CITY OF PAPILLION
MAYOR AND CITY COUNCIL REPORT
JUNE 18, 2019

Subject:	**Type:**	**Submitted By:**
Approving the issuance of Building Refunding Bonds, Series 2019 of the MFC with principal not to exceed $5,900,000.	Introduction of Ordinance with request to waive 3 readings	Nancy Hypse, Finance Director

SYNOPSIS
The Ordinance 1849 will allow for the issuance of $5,900,000 in bonds to be issued by the MFC for the purpose of refinancing Municipal Facilities Corporation (MFC) bond series 2014 which was issued for the Public Work and Parks Maintenance Facility project.

FISCAL IMPACT
This refunding will not extend the final maturity of the bonds and provides a projected net present value savings of approximately $270,000. The annual savings over the next 16 years is approximately $19,000 to $23,000.

RECOMMENDATION
I am requesting the waving of the three readings and approval of the ordinance.

BACKGROUND
City staff and Bruce Lefler from Ameritas continue to review the City's and MFC's outstanding bonds for options to reduce the debt service requirements of the various bond issues.

Items included

1. Ordinance 1849
2. Second Amendment to Lease-Purchase Agreement (presentation draft)
3. Moody's Investors Service Press Release dated June 7, 2019 (Aa1)
4. Preliminary Official Statement

ORDINANCE NO. 1849

AN ORDINANCE APPROVING THE ISSUANCE OF BUILDING REFUNDING BONDS (PUBLIC WORKS AND PARK MAINTENANCE FACILITIES), SERIES 2019, OF THE CITY OF PAPILLION MUNICIPAL FACILITIES CORPORATION IN A STATED PRINCIPAL AMOUNT NOT TO EXCEED FIVE MILLION NINE HUNDRED THOUSAND DOLLARS ($5,900,000); APPROVING AND AUTHORIZING A BOND PURCHASE AGREEMENT WITH THE CORPORATION PROVIDING FOR THE SALE OF THE BONDS TO THE UNDERWRITER; AUTHORIZING A SECOND AMENDMENT TO LEASE-PURCHASE AGREEMENT WITH THE CITY OF PAPILLION MUNICIPAL FACILITIES CORPORATION RELATED TO SUCH BONDS; AUTHORIZING THE CALLING AND REDEMPTION OF OUTSTANDING BONDS ISSUED BY THE CORPORATION TO FINANCE THE CONSTRUCTION OF CERTAIN PUBLIC WORKS AND PARK MAINTENANCE FACILITIES; APPROVING THE EXECUTION OF DOCUMENTS WITH RESPECT TO SAID SECOND AMENDMENT TO LEASE-PURCHASE AGREEMENT AND PROVIDING FOR THE PUBLISHING OF THIS ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF PAPILLION, NEBRASKA, as follows:

Section 1. The Mayor and Council of the City of Papillion, Nebraska do hereby find and determine as follows: (a) That the City authorized the formation of the City of Papillion Municipal Facilities Corporation (the "**Corporation**") for the purpose of acquiring and developing real property; (b) that the City has begun the acquisition, construction and improvement of, a public works facility and related facilities (the "**Public Works Project**"), and a park maintenance facility and related facilities (the "**Park Maintenance Project**"; and together with the Public Works Project, the **"Project"**) all to be used for public purposes and related improvements; (c) that the City previously issued its Lease-Purchase Bonds, Series 2012 to finance a portion of the Public Works Project in the aggregate principal amount of $2,000,000; its Building Bonds (Public Works and Park Maintenance Facilities), Series 2014 to finance the Project in the aggregate principal amount of $6,000,000 (the "**Series 2014 Bonds**"); and its Building Bonds (Public Works Project), Series 2015 to finance the Public Works Project in the aggregate principal amount of $3,500,000 (the "**Series 2015 Bonds**"); and (d) that it is necessary for the City to refund the Series 2014 Bonds which were originally issued to construct and improve a portion of the Project and the second amendment to lease-purchase agreement pertaining to the refunding of the Series 2014 Bonds should be and hereby is approved.

Section 2. The Mayor and Council approve and reaffirm the formation of the Corporation in part for the purpose of issuing bonds, acquiring, constructing and improving a portion of the Project, and leasing the Project to the City. The Mayor and Council do further find and determine that the City has entered into a Lease-Purchase Agreement dated as of July 24, 2014 with the Corporation in connection with the Series 2014 Bonds, a First Amendment to Lease-Purchase Agreement dated as of April 2, 2015 with the Corporation in connection with the Series 2015 Bonds and shall enter into a Second Amendment to Lease-Purchase Agreement (the "**Second Amendment**") for the purpose of refunding the Series 2014 Bonds for the partial refinancing of the Project and that the City will enter into such Second Amendment with the Corporation, and by which the City will provide for the refinancing of a portion of the Project as approved in Section 1 hereof and pursuant to Section 19-2421, R.R.S. Neb. 2012, and that the documents for such financing should be approved and their execution authorized.

Section 3. The City shall enter into the Second Amendment with the Corporation, whereby said corporation will continue to lease-purchase to the City the Project referred to and as described in Section 1 and 2 hereof and the Second Amendment in the form presented to this meeting is hereby approved subject to review and approval of the same by an Authorized Officer (defined below) and together with such changes and modifications as such Authorized Officer deems necessary, desirable or appropriate. That the parcels of real estate upon which the Project is located are as described in the Second Amendment.

Section 4. The Mayor, City Administrator, City Clerk, City Treasurer and such other officers as may be required, (the **"Authorized Officers"**) are hereby authorized and directed to execute and deliver on behalf of the City said Second Amendment, including necessary counterparts and other related documentation in substantially the form and content as presented to this meeting, or with such changes and modifications therein as to them seem necessary, desirable or appropriate for and on behalf of the City and to affix the seal of the City thereto, and said Authorized Officers are further authorized and directed to execute and deliver all such documents or certificates and do all other things, necessary or appropriate to carry out said Second Amendment.

Section 5. The Mayor and Council of the City have previously approved the execution and delivery of a Mortgage, Trust Indenture and Security Agreement by and between the Corporation dated as of July 24, 2014, a First Supplemental Mortgage, Trust Indenture and Security Agreement by and between the Corporation dated as of April 2, 2015 and do hereby approve the execution and delivery of a Second Supplemental Mortgage, Trust Indenture and Security Agreement (the "**Second Supplemental Indenture**") in substantially the form presented to this meeting by said Corporation to Union Bank & Trust Company, Lincoln, Nebraska, as Trustee, under which Building Refunding Bonds (Public Works and Park Maintenance Facilities), Series 2019, in the aggregate stated principal amount of up to $5,900,000 (the "**Series 2019 Bonds**") are to be issued and the Mayor and Council of the City do hereby approve the issuance of the Series 2019 Bonds in the aggregate stated principal amount of up to $5,900,000 bearing interest as determined in accordance with this Section 5 and as shall be set forth in said Second Supplemental Indenture and the sale of said bonds to Ameritas Investment Corp., as Underwriter, pursuant to a Bond Purchase Agreement related thereto. The Mayor and City Clerk are hereby authorized to approve, execute and deliver a Bond Purchase Agreement and said Second Supplemental Indenture, with any changes as shall be deemed appropriate by them, for and on behalf of the City.

The Authorized Officers may negotiate for the sale of the Series 2019 Bonds in one or more series with an underwriting discount of not more than 1.00% of the stated principal amount thereof, in either case, to Ameritas Investment Corp., as Underwriter. In connection with and as a part of such sale or sales, an Authorized Officer of the City shall fix and determine (which may be done in connection with one or more Bond Purchase Agreements among the Corporation, the City and the Underwriter) (a) the series designation of such series of Series 2019 Bonds; (b) the dated date, which shall not be later than May 1, 2020; (c) the stated principal amount of such series of the Series 2019 Bonds including the principal amounts of the respective Serial Bonds and Term Bonds, if any, of such series of the Series 2019 Bonds, provided, however that the aggregate stated principal amount of all series of Series 2019 Bonds shall not exceed the amount in the immediately preceding paragraph but may be less than that amount; (d) the rate or rates of interest to be borne by each maturity of such series of the Series 2019 Bonds, provided that none of said Series of Bonds shall bear such rates to provide a net present value savings over the debt service on the Series 2014 Bonds being refunded; (e) the purchase price for the Series 2019 Bonds, which shall take into consideration the underwriter's discount and any original issue premium or original issue discount; (f) the date or dates upon which semiannual interest shall be payable, and the record date for the purpose of determining the owners of each series of the Series 2019 Bonds for the payments of interest; (g) the principal amount of such series of the Series 2019 Bonds maturing in each year; (h) the sinking fund installments due and the dates thereof with respect to such series of the Series 2019 Bonds in each year for which Mayor and/or City Treasurer determines that a sinking fund installment shall be due; (i) the dates upon which such series of the Series 2019 Bonds will be subject to redemption at the option of the Corporation upon direction from the City and the redemption price, not to exceed 100%, payable upon the redemption of such series of the Series 2019 Bonds; (j) the identity of the trustee, registrar or paying agent for each series of the Series 2019 Bonds and the form and contents of any agreement or agreements under which the trustee, registrar or paying agent would serve in such respective capacities with respect to each series of the Series 2019 Bonds; (k) the date of redemption, if any, of any outstanding obligations of the City and the form and contents of any notice to be given with respect thereto; (l) the disposition of the proceeds of such series of the Series 2019 Bonds; and (m) the date of redemption of the Series 2014 Bonds and the form and contents of any notice to be given with respect thereto. Upon the delivery of and payment for each series of the Series 2019 Bonds, the Underwriter also shall pay to the City the interest accrued on such series of the Series 2019 Bonds from the date thereof to the date of delivery of and payment therefor, all as the Mayor and/or City Treasurer of the City may establish acting on behalf of the City and as may be agreed to by the Underwriter.

