

MARSHALLTOWN

— I O W A —

Joel Greer, Mayor
Jessica Kinser, Administrator
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Marshalltown, IA 50158-4911
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TO: Mayor Greer and City Council
FROM: Diana Steiner, Finance Director
DATE: 11/23/2022
RE: TIF Programs

Policy Issue: Authorizing loans to TIF programs and TIF certifications to the County Auditor

<input type="checkbox"/> Goal 1: Expand and improve development	<input checked="" type="checkbox"/> Goal 3: Continually improve the City's organization & services
<input type="checkbox"/> Goal 2: Enhance Marshalltown's public image	<input type="checkbox"/> Goal 4: Partner with others to improve quality of life

Specific Objective/Action: Maintain a financially healthy organization.

Recommendation: Staff recommend approving the annual Tax Incentive Financing (TIF) certifications to the County for FY2024. This is due to the Marshall County Auditor by December 1, 2022

Budget Impact: This certification provides TIF revenue collected by the County through property taxes that then pays for development agreements, bond payments, legal fees, and other agreements that are related to TIF activity.

Description/Background: The Finance Department has prepared the documents for the certification to the County and is requesting your review and approval. The TIF funds will be collected by the County and remitted to the City in fiscal year 2024. Form 1 and 1.1 is the new debt we are certifying to the County for current or future years. In the past, new development agreements or new bond issuances related to TIF were certified for the full amount of the agreement on Form 1.1. However, now that new development agreements require an annual appropriation, just the amount that will be spent in FY24 is listed. The exception is if the certification from a prior year was a different amount than what was estimated. In those instances, the certified amount is adjusted so cumulatively the amount is correct. On Form 2, we request the amount we will need in FY24 to pay out or to make adjustments from prior certifications. Form 3 is used to decertify agreements/loans that have been completed and interest income earned during the previous fiscal year.

Some new items of interest are:

*For URA 2-4, we are requesting to certify funds for administrative costs for time spent by the Finance Director and City Administrator for working on annual TIF certifications, the Annual Urban Renewal Report, façade/code grant reviews and payment processing, etc.

*For the Urban Renewal Area 2 Eastside, we are requesting \$121,000 to start paying the new development agreement with Marshalltown Company that has an annual appropriation requirement. Please note that when there is an annual appropriation requirement, the part of the development

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agreement that counts towards our debt capacity is only the 1-year payment instead of the entire amount outstanding.

*For the Urban Renewal Area 3 Retail Southside, we are requesting \$18,000 to pay the new development agreement with McFarland Clinic that has an annual appropriation requirement.

*For the Urban Renewal Area 4 Uptown, we are requesting \$203,200 for Willard-Hopkins, \$80,000 for Marshalltown Lofts, and \$92,000 for Jose Angel Regalado for development agreements that have an annual appropriation requirement.

*For the Urban Renewal Area 7, we are requesting reimburse for Bolton & Menk invoices related to the legal description of that area.

Below are the projected cash balances at the end of 6/30/2024 with the amount of TIF revenue we are requesting from the County.

TIF	East Side #2 32301	Southside #3 32201 Retail	Uptown #4 32401	URA #7	TOTAL
Projected Cash Balance 6/30/2023	(455.44)	10,778.34	(27,686.17)	-	(17,363.27)
Add revenues:					
Property taxes as certified	281,275.00	153,328.00	676,716.00	3,022.00	1,114,341.00
Interest (est)	-	200.00	-	-	200.00
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	281,275.00	153,528.00	676,716.00	3,022.00	1,114,541.00
Subtract Expenses:					
2020A Bonds		630.00	81,830.00		82,460.00
2012A Bonds		29,350.00	154,088.00		183,438.00
2015 Bonds	59,908.00				59,908.00
Dorsey & Whitney Inv 37442531 pd FY22 certified in FY24	7,594.00				7,594.00
Dorsey & Whitney Inv 3744254 pd FY22			7,737.50		7,737.50
Bolton & Menk Invoices pd in FY22				3,022.00	3,022.00
City Administration Fee	773.00	928.00	7,860.00		9,561.00
MCBD Main Street (LOST for FY24)			-	-	-
Façade & Code grants unassigned			50,000.00		50,000.00
Chamber \$50:\$250K		50,000.00			50,000.00
Menards	92,374.00				92,374.00
Marshalltown Company	120,149.00				120,149.00
Marshallgaam:Holiday Inn	-	45,940.00			45,940.00
McFarland Clinic		17,969.00			17,969.00
Teamwork-1 for Bobcat Academy		8,968.12			8,968.12
Hopkins & Willards			203,200.00		203,200.00
Marshalltown Lofts			79,417.00		79,417.00
Regalado - Grocery store			60,726.00		60,726.00
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	280,798.00	153,785.12	644,858.50	3,022.00	1,082,463.62
Projected Cash Balance 6/30/2024	21.56	10,521.22	4,171.33	-	14,714.11

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