

Interquest North BID 2020 Debt Authorization

City Council Work Session
July 13, 2020

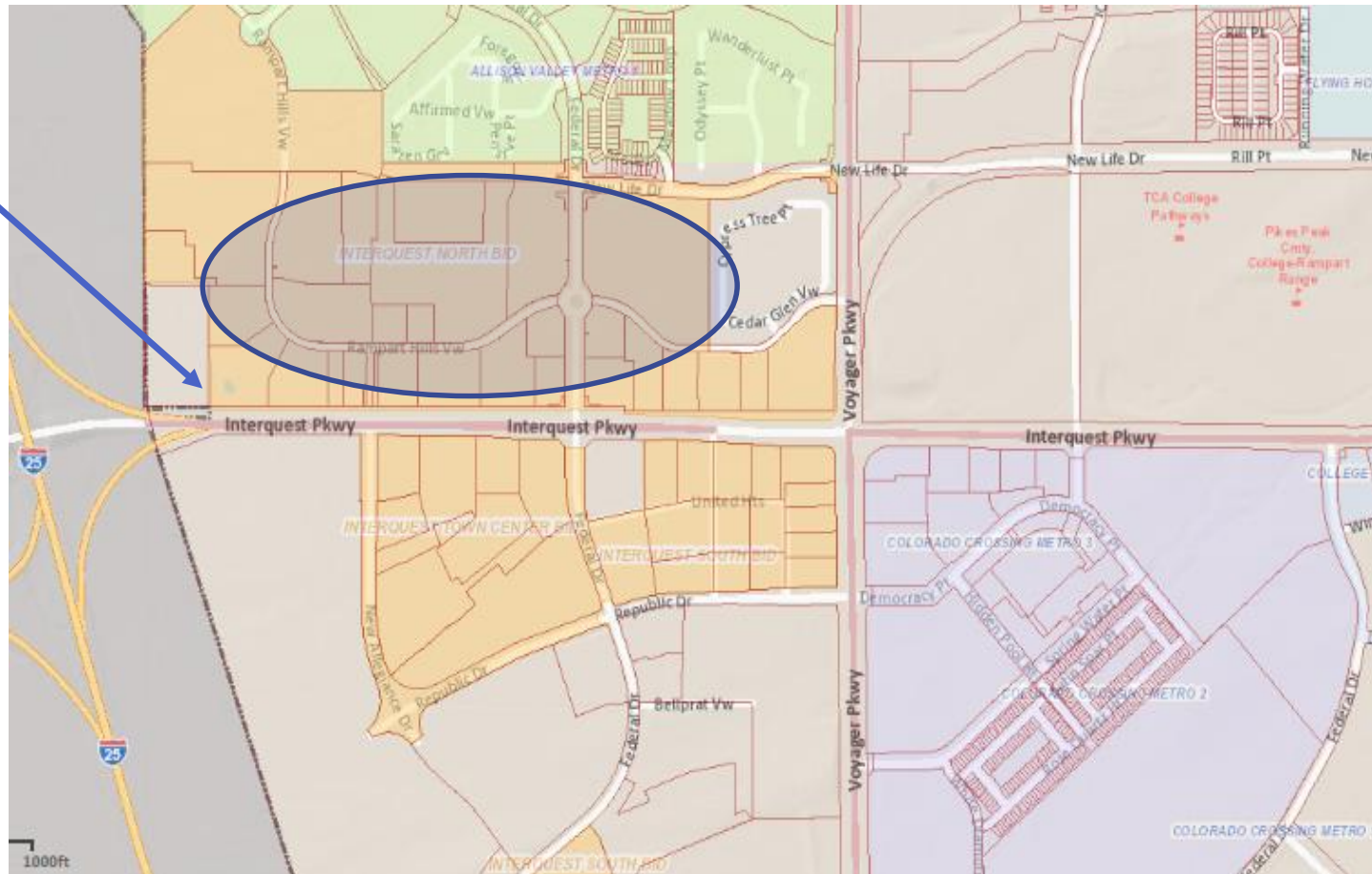
Carl Schueler, Comprehensive Planning Manager
Russ Dykstra, Esq. : representing the applicant
Chris Jenkins, Applicant



