report ("CAFR") for the prior fiscal year, prepared in accordance with the prevailing Certificate of Achievement program requirements of the Government Finance Officers Association ("GFOA"); provided, however, that the City does not undertake, as a part hereof, to submit its CAFR to the GFOA in any future year for such purposes, nor does the City make any representation as to whether any future CAFR will receive said Certificate of Achievement.

(c) To the extent such information is not included in the materials submitted under subparagraphs (a) and (b) of this Section 4, a table or schedule, prepared as of the end of the prior fiscal year, containing information of the type set forth in the final Official Statement with respect to the Bonds under the following headings:

(1) City Property Values;
(2) City Indebtedness;
(3) City Tax Rates, Levies and Collections;
(4) Major Employers;
(5) Average Annual Labor Force Data; and
(6) City Building Permits.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes, if material:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions or events affecting the tax-exempt status of the security;

(7) modifications to rights of security holders;

(8) bond calls;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the securities; and

(11) rating changes.

(b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Notes pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended. If such termination occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Notes in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Date: __________ day of _______________, 2010.

CITY OF DES MOINES, IOWA

By: ________________________________
Mayor

ATTEST:

By: ______________________________
City Clerk

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Des Moines, Iowa.

Name of Note Issue: $24,960,000 General Obligation Refunding Capital Loan Notes, Series 2010C

Dated Date of Issue: the date of delivery

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Notes as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Notes. The Issuer anticipates that the Annual Report will be filed by ____________________.

Dated: __________ day of _______________, 2010.

CITY OF DES MOINES, IOWA

By: ________________________________

Its: ________________________________

OFFICIAL BID FORM

TO: City Council of
City of Des Moines, Iowa

Date: January 20, 2010
11:00 AM, CT

RE: $24,960,000* General Obligation Refunding Capital Loan Notes, Series 2010C (the "Notes)

For all or none of the Notes, in accordance with the TERMS OF OFFERING, we will pay you not less than $_______________________ (minimum of $24,885,120) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

Coupon	Maturity	Reoffering
__________	2011	__________
__________	2012	__________
__________	2013	__________
__________	2014	__________
__________	2015	__________
__________	2016	__________

* Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Notes in such amount as may be necessary to effect the refunding of the Series 2003A and Series 2004B Bonds. However, the maximum par amount will not exceed $26,000,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated January 11, 2010. In the event of failure to deliver the Notes in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $_________________________

TRUE INTEREST COST: ________________________% (Calculated to the dated date of March 3, 2010)

Account Manager: ___________________________________By:___________________________________

Account Members:

____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 20th day of January 2010.

Attest: _________________________________ By: ____

Title: __________________________________ Title: _______________________________________