Section 6. The Mayor and Council do further state that it is the intention of the City that interest on said Bonds, as issued by said Corporation on behalf of the City, shall be excludable from gross income under the federal income tax by virtue of Section 103(a) of the Internal Revenue Code of 1986, as amended, and Revenue Ruling 63-20 and Revenue Procedure 82-26 of the Internal Revenue Service and the Authorized Officers are hereby authorized to take all actions necessary and appropriate to carry out said intention and for obtaining such interest exclusion. The Series 2019 Bonds, as issued on behalf of the City, are hereby authorized to be designated by an Authorized Officers as the City's "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code, and the Authorized Officers are hereby authorized to make any representations and warranties in connection therewith. The City hereby covenants, as and to the fullest extent that it may lawfully do so, to take all actions necessary to preserve the tax-exempt status of the interest payable with respect to the Series 2019 Bonds.

Section 7. An Authorized Officer is authorized to approve and deem final a preliminary Official Statement and final Official Statement and to distribute such documents to investors and the public. All officers of the City, or any one of them is hereby authorized to approve, execute and deliver a Continuing Disclosure Undertaking on behalf of the City in order to permit the Underwriter to comply with its obligations under Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

Section 8. Without in any way limiting the power, authority, or discretion elsewhere herein granted or delegated, the City hereby (1) authorizes and directs all of the officers, employees, and agents of the City to carry out, or cause to be carried out, and to perform such obligations of the City and such other actions as they or any one of them shall consider necessary, advisable, desirable, or appropriate in connection with this ordinance, and the issuance, sale, and delivery of the Bonds including, without limitation and whenever appropriate, the execution and delivery thereof and of all other related documents, instruments, certifications, and opinions; and (2) delegates, authorizes, and directs each Authorized Officer the right, power, and authority to exercise her or his own independent judgment and absolute discretion in determining and finalizing the terms, provisions, form, and contents of each of the foregoing. The execution and delivery by the Authorized Officers and their approval of all changes, modifications, amendments, revisions, and alterations made therein, and shall conclusively establish their absolute, unconditional, and irrevocable authority with respect thereto from the City and the authorization, approval, and ratification by the City of the documents, instruments, certifications, and opinions so executed and the action so taken.

Section 9. The City's Policy and Procedures – Federal Tax Law and Disclosure Requirements for Tax-exempt Bonds and/or Build America Bonds adopted on November 20, 2012, are hereby ratified, confirmed and approved in all respects.

Section 10. If any one or more of the provisions of this ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed severable from the remaining provisions of this ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this ordinance or of the Bonds and the owners of the Bonds shall retain all the rights and benefits accorded to them under this ordinance and under any applicable provisions of law. If any provisions of this ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstances, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

<u>Section 11</u>. This ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this 18th day of June, 2019.

____
Mayor

ATTEST:

____
City Clerk

(SEAL)

SECOND AMENDMENT TO LEASE-PURCHASE AGREEMENT

This Second Amendment to Lease-Purchase Agreement (the "Second Amendment") is dated as of the ____ day of _________, 2019 by and between THE CITY OF PAPILLION, in the State of Nebraska (the "City") and THE CITY OF PAPILLION MUNICIPAL FACILITIES CORPORATION, a Nebraska nonprofit corporation (the "Corporation").

RECITALS

WHEREAS, the City and the Corporation have entered into a Lease-Purchase Agreement dated as of July 24, 2014 (the "Original Lease-Purchase Agreement"), as amended by that First Amendment to Lease-Purchase Agreement dated April 2, 2015 (the "First Amendment," and together with the Original Lease-Purchase Agreement, the "Lease-Purchase Agreement"), relating to the construction and acquisition of public works and park maintenance facilities which the City proposes to lease and acquire for the benefit of the City;

WHEREAS, Corporation has entered into a Mortgage, Trust Indenture and Security Agreement dated as of July 24, 2014 (the "Original Indenture") with Union Bank and Trust Company, Lincoln, Nebraska, as trustee (the "Trustee"), pursuant to which the Corporation issued, on behalf of the City, the Corporation's Building Bonds (Public Works and Park Maintenance Facilities), Series 2014, in the principal amount of $6,000,000 (the "2014 Bonds"); as supplemented by that First Supplemental Mortgage, Trust Indenture and Security Agreement dated as of April 2, 2015 (the "First Supplemental Indenture") with the Trustee, pursuant to which the Corporation issued, on behalf of the City, the Corporation's Building Bonds (Public Works Project), Series 2015, in the principal amount of $3,500,000 (the "2015 Bonds"); and, in connection therewith, the Corporation and the City entered into the Lease-Purchase Agreement;

WHEREAS, the Original Indenture has been supplemented by the First Supplemental Indenture and further supplemented by a Second Supplemental Mortgage, Trust Indenture and Security Agreement dated as of ______, 2019 with the Trustee (the "Second Supplemental Indenture"; together with the Original Indenture and the First Supplemental Indenture, the "Indenture") under which the Corporation is issuing, on behalf of the City, the Corporation's Building Refunding Bonds (Public Works and Park Maintenance Facilities), Series 2019, in the principal amount of ______________________________________ ($___________) (the "2019 Bonds"; and together with the 2014 Bonds and the 2015 Bonds, the "Bonds") for the purpose of refunding the 2014 Bonds;

WHEREAS, in connection with the issuance of the 2019 Bonds, it is necessary and advisable for the City and the Corporation to set certain terms of the Lease-Purchase Agreement in this Second Amendment to Lease-Purchase Agreement, dated as of ___________, 2019 (this "Second Amendment");

WHEREAS, the Original Lease-Purchase Agreement, as amended, provides for certain easement rights in favor of the Corporation with respect to the real estate described in Exhibit "A" hereto attached and this Second Amendment provides for the confirmation of such rights;

NOW THEREFORE, in consideration of the mutual covenants contained herein and of the purchase of the 2019 Bonds by the original and subsequent purchasers of the 2019 Bonds, the parties do hereby agree and contract as follows:

Section I. Amendment of Definitions of Terms. The definitions of terms set forth in the recitals to the Lease-Purchase Agreement are hereby amended and supplemented as follows:

> *"Lease-Purchase Agreement"* shall mean the Original Lease-Purchase Agreement as supplemented and amended by the First Amendment and this Second Amendment.

Section II. Approval of Terms of Indenture. The City and the Corporation hereby approve the terms of the Indenture and of the 2019 Bonds and the sale thereof as set forth in the Indenture.

Section III. Agreement to Make Payments. The City hereby agrees to make installment purchase payments as the purchase price and basic rent due under the Lease-Purchase Agreement in the following amounts, which amounts are adjusted as required for the payment of the 2019 Bonds:

Payment Date	2015 Payments	2019 Payments	Total Due
June 15, 2019	$ 43,058.75		
December 15, 2019	193,058.75		
June 15, 2020	42,008.75		
December 15, 2020	192,008.75		
June 15, 2021	40,771.25		
December 15, 2021	195,771.25		
June 15, 2022	39,337.50		
December 15, 2022	194,337.50		
June 15, 2023	37,748.75		
December 15, 2023	197,748.75		
June 15, 2024	35,988.75		
December 15, 2024	200,988.75		
June 15, 2025	34,008.75		
December 15, 2025	199,008.75		
June 15, 2026	31,905.00		
December 15, 2026	201,905.00		
June 15, 2027	29,610.00		
December 15, 2027	204,610.00		
June 15, 2028	27,116.25		
December 15, 2028	207,116.25		
June 15, 2029	24,416.25		
December 15, 2029	209,416.25		
June 15, 2030	21,502.50		
December 15, 2030	211,502.50		
June 15, 2031	18,272.50		
December 15, 2031	218,272.50		
June 15, 2032	14,872.50		
December 15, 2032	219,872.50		
June 15, 2033	11,387.50		
December 15, 2033	226,387.50		

Payment Date	2015 Payments	2019 Payments	Total Due
June 15, 2034	7,732.50		
December 15, 2034	227,732.50		
June 15, 2035	3,937.50		
December 15, 2035	228,937.50		

All such payments (the "Payments") shall be made without abatement or set-off and without regard to whether the Project has been completed and occupied. The City shall have the right to make prepayment of the Payments at any time and to cause such prepayments to be applied to the early redemption and/or satisfaction of the Bonds. Any amount of the Payments not required for the payment of principal and interest on the Bonds or the redemption and/or satisfaction thereof shall be considered satisfied in full upon any payment or redemption and/or satisfaction in full of the Bonds.

