

SPECIAL REVENUE FUNDS

TAX INCREMENT FINANCING (TIF) FUND – HIGHWAY 38 NORTHEAST

(INCLUDES VILLAS AT MCC AND COLORADO STREET IMPROVEMENTS)

GENERAL INFORMATION:

In April of 2009 the original Highway 38 Northeast Urban Renewal Area was amended to include the Clay and Colorado Street right-of-ways. This area has been further expanded to include specific properties along Colorado Street.

In January of 2011 the City entered into an agreement with the Villas at MCC, LLC to assist in their construction of new student housing facilities off of Colorado Street near Muscatine Community College (MCC). The agreement provides for a rebate of 50% of the incremental taxes for a 10-year period up to a maximum total of \$425,000. Fiscal year 2013/2014 is first year of the rebate under this agreement. The incremental value for 2013/2014 is \$1,331,140. Based on that value, incremental taxes are estimated at \$47,115 for the first year and the 50% rebate is \$23,600.

In 2012, as part of the planning for the Colorado Street Improvement project, the City acquired a portion of the Pierce Furniture property on Colorado Street. The City used the proceeds from the sale of the former Armory facility to fund a portion of the land acquisition costs. The remaining \$83,000 of the land costs will be funded from incremental taxes from this TIF district. The City Council approved an internal loan in the amount of \$83,000 in November of 2012. This loan will be repaid over two years with incremental taxes from this TIF area in the amount of \$36,800 in 2013/2014 and \$46,200 in 2014/2015.

For 2013/2014 the City is claiming the full amount of the incremental taxes available from this TIF area estimated at \$60,400. This will fund the rebate to the Villas at MCC as well as the first payment on the internal loan.

Tax Increment Fund - Highway 38 Northeast (As Amended)

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Incremental Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,400
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>
Funds Available	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>
Expenditures:					
Tax Rebate - Villas at MCC	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,600 (1)
Transfer Out:					
Internal Loan - Pierce Acquisition	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,800 (2)</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,400</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Increase (Decrease) in					
Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

1. Fiscal year 2013/2014 is the first year of a 10-year, 50% TIF rebate agreement for Villas at MCC, LLC.
2. An internal loan for the balance of the Pierce property acquisition was entered into in November, 2012. This loan totals \$83,000 and will be repaid over two years (\$36,800 in 2013/2014 and \$46,200 in 2014/2015).