City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

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

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

DATE: November 6, 2019

SUBJECT: Resolution Authorizing Advancement of Costs for An Urban Renewal Project and Certification of Expenses Incurred by the City for Payment Under Iowa Code Section 403.19 – Redevelopment of City Apartments Property

On September 9, 2019, Council approved a resolution authorizing amending the Central Business District Project Area to include Blocks 29, 30 and 37, Carroll (Original Town) in order to allow for redevelopment of the City Apartments property.

The City has acquired the City Apartment property and is in the process of clean-up/demolition. The City has also been working with Nathan Overberg at Ahlers & Cooney, P.C. to get the correct documentation in place to allow for the use of tax increment finance (TIF) collections to reimburse for these acquisition and clean-up/demolition costs. The attached resolution authorizes for the advancement of costs from the General Fund related to this project and requires the certification of costs to the County Auditor before December 1, 2019 in order to collect TIF to reimburse these related expenses.

The amount listed to be advanced and repaid is not to exceed $281,500. The property was acquired for $31,500. While other costs such as closing costs, recording fees and clean-up/demolition costs are not completely known at this time, an estimate of not to exceed $250,000 is included in the resolution.

There is not a set repayment schedule with this advancement. It is intended that any additional TIF collected greater than the amount needed for the Water Utility Fund Internal Loan (used to finance the various phases of the Streetscape Projects) will be repaid to the General Fund.

RECOMMENDATION: Council consideration and approval of the attached Resolution authorizing advancement of costs for an urban renewal project and certification of expenses incurred by the City for payment under Iowa Code Section 403.19 for the redevelopment of the City Apartments property.

November 11, 2019

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 ADVANCEMENT OF COSTS FOR AN URBAN RENEWAL PROJECT AND 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 ADVANCEMENT OF COSTS FOR AN URBAN RENEWAL PROJECT AND CERTIFICATION OF EXPENSES INCURRED BY THE CITY FOR PAYMENT UNDER IOWA CODE SECTION 403.19

WHEREAS, the City of Carroll, Iowa has adopted the Sixth Amended and Restated Central Business District Urban Renewal Plan (the "Plan") for the Central Business District Project Area (the "Urban Renewal Area") for the purpose of undertaking urban renewal projects, including the project described as "[t]he acquisition, demolition, clearing, disconnection of utilities, grading, and/or other related work for the removal of some or all buildings on properties that contain building(s) that has been declared a dangerous building by the City of Carroll," (the "Project") within the Urban Renewal Area; and

WHEREAS, the Project is located in the Urban Renewal Area; is described in Section IV of the Plan; does not exceed the projected Project cost estimate in the Plan; and, in the judgment of the Council will further one or more of the objectives of the Plan and constitutes 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 General Fund to pay costs associated with the Project, and thereafter reimburse said fund 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, 2019; and

WHEREAS, the amount of funds advanced or to be advanced for the Project is currently estimated at $31,500 for acquisition of the property located at 224 N Main Street and not to exceed $250,000 for closing costs, recording fees and all other clean-up/demolition costs related to this property.

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

Section 1. Pursuant to Ordinance Nos. 8502, 9001, 9120, 0817, 1412, 1701, and 19-08, there has been established the Central Business District Project 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 Project to be an Urban Renewal Project as defined in Iowa Code Chapter 403, and further finds that said Project is included in the Plan for the Urban Renewal Area.

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

Section 3. All Project costs to be incurred for the Project are approved, to be advanced as described in Section 2. The Project is currently estimated to cost approximately $281,500.

Section 4. Certification for reimbursement under Iowa Code Section 403.19 shall be made by the Council on or before December 1, 2019.

ADOPTED AND PASSED BY THE CITY COUNCIL OF THE CITY OF CARROLL, STATE OF IOWA, this 11th day of November, 2019.

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF CARROLL)

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

01644614-1\10275-072