Section IV. Deposit of Proceeds. The Corporation shall cause the net sale proceeds of the 2019 Bonds, including the full amount of accrued interest, if any, to be applied for redemption of the 2014 Bonds and to pay costs of issuance on the 2019 Bonds, as more specifically provided in the Second Supplemental Indenture.

Section V. Continuing Disclosure. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City hereby agrees that it will provide continuing disclosure for the Bonds as required by the Rule and the City's continuing disclosure undertakings.

Section VI. Amendments to Original Lease-Purchase Agreement as Amended by Addendum. The Original Lease-Purchase Agreement as amended by the First Amendment and as further amended by this Second Amendment may be amended only in accordance with the terms of the Indenture.

Section VII. Assignment of Payments; Obligations of City Unconditional. Under the Indenture the Payments have been assigned on an absolute and unconditional basis in order to effect the payment of principal and interest on the Bonds. The City hereby agrees that no amendment reducing the amount of the Payments or extending the time of payment thereof shall be made without the consent of the registered owners of each of the Bonds affected thereby. The Payments may be reduced in the event of any refunding of the Bonds, provided that no such reduction shall take effect so long as any of the Bonds remain outstanding under the terms of the Indenture. The City hereby agrees that the Trustee shall have the right to enforce any and all of its obligations with respect to the Payments under the Original Lease-Purchase Agreement as amended by the First Amendment and this Second Amendment.

Section VIII. Notice to Purchaser. The City hereby confirms that it has been notified in writing by the Corporation that the City is entitled under Article 2A of the Nebraska Uniform Commercial Code to the promises and warranties provided by the vendors and suppliers of the property which is the subject of this Second Amendment and that, as lessee, the City may communicate with any such vendors or suppliers for a statement of the promises and warranties of such vendors or suppliers, including disclaimers and limitations on remedies.

Section IX. Confirmation of Terms of Lease-Purchase Agreement. Except as specifically modified and amended by this Second Amendment, all other terms and provision of the Lease-Purchase Agreement previously executed by and between the City and Corporation shall remain in full force and effect.

CITY OF PAPILLION, NEBRASKA

(SEAL)

By:____
Mayor

ATTEST:

____
City Clerk

STATE OF NEBRASKA)
) SS:
COUNTY OF SARPY)

The foregoing instrument was acknowledged before me this ________________, 2019, by David Black, Mayor of the City of Papillion, in the State of Nebraska, on behalf of such City Area.

Witness my hand and notarial seal, this ________________, 2019.

____
Notary Public

CITY OF PAPILLION MUNICIPAL FACILITIES CORPORATION

(SEAL)

By:____
President

ATTEST:

____
Secretary

STATE OF NEBRASKA)
) SS:
COUNTY OF SARPY)

The foregoing instrument was acknowledged before me this _____________, 2019, by __________________________, President of The City of Papillion Municipal Facilities Corporation, a Nebraska nonprofit corporation, on behalf of the corporation.

Witness my hand and notarial seal, this ____________, 2019.

____
Notary Public

EXHIBIT A

The Project consists of the following property:

PUBLIC WORKS FACILITY

Construction of a public works facility on the following described and on real estate in the City of Papillion, Nebraska, legally described as follows:

> Lot 1 Papillion Public Works subdivision, as surveyed, platted and recorded in Sarpy County, Nebraska.

PARK MAINTENANCE FACILITY

Acquisition of a park maintenance facility on the following described real estate in the City of Papillion, Nebraska, legally described as follows:

> Tax Lot 11A, in Section 26, Township 14 North, Range 12 East of the 6^{th} P.M. as surveyed, platted and recorded in Sarpy County, Nebraska.

Moody's
INVESTORS SERVICE

Rating Action: Moody's assigns Aa1 to Papillion, NE's lease revenue bonds

07 Jun 2019

New York, June 07, 2019 -- Moody's Investors Service has assigned a rating of Aa1 to the City of Papillion Municipal Facilities Corporation's Building Refunding Bonds (Public Works and Park Maintenance Facilities), Series 2019. Concurrently, Moody's affirmed the Aa1 rating on the city's general obligation unlimited tax (GOULT) debt and the Aa1 rating on the city's general obligation limited tax (GOLT) debt. Following the sale, the city will have $26.3 million of GOULT debt, $20 million of which is rated by Moody's; $58.7 million of GOLT debt, $53.6 million of which is rated by Moody's; and $12.3 million of GOLT lease revenue debt, $5.8 million of which is rated by Moody's.

RATINGS RATIONALE

The GOULT rating of Aa1 reflects the city's growing tax base with economic ties to the Omaha (Aa2 stable) metropolitan area; healthy financial profile with ample revenue raising flexibility; above average resident income indices, and no exposure to post-retirement liabilities. These strengths are balanced by the city's elevated debt burden.

The Aa1 GOLT rating reflects the credit characteristics inherent in city's Aa1 GOULT rating and the limited dedicated tax with significant margin under the authorized levy, as well as the city's pledge to cover debt service with a dedicated portion of its sales tax receipts.

The Aa1 lease revenue rating reflects zero notching distinction from the city's underlying GO rating due to the absolute unconditional pledge of the city that is not subject to annual appropriation or abatement risk as well as the more essential nature of the pledged asset. The rating further incorporates the significant margin under the city's pledged authorized limited property tax levy.

RATING OUTLOOK

Outlooks are typically not assigned to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Substantial and sustained tax base growth and strengthening of resident income indices

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Material decline in operating fund reserves and/or liquidity relative to budget

- Growth in debt burden and fixed costs

LEGAL SECURITY

The Series 2019 refunding bonds are payable and secured solely by Basic Rent payments pursuant to a Lease-Purchase Agreement between the city and the Papillion Municipal Facilities Corporation. The rental payments are generated from the city's limited property tax levy, which is limited to $0.45 cents per $100 of assessed valuation. The city levied $0.23 cents of the $0.45 cent limit for fiscal 2018. The city's pledge to make rental payments is an absolute and unconditional pledge payable from the city's General Fund and is not subject to annual appropriation or abatement.

The city's GOULT debt is secured by the city's full faith and credit pledge, which benefits from a dedicated levy, unlimited as to rate or amount, against all taxable property in the city.

The city's GOLT debt is secured by the city's general fund limited property tax levy.

USE OF PROCEEDS

The proceeds of the Series 2019 bonds will be used to refund the Papillion Municipal Facilities Corporation's

Building Bonds Series 2014.

PROFILE

The City of Papillion is located approximately 10 miles south of the City of Omaha and 45 miles east of the City of Lincoln (Aaa stable). The city serves as the county seat to Sarpy County (Aaa stable), the third most populous county in Nebraska. The city provides general municipal governmental services, including sewer and water service, street construction and maintenance, library facilities, parks and recreational facilities and police and fire protection. The city's current population is estimated at 19,520 residents.

METHODOLOGY

The principal methodology used in the general obligation ratings was US Local Government General Obligation Debt published in December 2016. The principal methodology used in the lease rating was Lease, Appropriation, Moral Obligation and Comparable Debt of US State and Local Governments published in July 2018. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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PRELIMINARY OFFICIAL STATEMENT DATED ___________, 2019

NEW ISSUE - BOOK ENTRY ONLY
BANK QUALIFIED

RATING: MOODY'S "___"
SEE "RATING"

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the ***"Code"****), the interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Nebraska. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "****TAX MATTERS****" in this Official Statement.*

$___________*

CITY OF PAPILLION MUNICIPAL FACILITIES CORPORATION
(A Nebraska Not-for-Profit Corporation)
CITY OF PAPILLION, NEBRASKA
BUILDING REFUNDING BONDS (PUBLIC WORKS AND PARK MAINTENANCE FACILITIES) SERIES 2019

Dated: Date of Delivery

Due: December 15, as shown below

The Building Refunding Bonds (Public Works and Park Maintenance Facilities), Series 2019 (the **"Bonds"**) are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, (**"DTC"**). DTC will act as securities depository for the Bonds. Purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in $5,000 principal amounts or integral multiples thereof. Beneficial Owners of the Bonds will not receive physical delivery of bond certificates evidencing their ownership interest in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable each December 15 and June 15, commencing December 15, 2019*, as more fully described herein. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC. Disbursements of such payments to DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC Participants (see **"BOOK-ENTRY ONLY SYSTEM"** herein), at the office of Union Bank and Trust Company, Lincoln, Nebraska, as Trustee, Paying Agent and Registrar (**"Trustee"**).

