City of Carroll

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MEMO TO: Mike Pogge-Weaver, City Manager MJP-W

FROM: Laura A. Schaefer, Finance Director/City Clerk lao

DATE: October 21, 2020

SUBJECT: Westfield Urban Renewal Plan
Resolution Authorizing Advancement of Costs for Urban Renewal Projects and Certification of Expenses Incurred by the City for Payment Under Iowa Code 403.19

At the October 12, 2020 Council meeting, Council approved a Resolution to Amend the Westfield Urban Renewal Plan to fund projects in the Westfield Urban Renewal Area. Part of the projects in the area includes funding for the administrative costs (legal and recording fees) to amend the urban renewal plan and to reimburse the Road Use Tax Fund for public improvements that were completed in the Area in 2007-2009 that were not reimbursed by the developer.

Attached is resolution that authorizes the advancement of costs and to certify the expenses incurred to the County Auditor. These expenses have been paid from the Road Use Tax Fund and the General Fund and are to be reimbursed by the tax increment financing (TIF) collections from the Westfield Urban Renewal Area.

The City worked with Nathan Overberg, Ahlers & Cooney, to prepare the resolution and document the internal loan from the Westfield Urban Renewal Fund to the Road Use Tax Fund and General Fund.

Section 403.19 of the Iowa Code requires the City Clerk to certify to the County Auditor no later than December 1 the amount of TIF requested to pay for "loans, advances, indebtedness, or bonds payable" in a particular urban renewal area.

RECOMMENDATION: Council consideration and approval of the attached Resolution that authorizes the internal loan to the Road Use Tax Fund and the General Fund from the Westfield Urban Renewal Fund and pledging tax increment revenues from the Westfield Urban Renewal Area for the repayment of the loan.

October 26, 2020

The City Council of the City of Carroll, Iowa, met in regular session, at in the Council Chambers, City Hall Carroll, Iowa at 5:15 P.M., on the above date. There were present _____ in the chair, and the following named Council Members:

_____

_____

Absent: _____

* * * * * * *

Council Member_____ introduced the following Resolution entitled "RESOLUTION AUTHORIZING OR CONFIRMING ADVANCEMENT OF COSTS FOR URBAN RENEWAL PROJECTS AND AUTHORIZING CERTIFICATION OF EXPENSES INCURRED BY THE CITY FOR PAYMENT UNDER IOWA CODE SECTION 403.19" and moved its adoption. Council Member_____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

RESOLUTION NO. _____

RESOLUTION AUTHORIZING OR CONFIRMING ADVANCEMENT OF COSTS FOR URBAN RENEWAL PROJECTS AND AUTHORIZING CERTIFICATION OF EXPENSES INCURRED BY THE CITY FOR PAYMENT UNDER IOWA CODE SECTION 403.19

WHEREAS, by Resolution adopted in 2007, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Westfield Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the Westfield Urban Renewal Area (the "Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Carroll County; and

WHEREAS, the Plan, as originally adopted, generally described the projects as including: "A variety of unidentified private improvements, as well as public infrastructure improvements, are expected to be constructed within the Project Area during the duration of this Urban Renewal Plan;" and

WHEREAS, consistent with this general project description, in 2007-2009 the City engaged in a number or urban renewal projects including the construction of public improvements (street work and related underground utilities) in the Area in support of an economic development project that were paid with City Road Use Tax funds, with the expectation that the developer was going to reimburse the City; unfortunately, the developer has not reimbursed the City for those project costs and the City now intends to reimburse the City Road Use funds with Tax Increment from the Area ("Previous Project"); and

WHEREAS, in October 2020 this Council adopted Amendment No. 1 to the Westfield Urban Renewal Plan ("Amendment"), which Amendment updated the description of the Previous Project and identified additional urban renewal projects to be completed in the Area, including the project described as planning, engineering fees (for urban renewal plans), attorney fees and other related costs to support urban renewal projects and planning (the "Project") within the Urban Renewal Area; and

WHEREAS, the Previous Project and Project are located in the Urban Renewal Area; described on pages 4 - 6 of the Amendment; do not exceed the projected cost estimates described in the Amendment; and, in the judgment of the Council will further one or more of the objectives of the Plan, as amended. Therefore, the Previous Project and Project constitute a public use and purpose as provided by Iowa Code Chapters 15A and 403; and

WHEREAS, the City intends to advance or has advanced costs from the Road Use Tax Fund and General Fund to pay costs associated with the Previous Project and Project, respectively, and thereafter reimburse said funds with tax increment; and

WHEREAS, before approving an urban renewal project for reimbursement with tax increment, it is necessary to make certain findings under Chapter 403; and

WHEREAS, it is the intention of the City to certify the amount of funds advanced for reimbursement under Iowa Code Section 403.19 before December 1, 2020; and

WHEREAS, the amount of funds advanced or to be advanced for the Previous Project and Project is currently estimated not to exceed $194,802.62.

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

Section 1. Pursuant to Ordinance No. 0703, there has been established the Westfield Urban Renewal Area Tax Increment Revenue Fund (the "Tax Increment Fund"), into which all incremental property tax revenues received from the Urban Renewal Area, as amended, are deposited. The Council finds the Previous Project and the Project to be Urban Renewal Projects as defined in Iowa Code Chapter 403, and further finds that said projects are included in the Plan, as amended, for the Urban Renewal Area.

Section 2. It is hereby directed that the total costs for the Previous Project and the Project advanced from time to time from the Road Use Tax Fund and General Fund, respectively, in order to pay the costs of the projects shall be treated as an internal loan (the "Loan") and the Road Use Tax Fund and General Fund shall be reimbursed the total actual project costs from the Tax Increment Fund.

Section 3. All project costs to be incurred for the Previous Project and Project are approved to be advanced or as advanced as described in Section 2. The projects are currently estimated to cost not to exceed $194,802.62.

Section 4. Certification for reimbursement under Iowa Code Section 403.19 shall be made by the Council on or before December 1, 2020.

ADOPTED AND PASSED BY THE CITY COUNCIL OF THE CITY OF CARROLL, STATE OF IOWA, this 26th day of October 2020.

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF _____)

I, the undersigned City Clerk of the City of Carroll, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the City showing proceedings of the City Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of public hearing and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this _____ day of _____, 20__.

_____
City Clerk, City of Carroll, State of Iowa

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