

## **Finance and Operating Report For the City of Iowa City, Iowa**

**Pursuant to Securities and Exchange Commission Rule 15c2-12  
Through the Fiscal Year Ended June 30, 2016**

### **Financial and Operating Data**

### **General Obligation Debt**

To the extent not included in the City's Financial Statements, all information the City of Iowa City has agreed to provide in its annual reports, as it relates to its outstanding general obligation debt is included in this report. Attached is additional information as required to be submitted under previous disclosure undertakings of the City.

## CITY PROPERTY VALUES

### IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Johnson County Auditors adjusted the final Actual Values for 2014. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy. For assessment year 2014, the taxable value rollback rate was 55.7335% of actual value for residential property; 44.7021% of actual value for agricultural property; and 90% of actual value for commercial, industrial, and railroad property. No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable valuations are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

### PROPERTY VALUATIONS (1/1/2014 Valuation Taxes payable July 1, 2015 to June 30, 2016)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$3,603,743,609	\$2,008,493,138
Commercial	1,129,397,979	1,016,458,199
Industrial	74,399,739	66,959,765
Railroads	4,015,580	3,614,022
Utilities w/o Gas & Electric	<u>8,239,789</u>	<u>8,239,789</u>
Gross valuation	\$4,819,796,696	\$3,103,764,913
Less military exemption	<u>(2,828,002)</u>	<u>(2,828,002)</u>
Net valuation	\$4,816,968,694	\$3,100,936,911
TIF increment (used to compute debt service levies and constitutional debt limit)	\$42,307,287	\$33,331,128
Taxed separately		
Ag. Land & Buildings	\$3,553,520	\$1,588,496
Gas & Electric Utilities	\$87,728,294	\$46,785,426

### 2014 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY <sup>1)</sup>

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$2,008,493,138	63.75%
Commercial, Industrial and Utility	1,091,657,753	34.65%
Gas & Electric Utilities	46,785,426	1.48%
Railroads	<u>3,614,022</u>	<u>0.12%</u>
Total Gross Taxable Valuation	\$3,150,550,339	100.00%

1) Excludes Taxable TIF Increment and Ag. Land & Buildings.

## TREND OF VALUATIONS

Assessment Year	Payable Fiscal Year	100% Actual Valuation	Taxable Valuation (With Rollback)	Taxable TIF Increment
2011	2012-13	\$4,615,527,744	\$2,946,951,863	\$11,712,327
2012	2013-14	4,668,318,992	3,020,306,824	14,113,908
2013	2014-15	4,826,647,177	3,114,066,554	21,131,574
2014	2015-16	4,950,557,795	3,147,722,337	33,331,128
2015 <sup>1)</sup>	2016-17	5,350,243,693	3,347,028,340	72,650,838

1) The City's 1/1/2015 valuations are now available from the State of Iowa and became effective July 1, 2016.

The 100% Actual Valuations, before rollback and after the reduction of military exemption, include Ag. Land & Buildings, Taxable TIF Increment and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude Ag. Land & Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment. With the exception of the electric and natural gas providers (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the taxable valuations of the properties.

## LARGER TAXPAYERS

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Johnson County Auditor's Office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. With the exception of the electric and natural gas provider noted below (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the taxable valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u> <sup>1)</sup>	<u>Type of Property/Business</u>	<u>1/1/2014 Taxable Valuations</u>
Mid American Energy Co.	Utility	\$44,301,833
American College Testing, Inc.	Commercial	44,150,558
Ann S. Gerdin Revocable Trust	Commercial	21,232,925
Dealer Properties IC LLC	Commercial	18,675,864
Procter & Gamble Hair Care LLC	Industrial	15,418,708
Alpla, Inc.	Industrial	14,615,928
CCAL 100 Hawk Ridge Drive LLC	Residential	13,171,260
National Computer Systems Inc.	Commercial	12,428,352
Wal-Mart Real Estate	Commercial	12,078,378
Kobrin Development Company Inc.	Commercial & Residential	11,711,744

1) This list represents some of the top taxpayers in the City, not necessarily the top 10 taxpayers.

Source: Johnson County Auditor's Office

## PROPERTY TAX LEGISLATION

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the 4% to 3%, (ii) assigned a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) created a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") that began in the 2015 assessment year, and assigned a declining rollback percentage of 3.75% to such properties for each subsequent year until the 2021 assessment year (the rollback percentage for Multi-residential Properties is equal to the residential rollback percentage in the 2022 assessment year and thereafter) and (iv) exempted a specified portion of the assessed value of telecommunication properties.

The Act included a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in Fiscal Year 2017-18 the standing appropriation cannot exceed the actual Fiscal Year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties from 4% to 3%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value) to the residential rollback percentage (currently 55.7335% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa's discretion in establishing the annual replacement amount that is appropriated each year commencing in Fiscal Year 2017-18, the impact of the Act on the City's future property tax collections is uncertain and the City is unable to estimate the financial impact of the Act's provisions on the City's future operations.

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in Fiscal Year 2014-15 as a result of the Act, with sizeable reductions possible starting in Fiscal Year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

## GENERAL FUND BUDGET

The table below summarizes fiscal year actuals for years ending June 30, 2015 and June 30, 2016, and the 2017 Amended Budget as estimated at December 16, 2016.

Revenues & Other Financing Sources	2015 Actual	2016 Actual	2017 Revised
Property Taxes	\$ 29,421,531	\$ 29,796,656	\$ 31,739,199
Other City Taxes	2,487,767	2,431,882	2,430,717
Licenses And Permits	1,805,901	3,056,051	2,450,882
Use Of Money And Property	800,227	689,835	706,672
Intergovernmental	3,519,060	3,803,459	3,664,921
Charges For Fees And Services	1,509,496	1,607,320	1,358,601
Miscellaneous	4,446,754	4,603,845	5,697,432
Other Financial Sources	2,762,834	2,678,802	2,007,295
<b>Sub-total Revenues &amp; Other Financing Sources (excluding Transfers In):</b>	46,753,570	48,667,850	50,055,719
Transfers In	10,642,456	12,468,366	10,560,745
<b>Total Revenues, Other Financing Sources, &amp; Transfers In</b>	<b>\$ 57,396,026</b>	<b>\$ 61,136,216</b>	<b>\$ 60,616,464</b>
<b>Expenditures &amp; Transfers Out</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Revised</b>
Personnel	\$ 34,881,306	\$ 35,579,630	\$ 39,093,574
Services	8,534,211	8,290,221	10,263,306
Supplies	1,272,811	1,515,890	1,601,411
Capital Outlay	3,477,841	1,970,355	3,368,705
Debt Service	1,154,500	1,842,500	900,000
Contingency	-	-	184,519
<b>Sub-total Expenditures:</b>	49,320,669	49,198,596	55,411,515
Transfers Out	6,823,285	12,842,428	25,643,570
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 56,143,954</b>	<b>\$ 62,041,024</b>	<b>\$ 81,055,085</b>