The Bonds are being issued to refund indebtedness originally issued to pay the costs of acquiring, constructing and equipping a public works facility and a park maintenance facility and incidental facilities leased by the City of Papillion Municipal Facilities Corporation (the **"Issuer"**) to the City of Papillion, Nebraska (the **"City"**)

The Bonds are redeemable by the Issuer at the direction of the City anytime on and after the fifth anniversary* of the date of delivery thereof. See **"THE BONDS - Redemption Provisions"** herein.

MATURITY SCHEDULE*

December 15, Maturity	Principal Amount	Interest Rate	Price	December 15, Maturity	Principal Amount	Interest Rate	Price
2019	$	%	%	2027	$	%	%
2020				2028			
2021				2029			
2022				2030			
2023				2031			
2024				2032			
2025				2033			
2026				2034			

The Bonds shall not be a debt of the City of Papillion or a pledge of its faith and credit but, together with interest thereon, shall be payable solely out of the Rental Payments paid by the City under terms of a Lease-Purchase Agreement, dated as of July 24, 2014, a First Amendment to Lease-Purchase Agreement, dated as of April 2, 2015 and a Second Amendment to Lease-Purchase Agreement, dated _______, 2019 entered into between the Issuer and the City, and, to the extent received by the Trustee, interest earnings, insurance proceeds and condemnation awards. The Bonds have been issued pursuant to the terms of a Mortgage, Trust Indenture and Security Agreement, dated as of July 24, 2014, a First Supplemental Mortgage, Trust Indenture and Security Agreement, dated as of April 2, 2015 and a Second Supplemental Mortgage, Trust Indenture and Security Agreement, dated as of ________, 2019, between the Issuer and the Trustee. The Basic Rent payable by the City is an obligation of the City payable, unless paid from other sources, out of the funds of the City which may be raised, among other sources, by taxes levied by valuation on all taxable property, except intangible property, in the City subject to the City's statutory levy limitations. See **"SECURITY FOR THE BONDS"** herein.

The Bonds are being offered when, as and if issued by the Issuer and received by the Underwriter, subject to prior sale and withdrawal of such offer without notice and subject to the approval of legality and tax exemption by Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds will be made on or about _________, 2019*, at the Depository Trust Company in New York, New York, against payment therefor.

AMERITAS INVESTMENT CORP.

* Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the City, the Issuer, the Trustee or the Underwriter to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be an offer, solicitation or sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein is believed to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of the Underwriter. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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THE SECURITIES DESCRIBED IN THIS OFFICIAL STATEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS ANY DOCUMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE TERMS OF THE OFFERING. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

$___________[*]

CITY OF PAPILLION MUNICIPAL FACILITIES CORPORATION
(A Nebraska Not-for-Profit Corporation)
CITY OF PAPILLION, NEBRASKA
BUILDING REFUNDING BONDS
(PUBLIC WORKS AND PARK MAINTENANCE FACILITIES)
SERIES 2019

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and appendices hereto (the **"Official Statement"**), is provided to furnish information with respect to the sale and delivery of the Building Refunding Bonds (Public Works and Park Maintenance Facilities), Series 2019 (the **"Bonds"**) of the City of Papillion Municipal Facilities Corporation, a Nebraska not-for-profit corporation (the **"Lessor"** or the **"Issuer"**) in the aggregate principal amount of $___________[*]. The Bonds are being executed and delivered pursuant to a Mortgage, Trust Indenture and Security Agreement, dated July 24, 2014, a First Supplemental Mortgage, Trust Indenture and Security Agreement, dated April 2, 2015, and a Second Supplemental Mortgage, Trust Indenture and Security Agreement, dated ________, 2019 (collectively, the **"Indenture"**), between the Corporation and Union Bank and Trust Company, Lincoln, Nebraska, as Trustee (the **"Trustee"**). Pursuant to the terms of a Lease Purchase Agreement, dated as of July 24, 2014, a First Amendment to Lease Purchase Agreement, dated as of April 2, 2015 and a Second Amendment to Lease Purchase Agreement, dated as of __________, 2019 (collectively, the **"Lease"**), between the Lessor and the City of Papillion, in the State of Nebraska (the **"City"** or the **"Lessee"**), the net proceeds derived from the sale of the Bonds will be used for the purpose of refunding the Issuer's Building Bonds (Public Works and Park Maintenance Facilities), Series 2014, date of original issue – July 24, 2014 (the **"Refunded Bonds"**), which were issued to pay the costs of constructing and equipping a public works facility and a park maintenance facility and incidental facilities (the **"Project"**) to be leased by the City of Papillion Municipal Facilities Corporation (the **"Issuer"**) to the City of Papillion, Nebraska (the **"City"**), as more fully described under **"THE PROJECT"** herein.

The Lease will be amended to include the Bonds as of _________, 2019[*], and will terminate on or before December 15, 2034[*]. After payment of all outstanding liabilities and obligations of Lessor, other than obligations to Lessee, Lessor shall donate and give to the Lessee the Project.

The Bonds are payable solely from Basic Rents which are payable semiannually by the City, certain condemnation awards, certain reserves and interest earnings on monies in certain funds and accounts, as held by the Trustee. The Basic and Additional Rent of the Lessee is payable from general funds of the City. Pursuant to Section 16-702, R.R.S. Neb. 2012, as amended, the City may levy an ad valorem tax on all taxable real and tangible personal properties in the City in an amount sufficient to meet its Basic and Additional Rent obligations. Such levy is subject to the City's statutory levy limit of 45 cents per $100 of actual valuation.

THE BONDS

General

The Bonds are issued in the aggregate principal amount of $___________*, will be dated on their date of delivery, and mature and bear interest (computed on the basis of a year of 360 days consisting of twelve 30-day months) as set forth on the cover page hereof, payable semiannually on December 15 and June 15 of each year, commencing December 15, 2019[*] (collectively, the **"Interest Payment Dates"**). The Bonds are

[*] Preliminary, subject to change.

issuable as fully registered bonds without coupons, in the denomination of $5,000 or any integral multiple thereof. Interest on the Bonds is payable by check or draft mailed to the registered owners of the Bonds at their respective addresses as of the fifteenth day immediately preceding each Interest Payment Date (the **"Record Date"**). The principal of the Bonds shall be payable on presentation and surrender of each Bond at the principal corporate trust office of Union Bank and Trust Company, Lincoln, Nebraska, as Trustee, Paying Agent and Registrar (sometimes hereinafter referred to as the **"Paying Agent"** and the **"Registrar"**).

Optional Redemption Provisions

The Bonds shall be subject to redemption and payment by the Issuer, in whole or in part, as directed by the City (and by lot or other random selection method within a maturity), at any time on or after the fifth anniversary* of the date of original issue thereof (in principal amounts of $5,000 or integral multiples thereof), at par plus accrued interest thereon to the date fixed for redemption.

Notice of Redemption

Notice of the call for any redemption, identifying the Bonds or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing notice at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond or portion of a Bond to be redeemed at the address shown on the registration books maintained by the Trustee. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided that sufficient funds for redemption are on deposit with the Trustee.

In the event that any Bond is called for redemption in part only, upon surrender and cancellation of such Bond, a new fully registered Bond or Bonds of the same maturity and in any authorized denomination, in an aggregate principal amount equal to the unredeemed portion thereof, shall be executed and delivered by the Trustee to the registered owner thereof.

