

RESOLUTION NO 2019-0372

AUTHORIZING INTERNAL ADVANCE  
OF FUNDS FOR FY 2020-2021 DEBT SERVICE REQUIREMENTS FOR THE  
DOWNTOWN STREETSCAPE PROJECT

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, the City has authorized the Downtown Streetscape Project (the "Project") as an urban renewal project in the Urban Renewal Area with a portion of the costs of this Project to be funded from the May 2020 bond issue;

WHEREAS, the City will incur annual debt service costs (the "Costs") in connection with this project to be repaid from future incremental tax funds;

WHEREAS, in order to cover the Costs and to make such Costs eligible to be recouped from future incremental property tax revenues, it is necessary to facilitate an internal advance of funds;

WHEREAS, an advance in an amount not to exceed Three Hundred and Fifty Thousand (\$350,000) is needed to fund the estimated principal and interest payments that will come due in fiscal year 2021 on this project (the "Advance");

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

Section 1. It is hereby directed that Three Hundred and Fifty Thousand (\$350,000) be advanced from the General Fund (the "Advance") in order to fund the Costs. The Advance shall be repaid to the General Fund, out of future 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 installment of \$350,000 on June 1, 2021, 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. 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, 2019, the full amount of the Additional Advance.

Section 3. All resolutions or parts thereof in conflict herewith, are hereby repealed, to the extent of such conflict.

PASSED AND APPROVED this 7th day of November, 2019.

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Mayor

Attest:

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Acting City Clerk