



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 7-15-21

City Council

STAFF

Nancy A. Lueck, Finance Director

SUBJECT

Resolution Approving the Internal Advance of Funds for the Preliminary Design for the Riverfront Amphitheater Project

EXECUTIVE SUMMARY

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 must have incurred debt in order to claim the TIF funds to be certified. Debt certified can be in the form of general obligation bonds, tax increment revenue bonds, TIF rebate agreements, or internal advances (loans).

At the July 15 meeting, the City will be considering entering into an agreement in the amount of \$50,000 for the preliminary design of an amphitheater on the Riverfront. The Riverside Park Improvement project was included in the March 2018 Urban Renewal Plan Amendment, which makes the amphitheater preliminary design eligible for TIF funding. The Urban Renewal Amendment specifically included the amphitheater project as one of the improvements in the Riverside Park Improvement Project.

It is recommended that the City Council adopts the Resolution Approving the Internal Advance of \$50,000 for the Riverfront Amphitheater Preliminary Design so these design costs can be funded from future TIF (Tax Increment Financing) funds.

STAFF RECOMMENDATION

Staff recommends City Council to take action to approve the Resolution for the Internal Advance of Funds for the Preliminary Design for the Riverfront Amphitheater Project.

BACKGROUND/DISCUSSION

The City is proposing to enter into an agreement with a consultant in the amount of \$50,000 to prepare the preliminary design for the proposed Riverfront Amphitheater. The preliminary design will provide the basic design of the facility that can be used for the planned fundraising efforts for the construction of the project.

The Riverside Park Improvement project was included in the March 2018 Urban Renewal Plan Amendment, which makes the preliminary design costs for this project eligible for TIF (tax increment financing) funding. An Internal Advance needs to be approved in order to create the debt to make these costs eligible for TIF funding.

CITY FINANCIAL IMPACT

With funding the above preliminary design costs from TIF funds, there will be no impact on the City's operating budget. The Internal Advance will be repaid with available funds in the Southend TIF fund.

ATTACHMENTS

1. Resolution Approving the Internal Advance of Funds for the Preliminary Design for the Riverfront Amphitheater Project

RESOLUTION NO 2021-0254

AUTHORIZING INTERNAL ADVANCE OF FUNDS FOR THE
PRELIMINARY DESIGN COSTS FOR THE RIVERFRONT
AMPHITHEATER 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 undertaken the Riverside Park Improvement Project (the “Project”) as an urban renewal project in the Urban Renewal Area, and the City will incur costs (the “Costs”) in connection with the carrying out of such Project;

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;

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

Section 1. It is hereby directed that Fifty Thousand Dollars (\$50,000) 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 annual installment, on June 1, 2022, 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, 2021, the full amount of the Advance.

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

PASSED AND APPROVED this 15th day of July, 2021.

Mayor

Attest:

City Clerk