Transfer Provisions

The Bonds (or any portion of a Bond) are transferable by the registered owner in person or by his attorney duly authorized in writing on the registration books kept at the principal corporate trust office of the Trustee, upon surrender of the Bond, together with a duly executed instrument of transfer satisfactory to the Trustee. Upon such transfer, a new fully registered Bond or Bonds of the same maturity and in any authorized denomination for the same aggregate principal amount will be issued to the transferee or transferees in exchange for the Bond to be transferred, subject to the terms and conditions set forth in the Indenture. The Trustee may deem and treat the person in whose name any Bond is registered as the absolute owner thereof, whether or not the Bonds shall be overdue, for the purpose of receiving payment and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

* Preliminary, subject to change

ANNUAL DEBT SERVICE SCHEDULE

The Issuer issued bonds in 2012 and 2015 related to other lease purchase obligations. The annual principal and interest due on the Series 2012 Bonds, the Series 2015 Bonds (the Public Works Project) and the Series 2015 Bonds (the Eagle Hill Golf Course Project) (the **"Outstanding Bonds"**) and the Bonds is as follows, not including any debt service on the Refunded Bonds:

Fiscal Year	Outstanding		Series 2019 Bonds*		
Ending Sept. 30	Bonds	Principal	Interest	Total	Combined Total
2019	$ 647,001.25	$	$	$	$
2020	650,856.25				
2021	643,611.25				
2022	650,248.75				
2023	645,741.25				
2024	640,276.25				
2025	643,770.00				
2026	641,080.00				
2027	642,231.25				
2028	642,078.75				
2029	640,607.50				
2030	377,073.75				
2031	376,622.50				
2032	380,420.00				
2033	378,725.00				
2034	234,120.00				
2035	231,670.00				
2036	228,937.50				
Total	$9,295,071.25	$	$	$	$

BOOK-ENTRY ONLY SYSTEM

The Bonds will be available to the ultimate purchasers in global book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased, except as described below.

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of interest and other payments on the Bonds to Participants (as hereinafter defined) or Beneficial Owners (as hereinafter defined) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Participants and Beneficial Owners of the Bonds, is based solely on information furnished by DTC to the Issuer for inclusion in this Official Statement. Accordingly, the Issuer, the City and the Registrar do not make any representations concerning these matters, and the Beneficial Owners of the Bonds should not rely on the following information with respect to such matters, but should instead confirm the same with the Participants from whom they purchased the Bonds.

The Depository Trust Company (**"DTC"**), New York, NY, will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each separate maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

* Preliminary, subject to change

DTC, the world's largest 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 (**"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 Participant's 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 (**"Indirect Participants"**). DTC has a Standard & Poor's rating of AA+. 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 at www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (**"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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bonds within a maturity 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 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer (or the Registrar) 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Bonds 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 Registrar, 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 nor its nominee, the Registrar or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar (from funds provided by the Issuer), 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.

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

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

The information under this subcaption concerning DTC and DTC’s book-entry system has been obtained from sources that the Issuer and the City believe to be reliable, but the Issuer and the City take no responsibility for the accuracy thereof.

The Issuer and the Registrar will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payment by DTC or any Direct Participant or Indirect Participant of any amount with respect to the principal or redemption price of or interest on the Bonds; (iii) any notice which is permitted or required to be given to bondholders under the Indenture; (iv) the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information included under this subcaption, other than in this paragraph, the preceding paragraph hereof and the first two full paragraphs under this subcaption, has been provided by DTC. No representation is made by the Issuer, the City or the Registrar as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof. The Beneficial Owners of the Bonds will rely on DTC Participants or Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owners the rights of a bondholder. No assurances can be given, in the event of the bankruptcy or insolvency of DTC or the Direct Participant or Indirect Participant through which a Beneficial Owner holds beneficial interest in the Bonds, that payment will be made by DTC, the Direct Participant or the Indirect Participant on a timely basis.

SOURCES AND USES OF FUNDS

The proceeds are expected to be applied by the Issuer in the following amounts:

<u>Sources of Funds</u>		
Principal Amount of Bonds	$__________	
TOTAL		$__________
<u>Uses of Funds</u>		
Refund the Refunded Bonds	$__________	
Issuance Costs (Including Underwriter's Discount)	__________	
TOTAL		$__________

SECURITY FOR THE BONDS

<u>General</u>

The Bonds are issued pursuant to the Indenture. They are payable from the Basic Rent to be paid by the City under the Lease and, to the extent received by the Trustee, interest earnings on funds held by the Trustee, condemnation and insurance awards, and monies on deposit in the Bond Fund. The City is entering into the Lease by the authority of and in conformity with the provisions, restrictions and limitations of the laws of the State of Nebraska, including Section 19-2421, R.R.S. Neb. 2012, as amended, which authorizes the City to enter into contracts for the lease of real or personal property which may provide for the purchase of such property in installment payments. Section 16-702, R.R.S. Neb. 2012, as amended, permits the City to levy property taxes for municipal purposes. Payments of Basic Rent on the Lease are subject to the general City levy limit of 45 cents per one hundred dollars actual valuation. The City's current levy, including levies for bonded indebtedness, is 45.1923 cents per one hundred dollars of actual valuation.

Payments of the Basic Rent shall be made to the Lessor by the Lessee, remitting the same directly to the Trustee for the account of the Lessor, and the Lessor shall cause the Trustee to deposit all such payments in the trust account provided for in the Indenture and designated "Bond Fund." The Lease and the schedule of payments of Basic Rent are designed to produce monies sufficient to pay the Bonds and interest thereon when due. Until the Bonds and interest thereon are fully paid or payment provided for by the Trustee having funds to pay all Bonds and interest thereon to the date that the Bonds shall become due, the Lessee covenants and agrees to make and continue to make for so long as permitted by law an annual levy on all the taxable property of the City, except intangible property, as provided for in Section 16-702 R.R.S. Neb. 2012, as amended, sufficient to provide for the Basic Rent and any Additional Rent due under the Lease. The Lease is an unconditional obligation of the City and is not subject to annual renewal.

The Lessee further covenants and agrees that throughout the term of the Lease, it will observe all budget and spending limitations now or hereafter imposed by law in such a manner that a sufficient portion of its tax levy or other monies shall be available to pay all rentals due under the Lease.

If the Lessee shall fail to keep or perform any of its obligations as provided for in the Lease, the Lessor may, at the Lessor's option, give the Lessee written notice of intention to terminate the Lease. If all defaults have not been cured within 60 days after such notice is given, the Lessee's rights to possession of the Project shall cease and the term and Lease shall thereupon be terminated.

RISK FACTORS

The payment of the bonds is subject to certain risks. Each prospective purchaser of Bonds should read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds and which could also affect the market price of the Bonds.

Upon a termination of the Lease by reason of an Event of Default, the City shall surrender possession of the Project to the Corporation, and the Corporation shall use reasonable diligence to relet the Project or parts thereof, with the right to make alterations and repairs to the Project. A potential purchaser of the Bonds should not assume that it will be possible to relet, foreclose on and sell the Project after termination of the Lease by reason of an Event of Default for an amount equal to the aggregate principal amount of the Bonds then outstanding plus accrued interest thereon.

Future changes in the method of valuing real estate or economic difficulties in general may have a significant adverse impact on future taxable valuations and thus on the amount of revenue that can be generated from the levy. If the City were required to levy a tax to satisfy its obligations under the Lease, such levy could result in other budgetary cutbacks and hinder City operations due to the effect of the statutory levy limitations.

The Nebraska Legislature has implemented certain tax incentive programs, such as the Nebraska Advantage Act and the Employment and Investment Growth Act, which allow refunds of sales and use taxes to private businesses which qualify under such programs. Such refunds, if granted by the Nebraska Department of Revenue, would result in reduced sales tax receipts to the City. Depending on the extent of such reductions, the sources of revenue used by the City to make payments under the Lease may be affected.

The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Indenture and the Lease. These remedies may require judicial action which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Indenture or the Lease may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in such documents. The rights and remedies of the Trustee and bondholders are also subject to the limitations provided for in the United States Bankruptcy Code, which among other things, limits rights of set-off and in certain circumstances allows a debtor to obtain the use of cash collateral held by secured creditors, such as the Trustee. The opinion of Bond Counsel with respect to the Bonds will state that the Lease is a valid and binding agreement of the City except to the extent that the enforceability thereof may be limited by bankruptcy and insolvency laws, including the Federal Bankruptcy Code, principals of equity and public policy. While the Lease is intended as a credit and security arrangement, a Bankruptcy court might determine it to be a true lease. If under the provisions of the Bankruptcy Code the Lease was determined to be a true lease, it could be rejected by the City subject to court approval. Such rejection would entitle the Corporation or the Trustee to retake possession of the Project and to have a claim against the City for damages in a limited amount. If under the provisions of the Bankruptcy Code the Lease were to be treated as a credit and security arrangement, the special provisions relating to leases in the Bankruptcy Code would not apply.

THE PROJECT

The Project consists of a public works facility which is being leased to the City under the Lease. The Site is leased to the Issuer for construction of the Project. Improvements include a maintenance garage, a public works building and storage for vehicles and road salt.

