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07/26/16

ISSUANCE OF URBAN RENEWAL TAX
INCREMENT REVENUE BOND

424093-16

Sioux City, Iowa

July 26, 2016

The Board of Supervisors of Woodbury County, Iowa, met on July 26, 2016, at 4:40 o'clock p.m., at the Woodbury County Courthouse, Sioux City, Iowa.

The meeting was called to order by the Chairperson, and the roll being called, the following named Supervisors were present and absent:

Present: Taylor, Clausen, Monson, Ung

Absent: Smith

It was reported that notice of the intention of the Board to conduct a public hearing on the issuance of a \$1,710,000 Urban Renewal Tax Increment Revenue Bond had been published according to law and as directed by the Board and that this is the time and place at which the Board shall receive oral or written comments from any resident or property owner of the County. All written statements and evidence heretofore filed were reported to the Board.

The following named persons presented statements, or evidence as summarized below; filed written statements, copies of which are attached hereto; or presented other exhibits, copies of which are attached hereto:

(Here list all persons presenting written or oral statements or evidence and summarize each presentation.

There being no further comments or evidence offered, the Chairperson announced the hearing closed.

It was reported that the County Treasurer had invited bids for the purchase of the County's \$1,710,000 Urban Renewal Tax Increment Revenue Bond, and that the only bid received was from The Security National Bank of Sioux City, whose bid resulted in a net interest cost to the County of 1.916%.

Supervisor Taylor introduced a proposed resolution entitled: "Resolution authorizing the sale and issuance of a \$1,710,000 Urban Renewal Tax Increment Revenue Bond, Series 2016, pledging to the payment of the Bond funds and portions of taxes created pursuant to the authority of Subsection 2 of Section 403.19 of the Code of Iowa and providing for the securing of the Bond, all for urban renewal purposes of Woodbury County, Iowa."

Supervisor Monson moved that the resolution be adopted, seconded by Supervisor Clausen and, after due consideration thereof by the Board, the Chairperson put the question on the motion for adoption of the resolution and, the roll being called, the following named Supervisors voted:

Ayes: Taylor, Clausen, Monson, Ung_____

Nays: _____.

Whereupon, the Chairperson declared the resolution adopted, as hereinafter set out.

RESOLUTION NO. 12,406

Resolution authorizing the sale and issuance of a \$1,710,000 Urban Renewal Tax Increment Revenue Bond, Series 2016, pledging to the payment of the Bond funds and portions of taxes created pursuant to the authority of Subsection 2 of Section 403.19 of the Code of Iowa and providing for the securing of the Bond, all for urban renewal purposes of Woodbury County, Iowa

WHEREAS, the Board of Supervisors (the "Board") of Woodbury County, Iowa (the "County") has taken action to create the Grow Woodbury County Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, the Board has adopted an Ordinance for the division of taxes levied on taxable property in the Urban Renewal Area which establishes the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the County for the payment of the principal of and interest on Bonds or notes issued under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, pursuant to Section 403.9 of the Code of Iowa, the Board has heretofore proposed to issue an Urban Renewal Tax Increment Revenue Bond in a principal amount not to exceed \$1,710,000 (the "Bond"), for the purpose of paying the cost, to that extent, of planning, undertaking, and carrying out projects within the Urban Renewal Area, consisting of financing certain road improvements, including Dogwood Trail in the City of Sergeant Bluff (the "Projects"), and the County has published a notice of such proposal and has held a hearing thereon and has otherwise complied with statutory requirements for issuing the Bond; and

WHEREAS, a proposal has been received from The Security National Bank of Sioux City for the purchase of the Bond; and

WHEREAS, it is now necessary and advisable that the Bond be issued pursuant to the provisions of Section 403.9(1) of the Code of Iowa, payable solely from the income and proceeds of the Urban Renewal Tax Revenue Fund;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Woodbury County, Iowa, as follows:

Section 1. The proposal from The Security National Bank of Sioux City (the "Purchaser") for the purchase of the Bond is hereby approved.

Section 2. Pursuant to and as authorized by the Constitution and laws of the State of Iowa, and particularly Section 403.9 of the Code of Iowa, the Bond is hereby authorized to be issued to the Purchaser, in the principal amount of \$1,710,000, to be dated August 15, 2016. The Bond shall bear interest, shall be payable as to principal and interest, and shall have such other terms as are incorporated in the form of the Bond set out in Section 3 hereof. The Bond shall be fully registered as to principal and interest in the name of the holder on the books of the

County, and after such registration, payment of the principal thereof and interest thereon shall be made only to the Registered Holder. Upon the request in writing of such Registered Holder personally or by its attorney in fact the Bond may be transferred to a designated transferee.

