

November 17, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Internal Advance
For Urban Renewal Projects



ACTION: For vote Monday, November 24, 2014

Brief History

The City has undertaken urban renewal projects in the Urban Renewal Areas and the City has and will incur Professional Fees, Personnel Expenses, Property Maintenance Costs, Administrative Costs and costs associated with the Crosstown Connector Project for the 2014-2015 fiscal year (collectively the "Program Costs").

Analysis of Issue

In order to cover the Program 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.

Budget Impact

\$75,000 will be advanced from the general fund to cover personnel expenses for 2014-2015 fiscal year. This includes time tracked by individuals who spend time working on TIF-related projects. The salaries are paid from the general fund and then reimbursed by TIF, based on the number of hours worked on TIF-related projects. \$265,000 will be advanced from the Economic Development Revolving Fund to cover professional fees, which are primarily legal fees for TIF-related projects; property maintenance costs, which is for mowing, snow removal and general maintenance costs on City-owned properties, administrative costs, which is any other miscellaneous expense, such as recording fees or abstracting associated with TIF-related project for the 2014-2015 fiscal year, and expenses incurred as part of the Crosstown Connector Project.

Strategic Plan Impact

Policy C.1.6: City government shall be an active participant, facilitator and partner in the creation of large and small business and industrial development opportunities capitalizing upon the unique human and economic resources of the area.

Existing Plan Impact

Consistent with the Urban Renewal Plan.

Subcommittee or Commission Review / Recommendation

None

Staff Conclusions / Recommendations

Approve the internal advance to the Tax Increment Revenue Fund.

Alternatives

The only alternative would be to not approve the internal advance, but then we would not be able to recoup the expenses from future incremental property tax revenues.

Implementation and Accountability

If this internal advance is approved, staff will ensure that debt is certified to the County in order to recoup the expenses from future incremental property tax revenues.

Signed



Vickie L. Reeck
Community Development Manager

Approved



David R. Fierke
City Manager

RESOLUTION NO _____

AUTHORIZING INTERNAL ADVANCE FOR
URBAN RENEWAL PROJECTS

WHEREAS, the City of Fort Dodge, Iowa (the “City”), has established the Industrial Park and Center City Urban Renewal Areas (the “Urban Renewal Areas”) and has created the Industrial Park and Center City Urban Renewal Areas Tax Increment Revenue Funds (the “Tax Increment Funds”) in connection therewith; and

WHEREAS, the City has approved the Downtown Fort Dodge Self-Supported Municipal Improvement District Support Program, the Fiscal Year 2015 Urban Renewal Administration and Professional Support Program and the Crosstown Connector Support Program for the Urban Renewal Areas and the City has and will incur support costs for the SSMID, Professional Fees, Personnel Expenses, Administrative Costs and Crosstown Connector Expenses for the 2014-2015 fiscal year (collectively the “Program Costs”), as set forth on Exhibit A hereto, in connection with the carrying out of such Programs; and

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

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

Section 1. It is hereby directed that Seventy-Five Thousand Dollars (\$75,000) be advanced from the General Fund (the “General Fund Advance”) in order to cover a portion of the Program Costs. The General Fund Advance shall be repaid to the General Fund, out of future incremental property tax revenues received with respect to the Urban Renewal Areas. The General Fund Advance shall not bear interest.

It is furthermore directed that Two Hundred Sixty-Five Thousand Dollars (\$265,000) be advanced from the Economic Development Revolving Fund (the “EDR Advance”) in order to cover the balance of the Program Costs. The EDR Advance shall be repaid to the EDR Fund, out of future incremental property tax revenues received with respect to the Urban Renewal Areas. The EDR Advance shall not bear interest.

It is intended that the General Fund Advance and the EDR Advance, shall each be repaid in 1 annual installment, on June 1, 2016, provided, however, that repayment of the General Fund Advance and the EDR 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 Funds relative to the General Fund Advance and the EDR Advance, and the City Council reserves the right to appropriate funds to the repayment of the General Fund Advance and/or the EDR 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 Webster County, Iowa to evidence the General Fund Advance and the EDR Advance. Pursuant to Section 403.19 of the Code of Iowa, the City Clerk is hereby directed to certify, no later than December 1, 2014, the original aggregate amount of the General Fund Advance and the EDR Advance.

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

PASSED AND APPROVED this 24th day of November, 2014.

Ayes: _____

Nays: _____

Other: _____

CITY OF FORT DODGE, IOWA

Matt Bemrich, Mayor

Attest:

Jeff Nemmers, City Clerk

Exhibit A – Spreadsheet of Costs

TYPE	FY 2014-2015
Personnel Expenses	\$75,000
Professional Fees	\$25,000
Administrative Costs	\$25,000
SSMID Support – Property Maintenance	\$35,000
Crosstown Connector Expenses	\$180,000