## CITY INDEBTEDNESS

### DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2014 valuation currently applicable to the fiscal year 2015-16 is as follows:

2013 Actual Valuation of Property	\$4,950,557,795
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$247,527,890
Less: Total G.O. Debt	(55,350,000)
Less: TIF Revenue Debt	(2,525,000)
Less: Letters of Credit (UniverCity)	(582,000)
Less: Other legal indebtedness (TIF rebates)	<u>(13,506,152)</u>
Net Debt Limit	\$175,564,738

### DIRECT DEBT

#### General Obligation Debt Supported by Property Taxes and Tax Increment

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/16</u>
10/08B	\$17,005,000	Refunding	6/18	\$3,055,000 <sup>1)</sup>
6/09C	6,685,000	City Improvements	6/19	2,210,000
8/10B	7,420,000	City Improvements	6/20	3,115,000
6/11A	7,925,000	City Improvements	6/21	3,940,000
6/11C	10,930,000	Refunding	6/21	6,235,000
6/12A	9,070,000	City Improvements	6/22	5,680,000
7/13A	7,230,000	City Improvements	6/23	5,750,000
6/14	11,390,000	City Improvements	6/24	8,575,000
6/15	7,785,000	City Improvements	6/25	7,090,000
6/16A	8,795,000	City Improvements	6/26	8,795,000
6/16B	610,000	City Improvements	6/17	<u>610,000</u>
Subtotal				\$55,055,000

1) City called Series 2008B with cash on August 1, 2016.

#### General Obligation Debt Supported by Enterprise Funds

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/16</u>
6/14	\$590,000	City Improvements	6/17	\$295,000

**Total General Obligation Debt Subject to Debt Limit: \$55,350,000**

## Annual Fiscal Year General Obligation Debt Service Payments

<u>Fiscal Year</u>	<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>
2016-17	\$10,425,000	\$11,774,450
2017-18	9,340,000	10,455,481
2018-19	7,985,000	8,857,031
2019-20	7,410,000	8,073,144
2020-21	6,150,000	6,609,779
2021-22	4,585,000	4,888,400
2022-23	3,665,000	3,873,900
2023-24	2,865,000	2,985,950
2024-25	1,890,000	1,948,500
2025-26	<u>1,035,000</u>	<u>1,055,700</u>
Total	\$55,350,000	\$60,522,335

### OTHER DEBT

The City has revenue debt payable solely from the net revenues of the City's Urban Renewal Areas as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/16</u>
11/12D	\$2,655,000	Developer Grant	6/32	\$2,525,000

The City has revenue debt payable solely from the net revenues of the Municipal Parking System as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/16</u>
11/09F	\$9,110,000	Parking	7/17	\$0 <sup>1)</sup>
4/17	15,400,000	Parking	6/37	<u>15,400,000</u> <sup>2)</sup>
Total				\$15,400,000

1) The City has defeased \$6,045,000 of the Series 2009F Bonds maturing 2016 through 2024. Funds are being held in escrow until the July 1, 2017 call date.

2) The City has entered into a Lease Purchase Agreement in connection with the construction of a parking garage anticipated to be completed in April 2017. The commencement date of the Lease Purchase Agreement is anticipated in April 2017.

The City has revenue debt payable solely from the net revenues of the Municipal Water System as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/16</u>
10/08D	\$7,115,000	Water Refunding	7/16	\$425,000 <sup>1)</sup>
5/09B	9,750,000	Water Refunding	7/25	6,870,000
6/12C	4,950,000	Water Refunding	7/22	3,565,000
6/16D	3,650,000	Water Refunding	7/24	<u>3,650,000</u>
<b>Total</b>				<b>\$14,510,000</b>

1) The 2017 through 2024 maturities in the amount of \$4,085,000 were current refunded by the Water Revenue Refunding Capital Loan Notes, Series 2016D on July 1, 2016.

The City has revenue debt payable solely from the net revenues of the Municipal Sewer System as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/16</u>
10/08C	\$24,280,000	Sewer Refunding	7/16	\$1,945,000 <sup>1)</sup>
5/09A	8,660,000	Sewer Refunding	7/25	6,275,000
4/10A	15,080,000	Sewer Refunding	7/20	6,330,000
6/16C	9,360,000	Sewer Refunding	7/21	<u>9,360,000</u>
<b>Total</b>				<b>\$23,910,000</b>

1) The 2017 through 2022 maturities in the amount of \$10,515,000 were current refunded by the Sewer Revenue Refunding Capital Loan Notes, Series 2016C on July 1, 2016.

### INDIRECT GENERAL OBLIGATION DEBT

<u>Taxing District</u>	<u>1/1/2015 Taxable Valuation<sup>1)</sup></u>	<u>Percent In City</u>	<u>G.O. Debt<sup>2)</sup></u>	<u>City's Proportionate Share</u>
Johnson County	\$8,042,302,645	42.54% <sup>3)</sup>	\$8,490,000	\$3,611,646
Iowa City CSD	5,978,490,538	57.23% <sup>3)</sup>	14,150,000	8,098,045
Clear Creek-Amana CSD	129,160,108	0.04%	61,465,000	24,586
Kirkwood Comm. College	24,144,197,855	14.17% <sup>3)</sup>	129,981,492	<u>18,418,377</u>
<b>City's share of total overlapping debt</b>				<b>\$30,152,654</b>

1) Taxable Valuation excludes military exemption and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities.

2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates.

3) Includes city-exempt Ag TIF Increment valuation in the amount of \$15,839.



## DEBT RATIOS

	<u>G.O. Debt</u>	Debt/Actual Market Value <u>(\$5,350,243,693)<sup>1)</sup></u>	Debt/67,862 Population <sup>2)</sup>
Total General Obligation Debt	\$55,350,000	1.03%	\$815.63
Less G.O. Debt Service Paid by Enterprise Funds <sup>3)</sup>	<u>(295,000)</u>		
Net G.O. Debt Paid by Taxes and Tax Increment	\$55,055,000	1.03%	\$811.28
TIF Revenue Debt	\$2,525,000	0.05%	\$37.21
City's share of total overlapping debt	\$30,152,654	0.56%	\$444.32

1) Based on the City's 1/1/2015 100% Actual Valuation; includes Ag Land, Ag Buildings, all Utilities and TIF Increment.