BID Vicinity



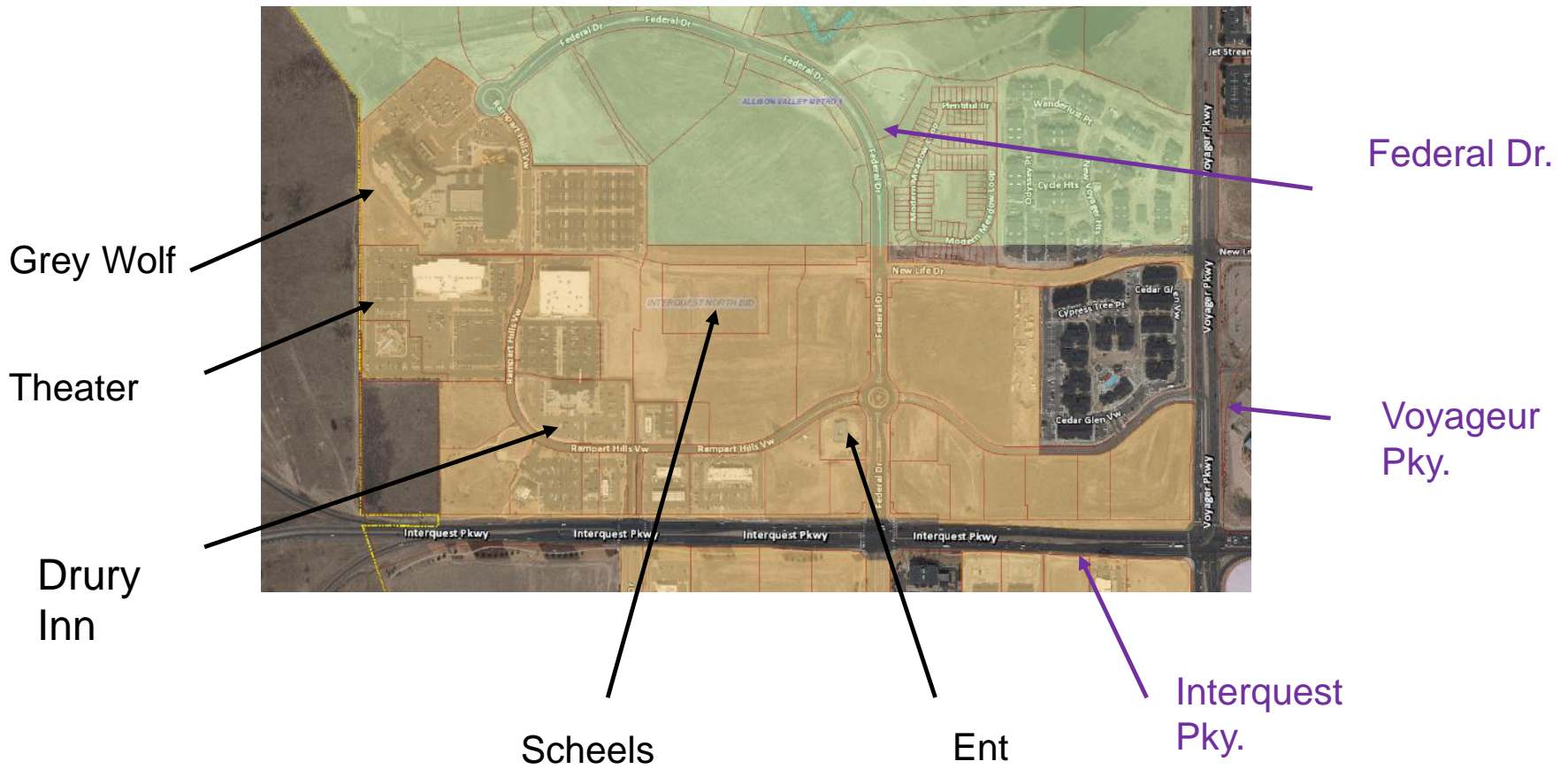
Interquest Parkway



BID Boundaries



Note- 2018 Air Photo



Summary



- Formal district debt issuance requires Council approval
- Limited Tax General Obligation Bonds, Series 2020
 - \$13,735,000
- Prior debt issued this district
- Privately placed with developer
- 7.0% tax-exempt interest
- 50.0 mills pledged, but only 17.0 mills modeled as needed after 2022
 - Expectation that current debt service mill levy of 50.0 will be reduced to 17.0 in 2023
- 1.25% PIF