The County Treasurer is hereby designated as the registrar and paying agent for the Bond and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

The County reserves the right to prepay principal of the Bond in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date.

The Bond shall be executed on behalf of the County with the official or facsimile signature of the Chairperson and attested by the official or facsimile signature of the County Auditor and shall be a fully registered Bond without interest coupons. In case any officer whose signature appears on the Bond shall cease to be such officer before the delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 3. The Bond shall be in substantially the following form:

(FORM OF BOND)
UNITED STATES OF AMERICA
STATE OF IOWA WOODBURY COUNTY

URBAN RENEWAL TAX INCREMENT REVENUE BOND, SERIES 2016

\$1,710,000

MATURITY DATE
June 1, 2023

BOND DATE
August 15, 2016

Woodbury County (the “County”), in the State of Iowa, for value received, promises to pay in the manner herein provided, to

The Security National Bank of Sioux City
Sioux City, Iowa

(the “Purchaser”) or registered assigns, the principal sum of ONE MILLION SEVEN HUNDRED TEN THOUSAND DOLLARS (\$1,710,000), together with interest on the outstanding principal hereof from the date of this Bond, or from the most recent payment date on which interest has been paid, except as provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

Both principal of and interest on this Bond are payable to the registered owner appearing on the registration books of the County maintained by the County Treasurer (herein referred to as the “Registrar” or the “Paying Agent”) at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America by check or draft mailed to the registered owner at the address shown on such registration books, provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of this Bond to the Paying Agent.

Interest on this Bond is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2017. Principal of this Bond is payable on June 1 in each of the years, in the respective principal installments and bears interest, at the respective rates, as follows:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate Per Annum</u> |
|-------------|-------------------------|--------------------------------|
| 2019 | \$210,000 | 1.50% |
| 2020 | \$375,000 | 1.60% |
| 2021 | \$375,000 | 1.80% |
| 2022 | \$375,000 | 2.00% |
| 2023 | \$375,000 | 2.20% |

The County reserves the right to prepay principal of this Bond in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date.

This Bond is issued by the County pursuant to and in strict compliance with the provisions of Section 403.9 of the Code of Iowa, and all of the laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board of Supervisors of the County duly passed on July 26, 2016 (the "Resolution"), which resolution authorized the issuance of this Bond, and to which resolution reference is hereby made for a more complete statement as to the source of payment of this Bond and the rights of the holders of this Bond.

This Bond is issued for the purpose of planning, undertaking, and carrying out projects in the Grow Woodbury County Urban Renewal Area, consisting of financing certain road improvements, including Dogwood Trail in the City of Sergeant Bluff (the "Projects"). This Bond is not a general obligation of the County, but this Bond is payable solely from the income and proceeds of the Urban Renewal Tax Revenue Fund referred to in the Resolution and the portion of taxes to be paid into such Fund, referred to and authorized in Subsection 2 of Section 403.19 of the Code of Iowa.

This Bond shall be fully registered as to principal and interest in the name of the holder on the books of the County, and after such registration, payment of the principal and interest thereof shall be made only to such holder. This Bond is transferable by the holder hereof in person or by its attorney duly authorized in writing at the office of the Registrar, but only in the manner and subject to the limitations provided in the Resolution. The County may deem and treat the holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the County shall not be affected by any other notice to the contrary.

This Bond has been issued by the County in connection with the urban renewal projects described in the Resolution, which are urban renewal projects as defined in Chapter 403 of the Code of Iowa.

AND IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions, and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner, as required by law, and that the issuance of this Bond does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, Woodbury County, by its Board of Supervisors has caused this Bond to be executed by the duly authorized facsimile signature of its Chairperson and attested by the duly authorized facsimile signature of its County Auditor as of the 15th day of August, 2016.

WOODBURY COUNTY, IOWA

By (DO NOT SIGN)
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)
County Auditor

Registration Date: _____

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within-mentioned Resolution.

WOODBURY COUNTY TREASURER

By (Authorized Signature)

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Bond to

(please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Bond in every particular, without alteration or enlargement or any change whatever.