2) Population based on the City's 2010 U.S. Census.

3) G.O. debt abated by Water Revenues.

## TAX RATES

	FY2011-12 <u>\$/1,000</u>	FY2012-13 <u>\$/1,000</u>	FY2013-14 <u>\$/1,000</u>	FY2014-15 <u>\$/1,000</u>	FY2015-16 <u>\$/1,000</u>
Johnson County	6.98984	6.74909	6.73712	6.74168	6.90337
City of Iowa City	17.84150	17.26864	16.80522	16.70520	16.65096
Iowa City CSD	14.59055	14.07327	13.68792	13.69999	13.86773
Clear Creek-Amana CSD (Clear Creek)	15.54876	15.31063	15.31055	15.06516	15.62084
Kirkwood Comm. College	0.99870	1.07888	1.06473	1.05754	1.06125
City Assessor	0.24632	0.24453	0.25873	0.23866	0.24325
County Ag. Extension	0.08358	0.08146	0.08160	0.08119	0.08129
State of Iowa	<u>0.00320</u>	<u>0.00320</u>	<u>0.00330</u>	<u>0.00330</u>	<u>0.00330</u>

### Total Tax Rate - City Resident:

Iowa City CSD	40.75369	39.49917	38.63862	38.52756	38.81115
Clear Creek-Amana CSD (Clear Creek)	41.71190	40.73653	40.26125	39.89273	40.56426

## LEVY LIMITS

A city's general fund tax levy is limited to \$8.10 per \$1,000 of taxable value, with provision for an additional \$0.27 per \$1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the \$8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies which may be certified outside of the above described levy limits (Code of Iowa, Section 384.12). The amount of the City general fund levy subject to the \$8.10 limitation is \$8.10 for Fiscal Year 2015-16. The City does levy costs for operation and maintenance of publicly owned Transit, tort liability and other insurance, support of the public library, police and fire retirement, FICA and IPERS and other employee benefits expenses in addition to the \$8.10 general fund limit as authorized by law. In addition, the City has not established an emergency fund levy for Fiscal Year 2015-16. Debt service levies are not limited.

## CITY FUNDS ON HAND (Cash and Investments as of June 30, 2016, in thousands)

City Operating Funds	\$146,429
City Restricted Funds	<u>69,758</u>
Total	\$216,187

**CITY OF IOWA CITY, IOWA**

**LEVIES AND TAX COLLECTIONS**

Last Ten Fiscal Years  
(Cash basis of accounting)

(amounts expressed in thousands)

<u>Collection Year</u>	<u>Total Tax Levied</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections<sup>1</sup></u>	<u>Total Tax Collections</u>	<u>Total as a Percent of Levy</u>
2007	39,094	38,947	99.6	13	38,960	99.7
2008	39,973	39,768	99.5	70	39,838	99.7
2009	43,168	43,118	99.9	18	43,136	99.9
2010	45,393	45,318	99.8	17	45,335	99.9
2011	47,789	47,826	100.1	8	47,834	100.1
2012	49,595	49,543	99.9	1	49,544	99.9
2013	50,407	50,139	99.5	3	50,142	99.5
2014	50,307	49,835	99.1	1	49,836	99.1
2015	51,609	51,292	99.4	3	51,295	99.4
2016	52,034	52,074	100.1	-	52,074	100.1

**Source:** Certificate of City Taxes and Johnson County Treasurer's Office

**Note:** This schedule is presented on a cash basis of accounting. Taxes are collected by the Johnson County Treasurer and submitted to the City in the following month. Because of the month delay, some years will show Current Tax Collections in excess of the Total Tax Levied.

<sup>1</sup> Delinquent tax collection is presented by collection year, rather than levy year, because information is not available from Johnson County Treasurer by levy year.

# **Finance and Operating Report For the City of Iowa City, Iowa**

**Pursuant to Securities and Exchange Commission Rule 15c2-12  
Through the Fiscal Year Ended June 30, 2016**

## **Financial and Operating Data**

### **Water System Revenue Sewer System Revenue Parking System Revenue and Urban Renewal Area Revenue**

To the extent not included in the City's Financial Statements, all information the City of Iowa City has agreed to provide in its annual reports, as it relates to its outstanding Water System Revenue, Sewer System Revenue, and Parking System Revenue debt, is included in this report. Attached is additional Water System, Sewer System, and Parking System information as required to be submitted under previous disclosure undertakings of the City.

## Revenue Bond Activity

Bond debt activity for business-type activities for the year ended June 30, 2016, was as follows:

	July 1, 2015	Issues	Retirements	June 30, 2016	Due Within One Year
Business-type activities:					
General obligation bonds	\$ 590,000	\$ -	\$ 295,000	\$ 295,000	\$ 295,000
Less: Unamortized					
Discounts	-	-	-	-	-
Total general obligation bonds	<u>590,000</u>	<u>-</u>	<u>295,000</u>	<u>295,000</u>	<u>295,000</u>
Revenue bonds	44,950,000	13,010,000	19,540,000	38,420,000	5,090,000
Plus: Unamortized					
Premium	<u>616,903</u>	<u>1,144,715</u>	<u>229,957</u>	<u>1,531,661</u>	<u>229,957</u>
Total revenue bonds	<u>45,566,903</u>	<u>14,154,715</u>	<u>19,769,957</u>	<u>39,951,661</u>	<u>5,319,957</u>
	<u>\$ 46,156,903</u>	<u>\$ 14,154,715</u>	<u>\$ 20,064,957</u>	<u>\$ 40,246,661</u>	<u>\$ 5,614,957</u>

As of June 30, 2016, the following unmatured revenue bond issues are outstanding:

	Wastewater Treatment	Water	Taxable Urban Renewal
Original issue amount	\$ 57,380,000	\$ 25,465,000	\$ 2,655,000
Interest rates	3.0% to 5.0%	1.5% to 5.0%	1.0% to 3.9%
Annual maturities	\$ 505,000 to \$ 2,010,000	\$ 380,000 to \$ 835,000	\$ 130,000 to \$ 200,000
Amount outstanding	\$ 23,910,000	\$ 14,510,000	\$ 2,525,000

The City of Iowa City defeased the remaining \$6,605,000 of its 2009 parking revenue bonds on November 12, 2014 by prepaying all remaining outstanding bonds and interest from cash on hand. The total defeased outstanding as of June 30, 2016 is \$6,045,000. The total amount of interest that was paid was \$574,186. Liabilities for the defeased bonds are not included in the City's financial statements.