THE LESSOR

The Lessor is a not-for-profit corporation existing under the laws of the State of Nebraska. Section 21-1927, R.R.S. Neb. 2012, as amended, authorizes the formation of not-for-profit corporations for the purpose of acquiring land and constructing and equipping facilities for the use and benefit of governmental bodies such as the City. The lessor will not have significant assets other than its rights under the Lease and similar leases with the City for other municipal facilities.

The Lessor acts "by and on behalf of" the City pursuant to Revenue Ruling 63-20 promulgated by the Internal Revenue Service under the Internal Revenue Code. The Lessor is organized for the purpose of acquiring and constructing the Project and leasing it to the City. The Project will be operated solely for the benefit of the City. No part of the net earnings or other assets of the Lessor shall inure to the benefit of any director, officer, contributor or other private individuals having directly or indirectly any personal or private interests in the activities of the Lessor. The directors and officers of the Corporation shall not be liable personally by reason of the issuance of the Bonds or execution of any documents in connection therewith.

THE CITY

The City of Papillion is the County Seat of Sarpy County. The City is a city of the first class under Nebraska statutes, governed by an elected Mayor and eight-member city council.

The City is authorized, under Nebraska Statutes, to acquire and construct and to enter into a lease/purchase agreement for the facilities.

Further information on the City is in Appendix A, and the City's audited financial statements for the fiscal year ended September 30, 2018, are in Appendix B.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Gilmore & Bell, P.C. as Bond Counsel. Gilmore & Bell, P.C. has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds.

NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION

The Nebraska Legislature has enacted legislation intended to reduce the level of property taxation and political subdivision expenditures in the State. The legislature has enacted legislation to provide for budget limitations and legislation requiring reductions in the rate of taxation for general property taxes. Budget limitations relating to cities, villages, counties and other political subdivisions (Sections 13-518 to 13-522, R.R.S. Neb. 2012, as amended, and related sections, the **"Budget Limitations"**) limit the growth in amounts which may be budgeted with respect to certain restricted funds. Restricted funds include sales taxes, property taxes and certain other revenue sources. The limitation imposed does not apply to tax revenues pledged to retire bonded indebtedness. The Budget Limitations currently provide for a base limitation of 2.5% upon increases. Such base limitation is subject to review by the Nebraska Legislature from year to year. The base limitation may be exceeded by an additional 1% upon an affirmative vote of at least 75% of the governing body. These limitations are to be enforced through the office of the Auditor of Public Accounts of the State of Nebraska and state aid may be withheld from governmental units which fail to comply. The Budget Limitations do not apply to (i) restricted funds pledged to retire bonded indebtedness or (ii) to the revenues of proprietary funds unless such revenues are transferred to fund a service for a function not directly related to the charges and activity for which the charges are imposed.

Tax levy limitations (Section 77-3442, R.R.S. Neb. 2009, as amended, and related sections, the **"Levy Limitations"**) provide for overall limitations on the tax levies of political subdivisions, including cities. The Levy Limitations provide for an express exclusion from the limitations for property tax levies for bonded indebtedness. The City's payments under the Lease are not excluded from the Levy Limitations.

Taxes to pay principal and interest on the City's general obligation bonds are thus not subject either to the Budget Limitations or the Levy Limitations.

Under the Levy Limitations the rates for levying property taxes have been reduced for each type of governmental unit in the State of Nebraska. The rate for cities is set at 45¢ per $100 of taxable valuation with an additional 5¢ available for payments under interlocal cooperation agreements.

The future methods for providing for financing cities, schools and other local units may be altered depending upon future actions to be taken by the Nebraska Legislature, further decisions of the Nebraska Supreme Court and federal courts and future initiative petitions proposed by voters.

CONTINUING DISCLOSURE UNDERTAKING

The City has covenanted for the benefit of the Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the City by not later than May 1 after the end of the City's fiscal year (the "**Annual Report"**), commencing May 1, 2020, and to provide notices of the occurrence of certain enumerated events, if material, using the Electronic Municipal Market Access System (**"EMMA"**) established by the Municipal Securities Rulemaking Board (the **"MSRB"**). The Annual Report, together with notices of material events, will be filed by the City with the MSRB using EMMA. The proposed form of the Continuing Disclosure Undertaking to be made by the City in the Ordinance in connection with the issuance of the Bonds is attached to this Official Statement as **"APPENDIX C – FORM OF CONTINUING DISCLOSURE UNDERTAKING."** These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the **"Rule"**).

A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Ordinance, although Beneficial Owners are to have an available remedy to require performance. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Compliance with Existing Continuing Disclosure Undertakings

The City believes it has complied in all material respects during the past five years with its prior undertakings under the Rule.

TAX MATTERS

The following is a summary of the material federal and State of Nebraska income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Nebraska, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal and State of Nebraska Tax Exemption. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Nebraska.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Issuer and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Nebraska income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading **"TAX MATTERS."**

Other Tax Consequences

[***Original Issue Discount***. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[***Original Issue Premium***. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

RATING

Moody's Investors Service has assigned the Bonds the rating of "____". Such rating reflects only the views of such organization, and an explanation of the significance of such rating may be obtained from Moody's Investors Service, 250 Greenwich Street, New York, New York 10007, telephone (212) 553-0300. Generally, a rating agency bases its rating on such information and materials and investigations, studies and assumptions furnished to and obtained and made by the rating agency. The debt ratings are not a recommendation to purchase, sell or hold a security, inasmuch as they do not comment as to market price or suitability for a particular investor. There can be no assurance that the above rating will remain for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the rating service if it deems circumstances appropriate. Any downward change in, suspension or withdrawal of the rating may have a material adverse effect on the market price of the Bonds.

UNDERWRITING

Ameritas Investment Corp., the Underwriter, has agreed, subject to certain customary closing conditions, to purchase the Bonds from the Issuer for $_______________, an aggregate discount of $____________ from the initial public offering prices set forth on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than the prices stated on the cover page hereof.

FINANCIAL STATEMENTS

The audited financial statements for the City for the fiscal year ended September 30, 2018, are included in this Official Statement as Appendix B, and should be read in their entirety. Financial statements for the City for fiscal years ended prior to September 30, 2018 are available for inspection at the offices of the City in Papillion, Nebraska.

AUTHORIZATION AND DELIVERY OF OFFICIAL STATEMENT

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement, and its distribution and use by the Underwriter has been duly authorized and delivered by the City.

THE CITY OF PAPILLION, IN THE STATE OF NEBRASKA

APPENDIX A
THE CITY OF PAPILLION, NEBRASKA
FINANCIAL STATEMENT
(as of 4/1/19)

Taxable Valuation (2018)	$1,885,132,625
General Obligation Debt:	
General Obligation Refunding Bonds, Series 2011A	1,110,000
SID 137 of Sarpy County, GO Refunding Bonds, Series 2011	180,000
General Obligation Refunding Bonds, Series 2012	6,425,000
General Obligation Various Purpose Bonds, Series 2013	1,070,000
General Obligation Flood Control Refunding Bonds, Series 2014	760,000
General Obligation Refunding Bonds, Series 2015	5,070,000
General Obligation Improvement Bonds, Series 2018	1,520,000
Highway Allocation Fund Pledge Bonds, Series 2011B	990,000
Highway Allocation Fund Pledge Bonds, Series 2013	370,000
Highway Allocation Fund Pledge Refunding Bonds, Series 2014	3,435,000
Highway Allocation Fund Pledge Bonds, Series 2015	2,175,000
Highway Allocation Fund Pledge Bonds, Series 2016	3,180,000
Lease Purchase Debt (1)	
Municipal Facilities Corporation:	
Series 2012 (Public Works Facility)	1,695,000
Series 2015 (Eagle Hills Golf Course Project)	2,320,000
Series 2015 (Public Works Project)	3,065,000
Series 2019 (Public Works and Park Maintenance Facilities) (this issue)	________*
Tax Supported Recreational Facilities Bonds 2016	5,080,000
Tax Supported Recreational Facilities Bonds 2017	20,195,000
Tax Supported Recreational Facilities Bonds 2018	33,395,000
Direct Debt	$_________
Ratio of Direct Debt to Taxable Valuation	____%
Direct, Overlapping and Underlying G.O. Debt	$_________
Ratio of Direct, Overlapping and Underlying Debt to Taxable Valuation	_____%
Revenue Debt:	
Water Revenue Bonds, Series 2013	6,340,000
Water Revenue Bonds, Series 2014	2,010,000
Water System Revenue Refunding Bonds, Series 2016	4,505,000
Sarpy County Population (2017 est.)	181,439
Papillion Population (2017 est.)	19,539

(1) See Appendix B, Notes to Financial Statements, Note D, for a description of certain other non-bonded debt.

