

RESOLUTION NO _____

AUTHORIZING INTERNAL ADVANCE
OF FUNDS AND ECONOMIC DEVELOPMENT GRANT FOR GREATER
MUSCATINE CHAMBER OF COMMERCE AND INDUSTRY SUPPORT
PROGRAM

WHEREAS, the City of Muscatine, Iowa (the "City"), has established the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") and has created the Urban Renewal Area Tax Increment Revenue Fund (the "Tax Increment Fund") in connection therewith; and

WHEREAS, Chapter 15A of the Code of Iowa ("Chapter 15A") declares that economic development is a public purpose for which a city may provide grants, loans, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans or other financial assistance, a city council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that, in determining whether funds should be spent, a city council must consider any or all of a series of factors; and

WHEREAS, the City has undertaken the Greater Muscatine Chamber of Commerce and Industry (the "Chamber") Support Program (the "Program") as an economic development urban renewal project in the Urban Renewal Area, and the City will incur costs (the "Costs") in connection with the carrying out of such Program and providing funding support to the Chamber in its 2015 fiscal year; and

WHEREAS, in order to cover the Costs and to facilitate the use of future incremental property tax revenues for the funding of the Program, it is necessary to facilitate an internal advance of funds;

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. It is hereby directed that an amount not in excess of Thirty-Eight Thousand Dollars (\$38,000) be advanced (the "Advance") from the General Fund in order to fund the Costs. The Advance shall be repaid to the General Fund out of incremental property tax revenues received with respect to the Urban Renewal Area. The Advance shall not bear interest.

It is intended that the Advance, shall be repaid in one annual installments on June 1, 2016, provided, however, that repayment of the Advance is subject to the determination of future City Councils that there are incremental property tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Fund relative to the Advance, and the City Council reserves the right to appropriate funds to the repayment of the Advance, or to withhold such appropriation, at its discretion.

Section 2. Pursuant to the factors listed in Chapter 15A, the City Council hereby finds that:

a) The Program will add diversity and generate new opportunities for the Muscatine and Iowa economies;

b) The Program will generate public gains and benefits, which are warranted in comparison to the amount of the proposed Grant;

Section 3. The City Council further finds that a public purpose will reasonably be accomplished by making the Grant to the Chamber.

Section 4. The Grant in an amount not to exceed \$38,000 is hereby approved. The City staff are hereby authorized and directed to prepare any additional documentation, with the advice of bond counsel, as are deemed necessary to carry out the purposes of this Resolution. The Mayor and the City Clerk are hereby authorized execute such documents as may be necessary to implement the Grant approved herein.

Section 5. A copy of this Resolution shall be filed in the office of the County Auditor of Muscatine County, Iowa to evidence the Advance. Pursuant to Section 403.19 of the Code of Iowa, the City Clerk is hereby directed to certify, no later than December 1, 2014, the original amount of the Advance.

Section 6. All resolutions or parts thereof in conflict herewith, are hereby repealed, to the extent of such conflict.

PASSED AND APPROVED this November 6, 2014.

Mayor

Attest:

City Clerk