On June 16, 2016, the City issued \$9,360,000 of sewer revenue bonds for a current refunding of \$10,515,000 of sewer revenue bonds on July 1, 2016. As a result, the sewer revenue bonds from that issue are considered to be defeased and the liability has been removed from the financial statements. The refunding was undertaken to reduce total future debt service payments. The result of the transaction is a reduction of \$1,679,360 in future debt service payments and an economic gain of \$1,133,595.

On June 16, 2016, the City issued \$3,650,000 of water revenue bonds for a current refunding of \$4,085,000 of water revenue bonds on July 1, 2016. As a result, the water revenue bonds from that issue are considered to be defeased and the liability has been removed from the financial statements. The refunding was undertaken to reduce total future debt service payments. The result of the transaction is a reduction of \$640,265 in future debt service payments and an economic gain of \$485,963.

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 130,000	\$ 74,035	\$ 5,090,000	\$ 1,503,102
2018	135,000	72,345	5,035,000	1,214,990
2019	135,000	70,185	5,250,000	1,016,303
2020	140,000	67,485	5,460,000	806,453
2021	140,000	64,545	5,360,000	592,246
2022-2026	760,000	267,955	12,225,000	1,050,416
2027-2031	885,000	139,280	-	-
2032-2036	200,000	7,800	-	-
Total	<u>\$ 2,525,000</u>	<u>\$ 763,630</u>	<u>\$ 38,420,000</u>	<u>\$ 6,183,510</u>

The revenue bond ordinances required that wastewater treatment, water revenues, and urban renewal tax revenues be set aside into separate and special accounts as they are received. The use and the amounts to be included in the accounts are as follows:

Account	Amount
(a) Revenue Bond and Interest Sinking Reserve	Amount sufficient to pay current bond and interest maturities.
(b) Revenue Debt Service Reserve	Amount required to be deposited in the Revenue Bond and Interest Reserve until the reserve fund equals: Water Revenue and Taxable Urban Renewal Revenue bonds – maximum debt service due on the bonds in any succeeding fiscal year. Wastewater Revenue bonds – 125% of the average principal and interest payments over the life of all the Wastewater Revenue bonds.
(c) Improvement Reserve	\$20,000 per month until the reserve balance equals or exceeds \$2,000,000 for Wastewater Revenue bonds and \$5,000 per month until the reserve balance equals or exceeds \$450,000 for Water Revenue bonds, with no further deposits once the minimum balance is reached. If the reserve falls below the required minimum, monthly transfers in the aforementioned amounts will resume.

In fiscal year ended June 30, 2016, the Wastewater Treatment Fund had net revenue of \$6,168,000 and the amount of principal and interest due was \$4,695,000. In fiscal year ended June 30, 2016, the Water Fund had net revenues of \$3,936,000 and the amount of principal and interest due was \$2,294,000.

## Summary of Bond Issues

General obligation and revenue bonds payable at June 30, 2016, are comprised of the following issues:

	Date of Issue	Amount Issued	Interest Rates	Final Maturity	Outstanding June 30, 2016
<b>General Obligation Bonds:</b>					
Refunded Multi-Purpose (1)	Oct. 2008	17,005,000	3.0 - 3.75	6/18	\$ 3,055,000
Multi-Purpose	June 2009	6,685,000	2.5 - 4.0	6/19	2,210,000
Multi-Purpose	Aug. 2010	7,420,000	2.0 - 2.75	6/20	3,115,000
Multi-Purpose	June 2011	7,925,000	2.0 - 3.625	6/21	3,940,000
Refunded Multi-Purpose and Library Construction (2)	June 2011	10,930,000	2.0 - 3.625	6/21	6,235,000
Multi-Purpose	June 2012	9,070,000	2.0 - 2.25	6/22	5,680,000
Multi-Purpose	July 2013	7,230,000	1.0 - 2.0	6/23	5,750,000
Refunded Multi-Purpose (3)	June 2014	11,980,000	2.0 - 3.0	6/24	8,870,000
Multi-Purpose	June 2015	7,785,000	2.0 - 2.25	6/25	7,090,000
Multi-Purpose	June 2016	8,795,000	2.0 - 3.0	6/26	8,795,000
Multi-Purpose	June 2016	610,000	2.0	6/17	610,000
Total General Obligation Bonds					<u>\$ 55,350,000</u>

	Date of Issue	Amount Issued	Interest Rates	Final Maturity	Outstanding June 30, 2016
<b>Revenue Bonds:</b>					
Refunded Wastewater Treatment Bonds (4)	Oct. 2008	24,280,000	3.0 - 5.0	7/22	\$ 1,945,000
Refunded Wastewater Treatment Bonds (5)	May 2009	8,660,000	3.5 - 5.0	7/25	6,275,000
Refunded Wastewater Treatment Bonds (6)	Apr. 2010	15,080,000	3.0 - 4.0	7/20	6,330,000
Refunded Wastewater Treatment Bonds (7)	June 2016	9,360,000	3.0 - 4.0	7/21	9,360,000
Refunded Water Bonds (8)	Oct. 2008	7,115,000	3.0 - 4.375	7/24	425,000
Refunded Water Bonds (9)	May 2009	9,750,000	4.0 - 4.5	7/25	6,870,000
Refunded Water Bonds (10)	June 2012	4,950,000	1.5 - 2.1	7/22	3,565,000
Refunded Water Bonds (11)	June 2016	3,650,000	1.5 - 5.0	7/24	3,650,000
Taxable Urban Renewal	Nov. 2012	2,655,000	1.0 - 3.9	6/32	2,525,000
Total Revenue Bonds					<u>40,945,000</u>

\$ 96,295,000

- (1) This bond issue refunded the April 1998, March 1999, and July 2000 General Obligation Bonds.
- (2) This bond issue refunded the May 2002 General Obligation Bonds.
- (3) This bond issue is an advance refunding of portions of the September 2006 and May 2007 General Obligation Bonds.
- (4) This bond issue refunded the March 1996, May 1997, and January 1999 Wastewater Revenue Bonds.
- (5) This bond issue refunded the October 2000 Wastewater Revenue Bonds.
- (6) This bond issue refunded the December 2001 and April 2002 Wastewater Revenue Bonds.
- (7) This bond issue refunded the October 2008 Wastewater Revenue Bond.
- (8) This bond issue refunded the May 1999 Water Revenue Bonds.
- (9) This bond issue refunded the December 2000 Water Revenue Bonds.
- (10) This bond issue refunded the October 2002 Water Revenue Bonds.
- (11) This bond issue refunded the October 2008 Water Revenue Bonds.