Overlapping Debt:

<u>Sarpy County</u>	
Taxable Valuation (2018)	$15,511,549,423
General Obligation Debt as of April 2019(2)	35,755,000
(12.2% applicable to City)	4,362,110
<u>Sarpy County School District 0027</u>	
Taxable Valuation (2018)	$5,755,297,786
General Obligation Debt as of March 28, 2019	107,650,000
(32.8% applicable to City)	35,309,200

(2) Includes $15,035,000 Lease Rental Bonds issued by the Sarpy County Leasing Corporation for the Omaha Storm Chasers Stadium Project and $7,460,000 Recovery Zone Facility Certificates of Participation for the same project.

The issuers listed above represent the principal obligors for overlapping debt. The Papio-Missouri River Natural Resources District, Educational Service Unit No. 3 and Metropolitan Community College have or may have debt obligations outstanding. Such obligations are supported by multi-county taxing bases with large taxable valuations which result in relatively small allocations of overlapping debt to the City and are not included in the tables shown above.

Future Borrowing Plans

The City budgeted to issue approximately $1,530,000 of highway allocation bonds for the construction of streets during this fiscal year. The City expects an additional financing of up to $9,215,000 for the community center field house project in 2019.

Debt Limitations

Under Nebraska law, there is no general limitation on general obligation or revenue indebtedness.

Authority to Levy Property Taxes

The City's authority to levy and collect property taxes is limited to not more than 45¢ per $100 of taxable valuation plus an additional 5¢ per $100 to provide financing for the City's share of revenue required under interlocal agreements. See **"NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION"**. The City's 2018/19 general fund tax levy for municipal purposes as described above is $0.23152 on each $100 of taxable value, and the City's bond fund tax levy is $0.18152 on each $100 of taxable value on all the taxable property within the City. Such levy limitations do not apply to the City's levy for bonded indebtedness approved according to law and secured by a levy on property.

City Budget Limitations

The Nebraska Legislature has enacted revised budget limitations applicable to certain prior, the current and following budget years. See **"NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION".**

THE CITY

The City of Papillion, incorporated in 1883, is the county seat of Sarpy County and is located approximately ten miles south of the City of Omaha, approximately 45 miles east of Lincoln, Nebraska and approximately 186 miles north of Kansas City, Missouri. The City is principally a residential community for persons working in the Omaha Metropolitan area including STRATCOM, located in Sarpy County south of Bellevue, Nebraska. The City's economy is dependent upon the diverse general economy of the metropolitan area and in part upon the agricultural economy of Sarpy County.

Population

Papillion is estimated to be the 11th largest city in Nebraska and covers an area of approximately 6.65 square miles, all within Sarpy County. Historical population statistics for the City are as follows:

Year	*City of Papillion*	*Sarpy County*
1970	5,606	63,696
1980	6,399	86,015
1990	10,372	102,583
2000	16,363	122,595
2010	18,894	158,840
2017 est.	19,539	181,439

Source: U.S. Bureau of the Census, Dept. of Economic Development

Government

Papillion is a municipal corporation and a city of the first class, organized under the Mayor-Council plan of government and governed by a Mayor and an eight-member City Council. The City provides general municipal governmental services, including sewer and water service, street construction and maintenance, library facilities, parks and recreational facilities and police and fire protection. The City's budget is governed by the Nebraska Budget Act. The City has in the course of recent years maintained capital improvements needed in each year to serve the sustained growth and economic development of the community.

As the City is presently organized, the Mayor has supervisory control of the officers and affairs of the City. In addition to the professional staff, advisory boards and committees are used for advice and operations support. Day-to-day operations are supervised by the City Administrator.

City officials are as follows:

David Black	Mayor
Steve Engberg	Council Member
Jason Gaines	Council Member
James Glover	Council Member
Gene Jaworski	Council Member
Lu Ann Kluch	Council Member
Tom Mumgaard	Council Member
Bob Stubbe	Council Member
Steve Sunde	Council Member
Christine Myers	City Administrator
Nancy Hypse	Finance Director/Treas.
Nicole Brown	City Clerk
Jeff Thompson	Public Works Director/City Engineer
Karla Rupiper	City Attorney

City Employees

The City has 210 full-time employees and 52 part-time and approximately 234 seasonal employees not including the Mayor and Council. The City's employees are represented by three unions covering civilian employees and police officers and firefighters. The number of City employees has remained relatively stable over the past five years.

Pension Fund

The City provides retirement benefits for its police officers and firefighters through defined contribution plans. The City provides retirement benefits to other employees through a deferred compensation plan. For full information on retirement benefits, see Note H and Note I to the City's Financial Statements, as included in Appendix A.

Education

Educational needs of the community are provided by the Papillion-La Vista Public Schools, providing public education for kindergarten through grade twelve and covering approximately 18,000 acres. The District is a Class 3 public school district, created by the State of Nebraska. The District operates two senior high schools, three middle schools, fourteen elementary schools and one alternative school. One private K-8 Catholic school is located in Papillion. K-12 total enrollment of the District is approximately 11,725 students, as of September 2018. The District employs approximately 1,683 persons and is accredited by the Nebraska Department of Education. The District's secondary schools are accredited by the North Central Association of Colleges and Schools.

Also serving the community are colleges and universities in the surrounding area including Bellevue University, Metropolitan Community College, University of Nebraska at Omaha, University of Nebraska Medical Center, College of Saint Mary, Grace University, Nebraska Christian College and Creighton University.

Health Care

Health care needs of the community are provided by CHI Health Midlands Hospital, located south of Highway 370 and 84th Street in Papillion. Midlands Hospital is licensed for 131 beds and is part of the CHI Health System, one of the nation's top 20 fully integrated health care systems. A medical office complex is located adjacent to the hospital. Opened in May of 2010, the Bellevue Medical Center located to the east of the City on Highway 370 is a full-service hospital that houses 266,000 square feet of comprehensive patient services which includes 55 private inpatient suites and 47 outpatient beds. A new 60,000 square foot medical office building connected to the main hospital houses family medicine and specialty physicians.

Additional health facilities located in the Omaha metropolitan area include CHI Health Creighton University Medical Center - Bergan Mercy, CHI Health Immanuel, CHI Health Lakeside Hospital, Boys Town National Research Hospital, Children's Hospital & Medical Center, Douglas County Community Mental Health Center, CHI Health Clinic, the Nebraska Medical Center, the OrthoNebraska Hospital and Methodist Hospital.

Recreational

The City has a variety of fully equipped neighborhood and city parks, athletic fields and complexes and the Papio Bay Aquatic Center. Two 18-hole golf courses and clubhouses and a par-three, 18-hole golf course are located within the community. Walnut Creek Recreation Area is a 450-acre mixed-use recreation area including a 105-acre lake with features that include camping, hiking and biking trails, horseback riding trails, and fishing. Prairie Queen Recreation Area is a 335-acre recreational area including a 135-acre lake with hiking and biking trails and fishing.

The City is currently constructing a 120,000-square-foot recreational facility, which will include, among other features, an indoor water park with a lazy river, water slides and multiple pools; a gymnasium and fitness equipment; an indoor children's playground; a jogging track; and a digital library, senior center and event spaces with a catering kitchen. The 80,000-square-foot field house which was part of this project opened on November 1, 2018. Also included in the project is a lighted, synthetic turf soccer/football/lacrosse field.

Financial Institutions

Banking services in the City are provided by American National Bank (Branch of Omaha), Charter West National Bank (Branch of West Point), First National Bank of Omaha (Branch of Omaha), Pinnacle Bank (Branch of Lincoln), SAC Federal Credit Union, Great Western Bank (Branch of Watertown, South Dakota), Wells Fargo Bank, National Association (Branch of Sioux Falls, South Dakota), U.S. Bank N.A. (Branch of Cincinnati, Ohio), and Omaha Police Federal Credit Union (Branch of Omaha).

Housing and Construction

The number of residential and commercial building permits issued within the City limits and its zoning jurisdiction for the last ten fiscal years are as follows:

Calendar Year	Number of Commercial Permits	Number of Residential Permits
2018	124	329
2017	104	295
2016	93	340
2015	71	270
2014	99	242
2013	121	282
2012	71	201
2011	80	208
2010	62	187
2009	64	239

Source: The City's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018.

New residential development surrounding the City occurs primarily in sanitary and improvement districts which are independently responsible for indebtedness incurred for street, sewer, water and other local improvements, unless and until annexed. Valuation attributable to the permits shown above may not become part of the City's taxable valuation for several years.