Section 4. The Bond shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration and delivery to the Purchaser. The Chairperson, the County Auditor and the County Treasurer are hereby authorized to execute and deliver such additional documentation as they, with the advice of bond counsel, deem necessary to carry out the purposes of this resolution and to facilitate the issuance of the Bond.

Section 5. As provided and required by Chapter 403 of the Code of Iowa, the Bond shall not be a general obligation of the County, but shall be a special, limited obligation, the principal and interest of which shall be payable solely and only from the income and proceeds of the Urban Renewal Tax Revenue Fund, referred to in the preamble of this Resolution, and the County hereby pledges such Fund to the payment of the Bond, as well as the portion of taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Fund.

Section 6. The Bond shall not be subject to the provisions of any other law relating to the authorization, issuance or sale of Bonds except Section 403.9 of the Code of Iowa. The Bond issued pursuant to this resolution is declared to be issued for an essential public and governmental purpose.

Section 7. The Bond shall recite in substance that it has been issued by the County in connection with an urban renewal project as defined in Chapter 403 of the Code of Iowa and in any suit, action or proceeding involving the validity or enforceability of any bond issued hereunder or the security therefor, such bond shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of Chapter 403 of the Code of Iowa.

Section 8. The proceeds of the Bond shall be expended for purposes which are consistent with the urban renewal plan for the Urban Renewal Area.

Section 9. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor to evidence the continuing pledging of the Urban Renewal Tax Revenue Fund and the portion of taxes to be paid into such Fund, and, pursuant to Section 403.19 of the Code of Iowa, the Board hereby certifies to the County Auditor that the Bond qualifies for payment from such Fund and directs the Auditor to allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

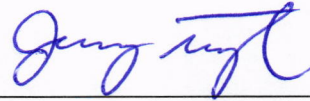
Section 10. It is the intention of the County that interest on the Bond be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof, the County covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Bond will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The County hereby designates the Bond as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 11. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

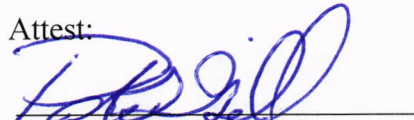
Section 12. This resolution shall be in full force and effect immediately upon its adoption and approval as provided by law.

Passed and approved July 26, 2016.



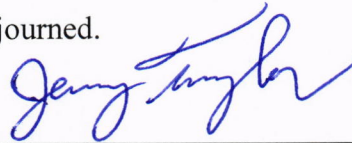
Chairperson, Board of Supervisors

Attest:


County Auditor

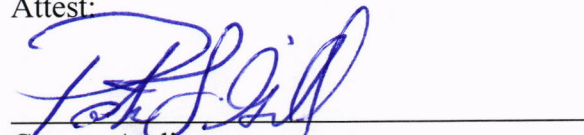
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Upon motion and vote, the meeting adjourned.



Chairperson, Board of Supervisors

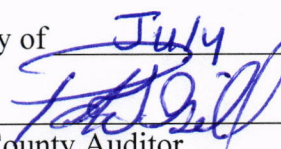
Attest:


County Auditor

STATE OF IOWA
WOODBURY COUNTY SS

I, the undersigned, certify that I am the County Auditor of Woodbury County, Iowa, and that as such I have in my possession or have access to the complete records of the County and of its Board of Supervisors and officers and that I have carefully compared the transcript hereto attached with those records and that the transcript hereto attached is a true, correct, and complete copy of all the records in relation to the authorization and issuance of a \$1,710,000 Urban Renewal Tax Increment Revenue Bond, Series 2016, of the County and that the transcript hereto attached contains a true and correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed, up to the present time in relation to the authorization and issuance of such Bond.

WITNESS MY HAND this 7th day of July, 2016.



County Auditor

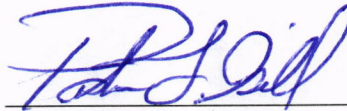
STATE OF IOWA

SS:

WOODBURY COUNTY

I, the undersigned, County Auditor of Woodbury County, in the State of Iowa, do hereby certify that on the 15th day of August, 2016, there was filed in my office a copy of a resolution of the County shown to have been adopted by the Board of Supervisors and approved by the Chairperson thereof on July 26, 2016, entitled: "Resolution authorizing the sale and issuance of a \$1,710,000 Urban Renewal Tax Increment Revenue Bond, Series 2016, pledging to the payment of the Bond funds and portions of taxes created pursuant to the authority of Subsection 2 of Section 403.19 of the Code of Iowa and providing for the securing of the Bond, all for urban renewal purposes of Woodbury County, Iowa" and that I have duly placed the copy of the resolution on file in my records.