**CITY OF IOWA CITY, IOWA**  
**SCHEDULE OF REVENUE BOND COVERAGE**

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended June 30	Revenue	Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Annual Debt Service <sup>2</sup>			Ratio of Coverage
				Principal	Interest	Total	
<b>Parking Revenue<sup>3</sup></b>							
2007	5,035	2,973	2,062	335	626	961	2.15
2008	4,995	2,454	2,541	355	606	961	2.64
2009	5,630	3,024	2,606	370	584	954	2.73
2010 <sup>6</sup>	5,509	3,149	2,360	390	504	894	2.64
2011	5,389	2,920	2,469	420	391	811	3.04
2012	4,945	3,034	1,911	500	339	839	2.28
2013	5,122	3,549	1,573	515	324	839	1.87
2014	5,365	2,969	2,396	530	308	838	2.86
2015 <sup>7</sup>	5,620	3,828	1,792	540	254	794	2.26
2016	-	-	-	-	-	-	-
<b>Wastewater Treatment Revenue<sup>4</sup></b>							
2007	13,708	4,236	9,472	3,905	3,234	7,139	1.33
2008 <sup>6</sup>	13,332	4,581	8,751	4,105	3,071	7,176	1.22
2009 <sup>6</sup>	13,462	5,202	8,260	4,260	2,813	7,073	1.17
2010 <sup>6</sup>	13,174	5,050	8,124	4,205	2,307	6,512	1.25
2011 <sup>6</sup>	13,281	5,477	7,804	1,840	2,054	3,894	2.00
2012	13,175	5,663	7,512	4,615	1,693	6,308	1.19
2013	13,301	5,340	7,961	4,865	1,547	6,412	1.24
2014	12,835	5,708	7,127	3,250	1,428	4,678	1.52
2015	12,620	6,574	6,046	3,370	1,305	4,675	1.29
2016	12,681	6,513	6,168	3,520	1,175	4,695	1.31
<b>Water Revenue<sup>5</sup></b>							
2007	9,220	5,356	3,864	915	1,268	2,183	1.77
2008 <sup>6</sup>	9,258	5,348	3,910	955	1,229	2,184	1.79
2009 <sup>6</sup>	8,833	5,726	3,107	995	1,171	2,166	1.43
2010 <sup>6</sup>	8,336	5,153	3,183	680	1,055	1,735	1.83
2011	8,354	5,464	2,890	1,110	902	2,012	1.44
2012 <sup>6</sup>	8,649	5,653	2,996	1,200	861	2,061	1.45
2013 <sup>6</sup>	9,342	6,348	2,994	845	758	1,603	1.87
2014 <sup>6</sup>	8,613	5,818	2,795	1,335	650	1,985	1.41
2015	8,715	5,632	3,083	1,380	610	1,990	1.55
2016	9,323	5,387	3,936	1,715	579	2,294	1.72

**Notes:**

<sup>1</sup> Excludes depreciation and interest.

<sup>2</sup> Includes principal and interest of revenue bonds only.

<sup>3</sup> Parking Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.25.

<sup>4</sup> Wastewater Treatment Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.10.

<sup>5</sup> Water Revenue bonds ratio of "Net Revenue Available for Debt Service" to "Total Annual Debt Service" is required to be at least 1.10.

<sup>6</sup> Refunded Revenue Bonds paid are excluded from the principal of Annual Debt Service.

<sup>7</sup> Parking Revenue Bonds defeased are excluded from the principal and interest of Annual Debt Service.

## **Water System**

The Water Division is comprised of five parts: Administration, Treatment Plant, Customer Service, Distribution, and Public Information/Education. There are a total of 32.0 (FTE) employees who work in the Water Division. This division serves about 74,200 people and has about 25,200 customer water accounts. The average daily use for fiscal year 2016 was approximately 5.46 million gallons per day (MGD). A peak flow of over 8.6 MGD was experienced during the summer of 2012.

Water Sources: The primary source of water for the City is the alluvial aquifer collector wells along the Iowa River. Four collector wells can provide approximately 10.5 MGD. Additional sources include two Jordan aquifer wells which can provide 2.0 MGD; three Silurian aquifer wells which can provide 1.0 MGD; a sand pit that can provide 1.0 MGD; a river intake that can provide 3.0 MGD; for a total of approximately 16.7 MGD maximum capacity.

Water Treatment Processes: The facilities include one treatment plant (constructed in 2003) located at 80 Stephen Atkins Drive. The plant is a surface water plant design that includes aeration, lime softening (coagulation/flocculation/sedimentation), and granular activated carbon filtration processes with fluoridation and free chlorination. The Grade IV Water Treatment Facility houses an operations team that performs over 230 water quality tests per day in-house and collects regulatory samples for testing at the University Hygienic Laboratory. This testing ensures that Iowa City's drinking water meets all IDNR and EPA Safe Drinking Water Act Standards.

Distribution System: The water flows through approximately 273 miles of water mains and includes over 22,000 service connections. The distribution piping consists of cast iron, ductile iron and plastic main that ranges in size from 2" to 30". The treatment plant site has effective water storage capacity of 1.75 million gallons of water; in addition there are four remote ground storage reservoirs (with pumping stations) that add up to remote effective storage capacity of 6.0 million gallons of water. The water system also provides for fire protection with approximately 3,599 public and private hydrants located throughout the community.

Billing and Collections: Customers are billed monthly on a combined utility statement which includes charges for sewer, water, solid waste, and curbside recycling. Under present City policy and City ordinances, utility bills are due when received but contain a delinquency date which provides 15 days for payment. If payment is not made in full within 22 days, a notice is mailed which allows 25 calendar days before service is disconnected. The City's bad debt write-offs have been less than 0.2% of gross revenues for the past three years.



Rates:

The following rates and charges were effective July 1, 2015.

Water Service Charge Minimums (includes up to the first 100 cubic feet (c.f.))

Meter Size (Inches)	Charge	Meter Size (Inches)	Charge
5/8"	\$7.07	2"	\$24.41
3/4"	7.72	3"	45.11
1"	9.10	4"	78.69
1 1/2"	18.15	6"	158.33

Monthly Usage in excess of 100 cubic feet (c.f.)

