

RESOLUTION No. 5481-2023

APPROVING INTERNAL LOAN AND OBLIGATING FUNDS FROM THE CITY'S
CENTRAL URBAN RENEWAL TAX REVENUE FUND FOR APPROPRIATION TO THE
PAYMENT OF PROJECT

WHEREAS, the City Council of the City of Oelwein, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the City's Central Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, the City Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the "Central Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City has approved an amendment to the urban renewal plan for the Urban Renewal Area that authorizes a project consisting of the use of incremental property tax revenues to expand existing business, encourage development of new business, improve buildings and building facades and provide for renovation of upper stories into housing units (the "Project"); and

WHEREAS, payments related to the Project are scheduled to be made in the fiscal year 2024-25 (the "Fiscal Year 2024-25 Payments"); and

WHEREAS, in order to make the amount of the Fiscal Year 2024-25 Payments eligible to be paid from future incremental property tax revenues that will be received in the Central Urban Renewal Tax Revenue Fund, it is necessary to create an internal TIF debt; and

WHEREAS, it is now necessary for the City Council to obligate for appropriation to the Fiscal Year 2024-25 Payments funds from the Central Urban Renewal Tax Revenue Fund;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Oelwein, Iowa, as follows:

Section 1. It is hereby directed that \$75,000 be advanced to the Central Urban Renewal Tax Revenue Fund from the City's Local Option Sales Tax Fund, in order to make the Fiscal Year 2024-25 Payments. This advance shall be treated as a loan (the "Loan") to the Central Urban Renewal Tax Revenue Fund and shall be repaid to the Local Option Sales Tax Fund out of incremental property tax revenues received in the Central Urban Renewal Tax Revenue Fund in the future.

Payments may be made on the Loan on June 1 of each year, to the extent there are incremental property tax revenues available for such purpose which have been allocated to or accrued in the Central Urban Renewal Tax Revenue Fund. The City reserves the right to issue other obligations, or to enter into additional loans, payable from the Central Urban Renewal Tax Revenue Fund, which may either rank on a parity with the Loan or may have a priority over the Loan with respect to the revenues in the Central Urban Renewal Tax Revenue Fund.

Section 2. There is hereby obligated for appropriation from the Central Urban Renewal Tax Revenue Fund the amount of \$75,000 in order to make the Fiscal Year 2024-25 Payments

Section 3. The Central Urban Renewal Tax Revenue Fund is hereby pledged to the repayment of the Loan, and a copy of this resolution shall be filed in the office of the Fayette County Auditor to evidence this pledge. Pursuant to Section 403.19 of the Code of Iowa, the City Clerk is hereby directed to certify to the Fayette County Auditor, no later than December 1, 2023, the amount obligated for appropriation in Section 2 above as part of the City's 2025 certification of debt payable from the Central Urban Renewal Tax Revenue Fund and to reflect such amount in the City's budget for the current fiscal year.

Section 4. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved October 23, 2023.

Mayor

Attest:

City Administrator

It was moved by _____ and seconded by _____
that the Resolution as read be adopted, and upon roll call there were:

AYES NAYS ABSENT ABSTAIN

Stewart
Weber
Lenz
Garrigus
Seeders
Payne