Housing Statistics

	City of Papillion	Sarpy County	State of Nebraska
Households, 2013 - 2017	7,358	63,851	748,405
Homeownership rate, 2013-2017	67.7%	69.9%	66.0%
Median value of owner-occupied housing units, 2013-2017	$172,700	$173,900	$142,400
Median household income, 2013-2017	$76,259	$75,752	$56,675

Source: U.S. Census Bureau Quick Facts

Utilities

The City owns and operates its own water and sanitary sewer systems. Water is provided by the Metropolitan Utility District for a small portion of territory annexed by the City of Papillion in 2015. Electric service within the City is provided by Omaha Public Power District. Sanitary sewage treatment is provided by the City of Omaha. Solid waste disposal is provided by independent contractors currently using a County-owned landfill as the primary disposal site. Such landfill is scheduled to close in the near future and other arrangements will need to be made. Natural gas is supplied by Black Hills Energy.

Employment (Sarpy County)

Year	Labor Force	Employed	Unemployment Rate (%)	Nebraska Unemployment Rate (%)	National Unemployment Rate (%)
2017	92,240	89,675	2.8%	2.9%	4.4%
2016	91,897	89,213	2.9	3.1	4.9
2015	90,635	88,088	2.8	3.0	5.3
2014	89,768	86,988	3.1	3.0	6.2
2013	89,279	86,071	3.6	3.6	7.4

Source: Bureau of Labor Statistics Data

TAX BASE DATA

Values for Tax Levy Purposes

Year	*Sarpy County School District 0027*	*City of Papillion*	*County of Sarpy*
2014	$4,433,295,979	$1,375,367,968	$11,995,964,919
2015	4,751,885,810	1,466,682,966	12,785,158,397
2016	5,061,354,648	1,523,193,667	13,565,438,185
2017	5,422,848,309	1,635,890,973	14,493,101,695
2018	5,755,297,786	1,885,132,625	15,511,549,423

Source: Nebraska Auditor of Public Accounts

Tax Levy History ($ per $100)

Fiscal Year	**City**	**County**	**School District**	**Metro Comm College**	**Papio Nat Res Dist**	**Ag Soc.**	**ESU 3**	**Total**
2014/15	.4519	.2999	1.3131[(1)]	.0950	.0328	.0022	.0150	2.2099
2015/16	.4519	.2969	1.3187[(2)]	.0950	.0380	.0024	.0150	2.2179
2016/17	.4519	.2969	1.3201[(3)]	.0950	.0380	.0026	.0150	2.2194
2017/18	.4519	.2969	1.3221[(4)]	.0950	.0378	.0026	.0150	2.2213
2018/19	.4519	.2969	1.3221[(5)]	.0950	.0376	.0027	.0150	2.2212

(1) Includes Learning Community General Fund Levy of .9500 and Elementary Learning Center levy of .0100.
(2) Includes Learning Community General Fund Levy of .9500 and Elementary Learning Center levy of .0150 and Includes Capital Projects of .00125.
(3) Includes Learning Community General Fund Levy of .9500, Elementary Learning Center levy of .0140, Building Fund Levy of .01000 and Capital Projects of .00125.
(4) Includes Learning Community General Fund Levy of 0.0163 and Papillion-La Vista Bond Levies 3, 4 and 5 of 0.1015, 0.0565 and 0.0719, respectively.
(5) Includes Learning Community General Fund Levy of 0.0163 and Papillion-La Vista Bond Levies 3, 4, 5 and 6 of 0.0982, 0.0544, 0.0667 and 0.0150, respectively.

Source: Sarpy County Assessor's Office

Tax Collection History

The fiscal year of the City begins October 1 and ends September 30. First installments of real estate taxes become delinquent the following April 1, second installment becomes delinquent August 1; personal property taxes become delinquent April 1 and August 1. Delinquent taxes bear 14% interest. Property taxes collected on the City levy for the five most recently completed years are as follows:

Fiscal Year	Taxes Levied	Taxes Received as of September 30*	Actual Receipts as a % of Taxes Levied*
2013	$6,118,914	$6,050,975	98.89%
2014	6,084,480	6,009,950	98.78
2015	6,215,604	6,155,771	99.04
2016	6,628,278	6,575,013	99.20
2017	6,883,663	6,779,919	98.49
2018	7,392,968	7,362,564	99.59

*Does not include receipts from previous years, interest and penalties.

Largest Taxpayers

Listed below are the largest taxpayers in the City of Papillion.

Taxpayer	Type of Business	2018 Taxable Assessed Valuation	% of Total
PPG Shadow Real Estate LLC	Shopping Mall	$106,293,490	5.64%
Raven Northbrook LLC	Data Provider	35,738,145	1.90
IREIT Papillion Market Pointe LLC	Shopping Mall	22,480,000	1.19
The Travelers Indemnity Company	Data Provider	22,360,588	1.19
LCN SKO Omaha Multi LLC	Retail Distribution Center	20,500,000	1.09
Lincoln Road LLC	Private Investment Firm	17,472,000	0.93
SAC Federal Credit Union	Financial Institution	16,290,000	0.86
FMR YGNACIO I LLC	Data Provider	15,994,350	0.85
Wal-Mart Real Estate Business Trust	Retail Store	14,836,385	0.79
Papillion Building LLC	Data Provider	14,610,000	0.78

Source: Annual Financial Report for the fiscal year ended September 30, 2018

Sales Tax

Collections from the City's Local Sales and Use Tax are as follows:

Fiscal Year	Amount Collected 1.5%	Amount Collected 0.5%
2013/14	$ 7,882,486	-
2014/15	8,641,673	-
2015/16	9,215,806	-
2016/17	9,755,459	$2,100,703
2017/18	11,246,085	3,748,737

The City began receiving collections from the Additional Sales Tax on March 1, 2017
Source: The City's Comprehensive Annual Financial Report for each respective fiscal year.

Retail Sales

Year	Papillion Net Taxable Sales	Sarpy County Net Taxable Sales
2018	$654,331,293	$1,952,317,063
2017	610,058,866	1,835,611,916
2016	591,235,337	1,743,450,920
2015	606,847,414	1,691,615,901
2014	593,543,958	1,566,802,225

Source: Nebraska Department of Revenue

Highway Allocation Fund

Revenues received by the City of Papillion from the State of Nebraska Highway Allocation Fund are as follows:

Fiscal Year	Revenues
2013/14	$1,552,815
2014/15	1,604,149
2015/16	1,630,068
2016/17	1,731,209
2017/18	1,862,964

Source**:** The City's Comprehensive Annual Financial Report for each respective fiscal year.

APPENDIX B

CITY OF PAPILLION AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2018

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of __________, 2019 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by the City of Papillion, Nebraska (the **"Issuer"**).

RECITALS

A. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the City of Papillion Municipal Facilities Corporation, on behalf of the Issuer, of **$________ Building Refunding Bonds (Public Works and Park Maintenance Facilities), Series 2019** (the **"Bonds"**), pursuant to an Ordinance adopted by the governing body of the Issuer on __________, 2019 (the **"Ordinance"**).

B. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule. The Issuer is the only "**obligated person**" with responsibility for continuing disclosure pursuant to the Rule and hereunder.

Pursuant to the requirements of the Rule, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

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

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Material Events" means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 2. Provision of Annual Reports.

The Issuer shall not later than **May 1** of each year, commencing **May 1, 2020**, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):

(a) The annual financial statements of the Issuer for the prior fiscal year, prepared in accordance with accounting principles generally accepted in the United States for governmental units as prescribed by the Governmental Accounting Standards Board, which financial statements shall have been audited as shall be then required or permitted by the laws of the State of Nebraska.

(b) Updated financial information and operating data of the type contained in the final Official Statement as described in **Exhibit A,** in substantially the same format contained in the final Official Statement. Such financial information and operating data may be included as Supplementary Information to the Issuer's audited financials.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **"obligated person"** (as defined by the Rule), which have been provided to the MSRB and are available through EMMA. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

Section 3. Reporting of Material Events. Not later than **10** business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other

material events affecting the tax status of the Bonds;

(7) modifications to rights of bondholders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;

(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

All documents provided to the MSRB pursuant to this Continuing Disclosure Undertaking shall be accompanied by identifying information as prescribed by the MSRB.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such assumption occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such assumption in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any such Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the

Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver 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, notice of such change shall be given in the same manner as for a Material Event under **Section 3**.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the Issuer includes any information in any Annual Report or notice of occurrence of a Material Event in addition to the information specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Continuing Disclosure Undertaking shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Nebraska.

EXHIBIT A TO CONTINUING DISCLOSURE UNDERTAKING

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The information contained in the following sections of the final Official Statement relating to the Bonds:

- APPENDIX A: THE CITY OF PAPILLION, NEBRASKA: FINANCIAL STATEMENT
- APPENDIX A: TAX BASE DATA: Sales Tax (including collections from the Additional Sales Tax, when available)