101 – 3,000	\$3.30 per 100 c.f.
3,001 and over	\$2.37 per 100 c.f.

Single Purpose Meter Charges

First 100 (c.f.)	Minimum Monthly Charge
Usage in excess of 100 cubic feet (c.f.)	\$3.30 per 100 c.f.

Changes in water rates over the last ten fiscal years:

2007	- 5%
2008	0%
2009	0%
2010	0%
2011	0%
2012	0%
2013	0%
2014	0%
2015	5%
2016	5%

Water System Customers by Classification: <sup>1)</sup>

<u>Classification</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u> <sup>3)</sup>	<u>FY2016</u>
Residential	24,086	24,442	24,790	23,089	23,638
Commercial	1,489	1,491	1,491	1,409	1,415
Industrial	15	15	15	14	14
Other <sup>2)</sup>	<u>200</u>	<u>204</u>	<u>202</u>	<u>135</u>	<u>131</u>
Total Meters	25,790	26,152	26,498	24,647	25,198

1) Meter information above represents the number of meters customers billed as of the end of the fiscal year.

2) Other meters consist of rural, schools, government, churches, and City meters.

3) Implemented a new utility billing system during Fiscal Year 2015 which consolidated customers with multiple meters.

Financial Information: The following table summarizes the results of operations for the Water System for the fiscal years ended June 30, 2016, 2015, and 2014.

**WATER SYSTEM  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS**

Last Three Fiscal Years  
(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 9,134	\$ 8,527	\$ 8,443
Miscellaneous	17	13	16
Total operating revenues	<u>9,151</u>	<u>8,540</u>	<u>8,459</u>
<b>Operating Expenses:</b>			
Personal services	3,115	2,495	2,692
Commodities	578	1,121	1,199
Services and charges	<u>1,694</u>	<u>2,016</u>	<u>1,927</u>
	5,387	5,632	5,818
Depreciation	<u>2,295</u>	<u>2,250</u>	<u>2,181</u>
Total operating expenses	<u>7,682</u>	<u>7,882</u>	<u>7,999</u>
Operating income	<u>1,469</u>	<u>658</u>	<u>460</u>
<b>Nonoperating Revenues (Expenses):</b>			
Gain (Loss) on disposal of capital assets	8	(17)	11
Operating Grants	-	2	6
Interest income	172	175	154
Interest expense	<u>(528)</u>	<u>(608)</u>	<u>(682)</u>
Total nonoperating revenues (expenses)	<u>(348)</u>	<u>(448)</u>	<u>(511)</u>
Income before capital contributions and transfers	1,121	210	(51)
Capital contributions	674	581	2,049
Transfers in	985	348	990
Transfers out	<u>(720)</u>	<u>(691)</u>	<u>(117)</u>
Change in net assets	2,060	448	2,871
<b>Net Position, Beginning*</b>	<u>65,103</u>	<u>64,655</u>	<u>63,274</u>
<b>Net Position, Ending</b>	<u>\$ 67,163</u>	<u>\$ 65,103</u>	<u>\$ 66,145</u>

\*The 2015 beginning balance was restated from implementation of GASB 68.

The following table summarizes the budget and actual figures for the Water System for the fiscal year ended June 30, 2016 and the budget for the fiscal year ended June 30, 2017 on a modified accrual basis.

**WATER SYSTEM  
BUDGET AND ACTUALS (MODIFIED ACCRUAL BASIS)**

For the Year Ended June 30, 2016  
(amounts expressed in thousands)

	Actual	Budget	Percentage	FY17 Budget
Charges for services	\$ 9,133	\$ 9,265	98.58%	\$ 8,926
Interest income	172	130	132.31%	171
Miscellaneous	26	17	152.94%	15
Bond sales	4,017	-	0.00%	-
Total Receipts	<u>\$ 13,348</u>	<u>\$ 9,412</u>	<u>141.82%</u>	<u>\$ 9,112</u>
Personal services	\$ 2,497	\$ 2,752	90.73%	\$ 2,777
Commodities	570	701	81.31%	661
Services and charges	2,389	2,606	91.67%	2,624
Capital outlay	468	2,081	22.49%	1,475
Transfer to capital project funds	706	846	83.45%	150
Debt service payments	2,335	2,294	101.79%	2,289
Total Disbursements	<u>\$ 8,965</u>	<u>\$ 11,280</u>	<u>79.48%</u>	<u>\$ 9,976</u>

The following table summarizes the Water System funds on hand for the fiscal years ended June 30, 2016, 2015, and 2014.

**WATER SYSTEM  
FUNDS ON HAND (CASH AND INVESTMENTS)**

Last Three Fiscal Years  
(amounts expressed in thousands)

	2016	2015	2014
Operating Funds	\$ 8,481	\$ 8,670	\$ 8,939
Restricted and Designated Funds	5,026	4,964	4,801
Total Funds on Hand	<u>\$ 13,507</u>	<u>\$ 13,634</u>	<u>\$ 13,740</u>

## CITY OF IOWA CITY, IOWA

### SALES HISTORY AND TOTAL WATER CHARGES

Last Ten Fiscal Years

<b><u>Fiscal Year</u></b>	<b><u>Water Sales Cubic Feet Sold</u></b>	<b><u>Water System Charges</u></b>
2007	261,072,632	8,414,310
2008	249,361,929	7,976,536
2009	234,804,167	7,497,903
2010	234,342,825	7,568,378
2011	236,838,370	7,661,898
2012	246,618,257	7,953,738
2013	254,616,773	8,194,467
2014	239,790,719	7,778,364
2015	240,423,612	8,161,522
2016	255,524,943	8,758,683

