

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND - MUSCATINE MALL

GENERAL INFORMATION:

In January, 2008, the City entered into an agreement with the new owners of the Muscatine Mall to assist in their plan to redevelop, renovate and improve this mall. The agreement provides for a rebate of 50% of the incremental taxes for a 20-year period up to a maximum total of \$5,325,000. In 2009 the Development Agreement for the Muscatine Mall was amended to specifically include the construction of student housing and town homes on the southeast corner of the Mall property. As of the date the budget was approved, no work has been done on this project.

Fiscal year 2009/2010 was the first year of this TIF rebate agreement and the rebate was \$5,317. For 2010/2011 the TIF rebate increased to \$14,106. For 2011/2012, however, there was a revaluation of the taxable value of this property which decreased the incremental value of this property. This resulted in a decrease in the rebate to \$12,489. The rebate for 2012/2013 increased to 13,153 and is estimated at \$18,500 for 2013/2014. This rebate is expected to increase in future years as improvements to the property are completed.

Tax Increment Fund - Muscatine Mall

Fund Statement

	<u>Actual 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance, July 1	\$ 2,357	\$ 1,729	\$ 3,399	\$ 3,405	\$ 5,152
Revenues					
Incremental Taxes	\$ 14,139	\$ 14,159	\$ 15,000	\$ 14,900	\$ 19,000
Interest	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 14,145</u>	<u>\$ 14,165</u>	<u>\$ 15,000</u>	<u>\$ 14,900</u>	<u>\$ 19,000</u>
Funds Available	<u>\$ 16,502</u>	<u>\$ 15,894</u>	<u>\$ 18,399</u>	<u>\$ 18,305</u>	<u>\$ 24,152</u>
Expenditures:					
Tax Rebate - Muscatine Mall	\$ 14,106	\$ 12,489	\$ 13,400	\$ 13,153	\$ 18,500
Legal Services	<u>667</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 14,773</u>	<u>\$ 12,489</u>	<u>\$ 13,400</u>	<u>\$ 13,153</u>	<u>\$ 18,500</u>
Ending Balance, June 30	<u><u>\$ 1,729</u></u>	<u><u>\$ 3,405</u></u>	<u><u>\$ 4,999</u></u>	<u><u>\$ 5,152</u></u>	<u><u>\$ 5,652</u></u>
Increase (Decrease) in					
Fund Balance	\$ (628)	\$ 1,676	\$ 1,600	\$ 1,747	\$ 500

1. For the 2012/2013 year the City certified approximately \$11,500 less than the total available increment.
2. For the 2013/2014 year the City certified approximately \$18,000 less than the total available increment.