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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: November 7, 2018

Re: Resolutions for Annual Appropriation for Tax Increment Financing (TIF) Obligations for (1) Wal-View Developments Project #1, (2) H.J. Heinz L.P., (3) Wal-View Developments Project #2, (4) Union Tank Car Company, (5) Harrison Lofts, LLC, (6) Riverview Hotel Development, and (7) HNI Corporation

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. The fiscal year 2019/2020 rebate will be the 5th annual rebate under this agreement.

The City entered into a Development Agreement with H.J. Heinz, L.P. on February 20, 2014. This agreement provides for five years of TIF rebates to this Company in the percentages specified in the Agreement. The fiscal year 2019/2020 rebate will be 4th annual rebate under this agreement.

The City entered into a 2nd Development Agreement with Wal-View Developments Limited Company/GSTC Logistics, Inc. on December 18, 2014. This agreement provides for ten years of TIF rebates to this Company in the percentages specified in the Agreement. The fiscal year 2019/2020 rebate will be the 3rd annual rebate under this agreement.

The City entered into a Development Agreement with Union Tank Car Company on October 15, 2015. This agreement provides for ten years of TIF rebates to this Company in the percentages specified in the Agreement. The fiscal year 2019/2020 rebate will be 3rd annual rebate under this agreement.

The City entered into a Development Agreement with Harrison Lofts, LLC on October 20, 2016. This agreement provides for fifteen years of TIF rebates to this Company in the percentages specified in the Agreement. The fiscal year 2019/2020 rebate will be 1st annual rebate under this agreement.

The City entered into a Development Agreement with Riverview Hotel Development on June 1, 2017. This agreement provides for twenty years of TIF rebates to this Company in the percentages specified in the Agreement. The fiscal year 2019/2020 rebate will be 1st annual rebate under this agreement.

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

The City entered into a Development Agreement with HNI Corporation on February 9, 2017. This agreement provides for ten years of TIF rebates to this Company in the percentages specified in the Agreement. The fiscal year 2019/2020 rebate will be 1st annual rebate under this agreement.

Per these agreements, these rebate payments are subject to annual appropriations to be approved by City Council each year.

TIF Annual Appropriation Resolutions (7):

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 rebate payments to Wal-View Developments for their first project, H.J. Heinz L.P., Wal-View Developments for their 2nd project, Union Tank Car Company, Harrison Lofts, LLC, Riverview Hotel Development, and HNI Corporation for the fiscal year beginning July 1, 2019. At this time, it is necessary for the City Council to obligate for appropriation funds anticipated to be received in Urban Renewal Tax Revenue Funds in the fiscal year beginning July 1, 2019.

Recommendation:

There are seven resolutions for this agenda item:

1. The first resolution provides for the appropriation of an amount not to exceed \$650,000 for the Wal-View Developments Project #1 TIF rebate for the fiscal year beginning July 1, 2019. 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.
2. The second resolution provides for the appropriation of an amount not to exceed \$7,800 for the H.J. Heinz, L.P. TIF rebate for the fiscal year beginning July 1, 2019. It further directs the City Clerk to certify this debt to be payable from the Industrial Urban Renewal Tax Increment Revenue Fund – Heinz, and to reflect this amount in the City's budget for the next fiscal year.
3. The third resolution provides for the appropriation of an amount not to exceed \$242,000 for the Wal-View Developments Project #2 TIF rebate for the fiscal year beginning July 1, 2019. 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.
4. The fourth resolution provides for the appropriation of an amount not to exceed \$17,500 for the Union Tank Car Company TIF rebate for the fiscal year beginning July 1, 2019. 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.
5. The fifth resolution provides for the appropriation of an amount not to exceed \$42,000 for the Harrison Lofts, LLC TIF rebate for the fiscal year beginning July 1, 2019. It further directs the City Clerk to certify this debt to be payable from the Highway 38 Northeast as Amended Urban Renewal Tax Increment Revenue Fund and to reflect this amount in the City's budget for the next fiscal year.

6. The sixth resolution provides for the appropriation of an amount not to exceed \$540,000 for the Riverview Hotel Development TIF rebate for the fiscal year beginning July 1, 2019. It further directs the City Clerk to certify this debt to be payable from the Iowa Reinvestment District Urban Renewal Tax Increment Revenue Fund and to reflect this amount in the City's budget for the next fiscal year.
7. The seventh resolution provides for the appropriation of an amount not to exceed \$80,000 for the HNI Corporation TIF rebate for the fiscal year beginning July 1, 2019. It further directs the City Clerk to certify this debt to be payable from the North University 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 seven resolutions on the agenda for the November 15, 2018 meeting. If there are any questions or if any additional information is needed, please contact me.