

Double Tax-Exempt Municipal Bonds

City of Fargo, North Dakota

\$36,170,000* Refunding Improvement Bonds, Series 2019A



- **Order period is scheduled for Wednesday, July 17, 2019***
- Rated "Aa1" by Moody's Investors Service
- Yields, maturities and call features will be established at the time of the offering
- Denominations: \$5,000
- **Please contact your Financial Advisor or click [here](#) for the Preliminary Official Statement.**

Maturity May 1, 2020-2044.

Dates:

Interest: Interest paid semiannually beginning May 1, 2020.

Call Features: Bonds maturing on May 1 in the years: 2025 through 2027 and 2029 through 2044 are subject to optional redemption. Please see Preliminary Official Statement for more information.

Purpose: The proceeds of the Series 2019A Bonds will be used to finance the cost of 17 projects, including new development infrastructure in addition to reconstruction of existing infrastructure, within the various improvement districts of the City and to pay the costs of issuance for the Series 2019A Bonds.

Security: The City will pledge special assessments against benefited properties for repayment of the Series 2019A Bonds. Special assessments in the approximate principal amount of \$35,834,400 are expected to be filed in 2019 for first collection in 2020. Assessments, when filed, will be spread over terms of 10 and 25 years with equal payments of principal and interest. Interest on the unpaid balance will be charged at an interest rate estimated to be 3.92%. The principal and interest payments due each May 1 and the interest payments due each November 1 are expected to be paid from special assessments received in each collection year.

The special improvement warrants issued by the City against the funds of certain improvement districts and the special assessments levied and to be levied for the improvements in each such district have been appropriated by the City to a special fund for the payment of the Series 2019A Bonds on a parity basis. The City is also required by law to levy a tax upon all taxable property within its corporate limits to restore any deficiency in the improvement district special funds for the payment of all warrants relating to each district and interest thereon. The City is authorized, and it is the City's policy, to levy such a tax whenever such a deficiency is anticipated to occur within one year. Such tax levies are not subject to any constitutional or statutory limitation as to rate or amount.

Tax Matters: Interest on the bonds will be excluded from federal income tax and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the bonds will be exempt from State of North Dakota income taxes.

These securities will be offered subject to availability. This announcement is neither an offer to sell nor a solicitation to buy these securities, nor shall this announcement constitute an offer to sell or a solicitation of an offer to buy these securities in any state in which such offer or solicitation would be unlawful.

Individuals who are interested in purchasing the bonds can do so by contacting a financial advisor at Baird at 952-249-7610 or Dougherty at 888.356.9315.

Municipal bonds/notes are not suitable for all investors, especially those in a lower tax bracket. Ratings are measured on a scale that generally ranges from AAA or Aaa (highest) to D or C (lowest). Bonds are subject to market fluctuation and interest rate risk and may be worth more or less than original cost if sold prior to maturity.