



CITY OF WATERLOO

FINANCE DEPARTMENT

Michelle Weidner, CPA Chief Financial Officer

Council Communication

City Council Meeting: October 5, 2021
Prepared: October 18, 2021
Dept. Head Signature: Michelle Weidner

SUBJECT: Bond Issue Hearing – Economic Development

Submitted by: Michelle C. Weidner, Chief Financial Officer

Recommended City Council Action: Adopt a resolution to set the date of hearing as October 18, 2021 on the proposed issuance of bonds, as follows:

ECP/UR-1 - Not to exceed \$14,500,000 General Obligation Urban Renewal Bonds (ECP-UR -1) for essential corporate urban renewal purposes, for purposes of said City, the proceeds of which bonds will be used to provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Chapter 403 and the Urban Renewal Plan for the San Marnan Redevelopment Area, as amended from time to time, including those costs associated with acquisition of property and financing one or more Economic Development Grants to private developers to fund the acquisition, construction, and equipping of a recreational theme park.

Summary Statement: The proposed development agreement for the theme park includes a contribution and payment for land from the city in the amount of \$14,000,000. The City's bond counsel and financial advisor have recommended that the hearing authority be set at a higher amount to ensure that a source of funding for all potential issuance costs is authorized.

Expenditure Required: The principal amount plus interest will be required to be repaid in the future.

Source of Funds: Repayment will be made from various sources, including tax increment revenue, hotel motel taxes and potentially general property taxes. Additional development will be needed in the district to fully fund the debt service requirements.

Policy Issue: The issuance of bonds commits the city to future repayment.