Summary- Continued



- Bond proceeds will be used to reimburse prior costs and fund future improvements
 - Majority parking and access ways
 - Draws anticipated from 2021-2023
- Project predominantly built out, or nearing completion
 - Including Scheels
- First few years as capitalized interest
- 30- year term
- Within maximum debt authorization cap of \$25,000,000
 - (This amount in 2020 Operating Plan and Budget -as a specifically approved by Council in October, 2018)
- Optional call date in 2029

Public Improvements to be Financed



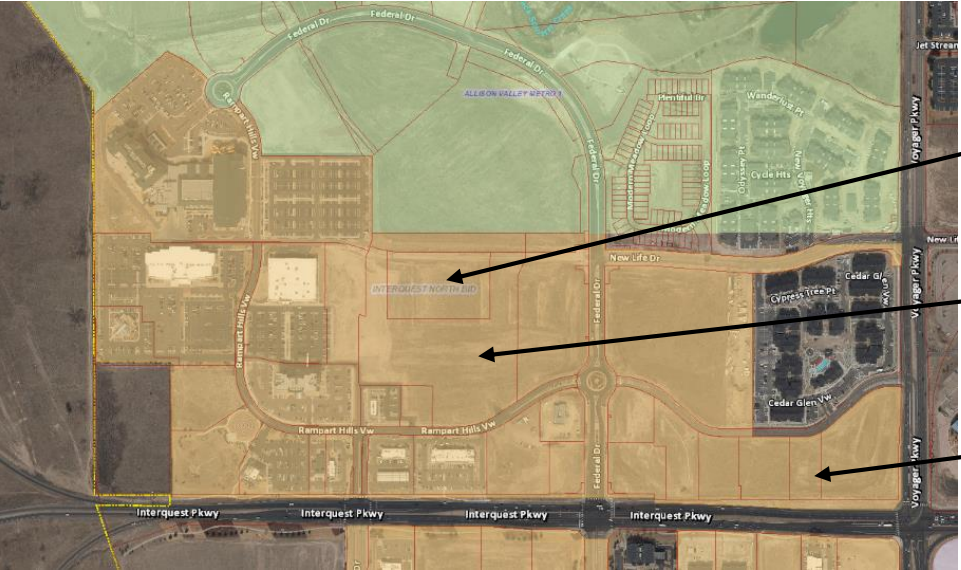
- **Summary attached** (completed and planned improvements)
 - **Parking, lighting and access ways**
 - **Scheels parking lot is BID owned.**
 - **Signage and entry features**
 - **Landscaping**
 - **Engineering**
 - **Stormwater**
 - **Streets**

Existing BID Debt



- 2010
 - \$6,500,000
 - 8.5% - privately placed with this developer
- 2016
 - \$4,765,000
 - 6.0% - privately placed with this developer

Additional Information



Scheels Pad Site

BID-owned parking lot

Burger King

Note- 2018 Air Photo

Budget Committee



- June 23, 2020
- Discussed the 7.0% interest and options for refinancing the 2010 issuance

Supporting Materials



- ✓ Cover memo
- ✓ Draft Council resolution
- ✓ District bond resolution
- ✓ Draft opinion of district counsel
- ✓ External advisor opinion
- ✓ Financial projections
- ✓ Cost estimates
- ✓ June 18, 2020 correspondence from Mr. Tim Leonard

Next Steps/ Questions or Comments?



- One year to issue the debt
- Not to Exceed \$13.735 Million
- Capped interest rate of 7.0%
- July 28, 2020 Council Hearing
- Six (6) affirmative votes required