



FINANCE & RECORDS**MEMO**

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: November 3, 2014

Re: Resolution for Annual Appropriation for Tax Increment Financing (TIF) Obligation - Wal-View Developments

Introduction and Background:

The City entered into a Development Agreement with Wal-View Developments Limited Company/GSTC Logistics, Inc. on June 20, 2013. This agreement provides for ten years of TIF rebates to this Company in the percentages specified in the Agreement. Per the Agreement, these rebate payments are subject to annual appropriations to be approved by City Council each year.

TIF Annual Appropriation Resolution:

Cities in Iowa are required to certify the amount of TIF funds to be claimed for each TIF district no later than December 1 of the year prior to the fiscal year for which the funds will be collected. The City has scheduled the first TIF rebate payment to Wal-View Developments for the fiscal year beginning July 1, 2015. At this time it is necessary for the City Council to obligate for appropriation funds anticipated to be received in Urban Renewal Tax Revenue Fund in the fiscal year beginning July 1, 2015 in the amount not to exceed \$545,000.

Recommendation:

The attached resolution provides for the appropriation of an amount not to exceed \$545,000 for the Wal-View Developments TIF rebate for the fiscal year beginning July 1, 2015. It further directs the City Clerk to certify this debt to be payable from the Southend Urban Renewal Tax Increment Revenue Fund and to reflect this amount in the City's budget for the next fiscal year.

Please include the attached resolution on the agenda for the November 6, 2014 meeting. If there are any questions or if any additional information is needed, please contact me.

RESOLUTION _____

Obligating funds from the Urban Renewal Tax Revenue Fund for appropriation to the payment of annual appropriation tax increment financed obligations which shall come due in the next succeeding fiscal year

WHEREAS, the City of Muscatine, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the City of Muscatine Southend Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, this Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City has scheduled payments in the amount not to exceed \$545,000 (the "Annual Payment") which shall come due in the fiscal year beginning July 1, 2015 with respect to the City's Development Agreement with Wal-View Developments Limited Company/GSTC Logistics, Inc. dated June 20, 2013; and

WHEREAS, it is now necessary for the City Council to obligate for appropriation to the Annual Payment, funds anticipated to be received in Urban Renewal Tax Revenue Fund in the fiscal year beginning July 1, 2015;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. The City Council hereby obligates an amount not to exceed \$545,000 for appropriation from the Urban Renewal Tax Revenue Fund to the Annual Payment in the fiscal year beginning July 1, 2015.

Section 2. The City Clerk is hereby directed to certify the amount obligated for appropriation in Section 1 above, on the City's December 1, 2014 certification of debt payable from the Urban Renewal Tax Revenue Fund and to reflect such amount in the City's budget for the next succeeding fiscal year.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved November 6, 2014.

Mayor

Attest:

City Clerk