**Sources:**

City of Iowa City Revenue Department

**CITY OF IOWA CITY, IOWA**

**PRINCIPAL WATER SYSTEM CUSTOMERS**

Current Year and Nine Years Ago

<u>Customer Name</u>	<u>2007</u>			<u>2016</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
Proctor & Gamble	\$ 635,147	1	7.55 %	\$ 673,690	1	7.69 %
Vets	138,495	2	1.65	104,250	2	1.19
Mercy Hospital	75,140	3	0.89	64,349	3	0.73
Campus Apartments	38,298	5	0.46	61,112	4	0.70
Mark IV Apts	45,574	8	0.54	53,473	5	0.61
Dolphin Lake Point (Rus Properties Mngmt)	62,170	6	0.74	50,139	6	0.57
University of Iowa (Mayflower Apartments)	-	-	N/A	46,061	7	0.53
Iowa City Community School District	-	-	N/A	43,465	8	0.50
CCAL 100 Hawk Ridge Drive	-	-	N/A	39,301	9	0.45
Oaknoll Retirement Residence	-	-	N/A	37,955	10	0.43
Pollution Control	68,315	4	0.81	-	-	N/A
Roberts	54,615	7	0.65	-	-	N/A
Lear Corp	44,200	9	0.53	-	-	N/A
Seville Apartments	35,448	10	0.42	-	-	N/A
	<u>\$ 1,197,402</u>		<u>14.23 %</u>	<u>\$ 1,173,795</u>		<u>13.40 %</u>
 Total Water System Charges	 \$ 8,414,310			 \$ 8,758,683		

**Sources:**

City of Iowa City Revenue Division

## Sewer System

The City of Iowa City operates a municipal Sewer Utility System consisting of approximately 300 miles of sanitary sewers, 18 sanitary sewer lift stations, and a wastewater treatment plant. There are a total of 24.65 (FTE) employees who work in the Wastewater Division. This division serves about 74,200 people and has about 25,100 customers. The system has 3 significant industrial users, 2 non-categorical and 1 categorical. The average daily treatment plant flow for fiscal year 2016 was 10.48 million gallons per day (MGD).

The Wastewater Plant was constructed in 1990. The plant was upgraded in 2002 and underwent another expansion in 2014. The City conducts all wastewater treatment at the Wastewater Treatment Plant and controls operations of the system remotely through supervisory control and data acquisition (SCADA) computer systems. The wastewater treatment system design has a maximum daily treatment capacity of 43.30 MGD. The Wastewater Treatment Division is currently in compliance with federal clean water standards.

Billing and Collections: Customers are billed monthly on a combined utility statement which includes charges for sewer, water, solid waste, and curbside recycling. Under present City policy and City ordinances, utility bills are due when received but contain a delinquency date which provides 15 days for payment. If payment is not made in full within 22 days, a notice is mailed which allows 25 calendar days before service is disconnected. The City's bad debt write-offs have been less than 0.2% of gross revenues for the past three years.

### Rates:

The following rates and charges were effective July 1, 2015.

Sewer Service Charge Minimum (includes up to the first 100 cubic feet (c.f.))	\$8.15
Monthly Usage in excess of 100 cubic feet (c.f.)	\$3.99

Changes in sewer rates over the last ten fiscal years:

2007	8%
2008	0%
2009	5%
2010	0%
2011	0%
2012	0%
2013	0%
2014	0%
2015	0%
2016	0%

### Number of Sewer System Customers:

<u>Fiscal Year</u>	<u>Number of Sewer System Customers</u>
2012	23,529
2013	24,059
2014	24,389
2015	24,533
2016	25,085

Financial Information: The following table summarizes the results of operations for the Sewer System for the fiscal years ended June 30, 2016, 2015, and 2014.

**SEWER SYSTEM  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS**

Last Three Fiscal Years  
(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 12,266	\$ 12,189	\$ 12,559
Miscellaneous	94	126	75
Total operating revenues	<u>12,360</u>	<u>12,315</u>	<u>12,634</u>
<b>Operating Expenses:</b>			
Personal services	2,808	2,136	2,001
Commodities	1,421	1,473	1,006
Services and charges	<u>2,284</u>	<u>2,965</u>	<u>2,701</u>
	6,513	6,574	5,708
Depreciation	<u>4,484</u>	<u>4,497</u>	<u>4,036</u>
Total operating expenses	<u>10,997</u>	<u>11,071</u>	<u>9,744</u>
Operating income	<u>1,363</u>	<u>1,244</u>	<u>2,890</u>
<b>Nonoperating Revenues (Expenses):</b>			
Gain (loss) on disposal of capital assets	-	1	(10,062)
Operating grants	-	21	62
Interest income	321	305	200
Interest expense	<u>(927)</u>	<u>(1,161)</u>	<u>(1,284)</u>
Total nonoperating revenues (expenses)	<u>(606)</u>	<u>(834)</u>	<u>(11,084)</u>
Income before capital contributions and transfers	757	410	(8,194)
Capital contributions	3,839	1,370	7,422
Transfers in	195	239	26
Transfers out	<u>(522)</u>	<u>(190)</u>	<u>(254)</u>
Change in net assets	4,269	1,829	(1,000)
<b>Net Position, Beginning*</b>	<u>130,783</u>	<u>128,954</u>	<u>131,278</u>
<b>Net Position, Ending</b>	<u>\$ 135,052</u>	<u>\$ 130,783</u>	<u>\$ 130,278</u>

\*The 2015 beginning balance was restated from implementation of GASB 68.

The following table summarizes the budget and actual figures for the Sewer System for the fiscal year ended June 30, 2016 and the budget for the fiscal year ended June 30, 2017 on a modified accrual basis.

**SEWER SYSTEM  
BUDGET AND ACTUALS (MODIFIED ACCRUAL BASIS)**

For the Year Ended June 30, 2016  
(amounts expressed in thousands)

	Actual	Budget	Percentage	FY17 Budget
Charges for services	\$ 12,266	\$ 12,559	97.67%	\$ 12,204
Interest income	321	331	96.98%	291
Miscellaneous	94	75	125.33%	94
Grants	1,163	366	317.76%	391
Bond sales	10,101	-	0.00%	2,025
Total Receipts	<u>\$ 23,945</u>	<u>\$ 13,331</u>	<u>179.62%</u>	<u>\$ 15,005</u>
Personal services	\$ 2,194	\$ 2,240	97.95%	\$ 2,265
Commodities	812	625	129.92%	701
Services and charges	3,113	3,149	98.86%	3,049
Capital outlay	1,733	7,679	22.57%	1,060
Transfer to capital project funds	500	500	100.00%	2,000
Debt service payments	4,752	4,695	101.21%	4,660
Total Disbursements	<u>\$ 13,104</u>	<u>\$ 18,888</u>	<u>69.38%</u>	<u>\$ 13,735</u>

The following table summarizes the Sewer System funds on hand for the fiscal years ended June 30, 2016, 2015, and 2014.