WITNESS MY HAND this 15th day of August, 2016.



County Auditor

July 14, 2016

To: Interested Persons

From: Michael Clayton, Woodbury County Treasurer

Re: Sale of \$1,710,000 Urban Renewal Tax Increment Revenue Bond

The Board of Supervisors of Woodbury County is offering for sale a \$1,710,000 Urban Renewal Tax Increment Revenue Bond.

A bid sheet is enclosed with this letter, which should be returned to me by email or in person at Room 102, 822 Douglas Street, Sioux City, Iowa, no later than 12:00 o'clock noon on Wednesday, July 20, 2016. Bids received will be presented to the Board of Supervisors for action on July 26, 2016.

A single Bond will be issued to the lender. Principal of the Bond will be paid in five annual installments, on June 1 in each of the years 2019 to and including 2023, as shown on the attached bid sheet. Interest on the Bond will be payable semiannually on each June 1 and December 1, beginning June 1, 2017. The County will reserve the right to prepay principal of the Bond in any amount on any date.

The proceeds of the Bond will be used to pay the costs of county road improvements and to provide financing under an agreement between the County and the City of Sergeant Bluff for the construction of the Dogwood Trail street improvement in the City.

The Bond will not be a general obligation of the County, but will be payable solely and only from incremental property tax revenues generated from taxable properties located within the Grow Woodbury County Urban Renewal Area. Private development within the Grow Woodbury County Urban Renewal Area will generate close to \$500,000 in incremental property tax revenues in the fiscal year 2018-19, which amount will increase to an annual amount of \$2,750,000 by the fiscal year 2022-23. The Board of Supervisors will pledge those incremental property tax revenues to the payment of the Bond.

The Board of Supervisors has agreed to make tax increment rebate payments to a private developer in the amount of \$200,000 per year for four years, but the County has no other debt payable from the incremental property tax revenues in the Grow Woodbury County Urban Renewal Area. The County will reserve the right to incur additional debt in the future that would be payable from those revenues.

The County's Constitutional Debt Limit is \$346,700,000 and the County has outstanding General Obligation debt in the amount of \$4,047,395.

Bond Counsel for the County, Dorsey & Whitney LLP, Des Moines, Iowa, will give an opinion that the interest income on the Bond will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and that the Bond will be a "bank qualified obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code. Questions may be directed to Robert E. Josten, Dorsey & Whitney, at (515) 283-1000, or josten.robert@dorsey.com.

BID SHEET
Woodbury County, Iowa
\$1,710,000 Urban Renewal Tax Increment Revenue Bond

(Closing on or about August 15, 2016)

For the Woodbury County Urban Renewal Tax Increment Revenue Bond (the "Bond"), we submit the following proposal:

The installment payments of principal of the Bond shall bear interest as follows:

| | |
|--|-------------------------|
| For the \$210,000 maturing on June 1, 2019 | <u>1.50</u> % per annum |
| For the \$375,000 maturing on June 1, 2020 | <u>1.60</u> % per annum |
| For the \$375,000 maturing on June 1, 2021 | <u>1.80</u> % per annum |
| For the \$375,000 maturing on June 1, 2022 | <u>2.00</u> % per annum |
| For the \$375,000 maturing on June 1, 2023 | <u>2.20</u> % per annum |

The following is for informational purposes only and is not a part of this bid:

Net Interest Cost: \$ Approximately \$170,000 Effective Interest Rate: 1.916 %

This Bid Sheet is submitted by The Security National Bank of Sioux City, Iowa, Sioux City, Iowa.
(Bank Name) (City)

The bank's contact person with respect to this bid is Timothy A. Brende who can be reached by phone at 277 - 6590.

By: *Timothy A. Brende, V.P.*
Timothy A. Brende, Vice President
(Name) (Title)

* * * * *

The above offer is accepted on behalf of Woodbury County, Iowa, this ___ day of _____, 2016.

WOODBURY COUNTY, IOWA

By *Jerry [Signature]*
Chairperson, Board of Supervisors

Attest:
[Signature]
County Auditor