

TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

SUBJECT: Amendment to Bee Branch Watershed Flood Mitigation Project, State Flood Mitigation Board Funding Agreement

DATE: April 16, 2015

Budget Director Jennifer Larson is requesting City Council adopting of a resolution authorizing an amendment to the Bee Branch Watershed Flood Mitigation Project, State Flood Mitigation Board Funding Agreement.

On April 13, 2015, the Iowa Flood Mitigation Board approved the City's requested funding agreement amendment to provide an additional \$5.6 million in sales tax increment in Fiscal Years 2014 through 2018 and remove \$5.6 million in sales tax increment from Fiscal Years 2031 through 2033. This request was approved by the Board because the City's actual sales tax collection growth in Fiscal Year 2014 was 5.20%, well above the projected growth of 1.97%. As a result, 70% of the actual sales tax increment collected in Fiscal Year 2014 was \$882,784. When the actual Fiscal Year 2014 sales tax growth is considered, the ten year historic sales tax growth rate is 2.15%. As a result, the available sales tax increment funding is projected to be more in each subsequent fiscal year than anticipated and what was reflected in the original funding agreement.

I concur with the recommendation and respectfully request Mayor and City Council approval.



Michael C. Van Milligen

MCVM/jml
Attachment

cc: Barry Lindahl, City Attorney
Cindy Steinhauser, Assistant City Manager
Teri Goodmann, Assistant City Manager
Jennifer Larson, Budget Director
Kenneth TeKippe, Finance Director
Gus Psihoyos, City Engineer