**SEWER SYSTEM  
FUNDS ON HAND (CASH AND INVESTMENTS)**

Last Three Fiscal Years  
(amounts expressed in thousands)

	2016	2015	2014
Operating Funds	\$ 18,210	\$ 16,643	\$ 17,417
Restricted and Designated Funds	9,460	9,861	9,975
Total Funds on Hand	<u>\$ 27,670</u>	<u>\$ 26,504</u>	<u>\$ 27,392</u>



**CITY OF IOWA CITY, IOWA**

**SALES HISTORY AND TOTAL SEWER CHARGES**

Last Ten Fiscal Years

<b><u>Fiscal Year</u></b>	<b><u>Sewer Sales Cubic Feet Sold</u></b>	<b><u>Sewer System Charges</u></b>
2007	315,199,203	11,084,369
2008	285,492,596	12,221,769
2009	276,455,246	12,499,949
2010	265,375,857	12,541,905
2011	280,303,237	12,748,695
2012	282,134,840	12,784,321
2013	285,472,392	12,883,641
2014	269,494,125	12,382,031
2015	266,830,947	12,278,153
2016	270,547,701	12,022,203

**Sources:**

City of Iowa City Revenue Department

**CITY OF IOWA CITY, IOWA**

**PRINCIPAL SEWER SYSTEM CUSTOMERS**

Current Year and Nine Years Ago

<u>Customer Name</u>	<u>2007</u>			<u>2016</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
University of Iowa	\$ 2,173,296	1	19.61 %	\$ 1,900,317	1	15.81 %
Proctor & Gamble	1,237,851	2	11.17	893,069	2	7.43
Iowa City Landfill	57,572	10	0.52	219,432	3	1.83
Vets Hosiptal	193,077	3	1.74	119,193	4	0.99
Mercy Hospital	124,590	5	1.12	102,693	5	0.85
Dolphin Lake Point (Rus Properties Mngmt)	102,653	6	0.93	76,609	6	0.64
University of Iowa Mayflower	68,318	8	0.62	73,827	7	0.61
Campus Apartments	90,091	7	0.81	72,228	8	0.60
CCAL 100 Hawk Ridge Drive	-	-	N/A	68,909	9	0.57
Mark IV Apts	-	-	N/A	58,512	10	0.49
Roberts Dairy	130,549	4	1.18	-	-	N/A
Sheraton Hotel	60,021	9	0.54	-	-	N/A
	<u>\$ 4,238,018</u>		<u>38.23 %</u>	<u>\$ 3,584,789</u>		<u>29.82 %</u>
Total Sewer System Charges	\$ 11,084,369			\$ 12,022,203		

**Sources:**

City of Iowa City Revenue Department

## Parking System

The Parking System currently consists of approximately 4,031 parking spaces located at various parking facilities in the central business district of the City. The Parking Division of the Transportation Services Department oversees the operation of parking garages, parking lots, and on-street (metered) parking. Parking Division enforces parking regulation in the central business district, while the Police Department enforces parking regulations in residential areas. Recognizing that there is a high demand for parking in downtown Iowa City, Parking Services promotes turnover of on-street metered parking spaces in the core of the downtown. Customers with longer-term needs are encouraged to use the garages or on streets in outlying areas. There are a total of 23.13 (FTE) employees who work in the Parking Division.

Parking System Utilization, Demand and Other Considerations: The City tracks Parking System utilization by the hour in each of the cashiered facilities. During peak hours, the occupancy rate regularly runs between 85% to 98% depending on the time of year and the time of day. Peak hours for the Parking System are 10:00 am through 3:00 pm with high occupancy rates regularly maintained through 5:30 pm daily.

In addition to hourly parking, the Parking System offers monthly permit parking. The Parking System currently has 1,360 permit holders. The largest customer for the monthly permit parking is the University of Iowa with 615 permits. There are currently over 1,100 people on the Parking System's waiting lists for monthly permit parking.

In addition to monthly and permit parking, the Parking System has parking space contracts with the Sheraton Hotel in the amount of \$8,000.00 per month and with the Hotel Vetro in the amount of \$2,000.00 per month.

The City regularly evaluates parking demand. As development has continued to move south of Burlington Street and the central business district, the need for additional spaces in this area has increased. The Applied Real Estate Analysis ("AREA"), in conjunction with Desman Associates, estimates that there is demand for 600 additional parking spaces in downtown Iowa City. A recent update of demand based on upcoming developments shows a need of 650 additional spaces, an increase of 50 from the previous study. The underlying economic growth and employment base of the City continues to contribute to increased demand. The Harrison Street Parking Facility located on the 100 block of East Harrison Street is scheduled to open April 2017. This facility will have 600 spaces for permit and visitor parking.

Parking System Rates and Charges: Rates for the Parking System are set by the City Council. Parking System rates are reviewed annually. The rates vary by facility and the hourly and monthly rates and charges as approved by the City Council are listed below by facility. These rates include the most recent hourly rate adjustments that were approved by the City Council on June 4, 2013 and became effective July 1, 2013 and the monthly permit rate adjustments that were approved by the City Council on June 2, 2009 and became effective July 1, 2009.

Parking Facilities: The Parking System consists of 2 cashiered garages and 2 unattended garages, as well as, various parking lots and on-street metered parking in the Central Business District. The City completes regular visual inspections of the parking garages to evaluate their current appearance and general condition. The garages are visually inspected for the condition of the main structural elements (columns, girders, beams), parking decks, expansion and control joints, and their coating systems. Based on the most recent inspections, all of the Parking System's facilities are in excellent condition. All garages will continue to receive routine inspections and maintenance. A description of each parking facility, their locations, access, the number of spaces, monthly permits, and current rates are as follows:

**Capitol Street Garage**

Constructed	1980
Address	220 S. Capitol Street
Description	Located on a parcel confined by Burlington Street to the south, Capitol Street to the west, Clinton Street to the east and the Old Capitol Town Center to the north.
Access	This is a cashiered facility with two entry lanes off of Clinton Street; two entry lanes off of Capitol Street; and four exit lanes onto Capitol Street.
Spaces	875
Monthly Permits	220
Rates	Hourly            \$1.00 per hour, with first hour free Monthly           \$80.00 per month

Changes in Capitol Street Garage rates over the last ten fiscal years:

	Hourly	Monthly
2007	25%	7%
2008	0%	0%
2009	0%	0%
2010	0%	7%
2011	0%	0%
2012	0%	0%
2013	0%	0%
2014*	33%	0%
2015	0%	0%
2016	0%	0%

\*2014 Hourly Rate increase from \$0.75 to \$1.00 but the first hour free also started in 2014

### Dubuque Street Garage

Constructed	1980
Address	220 S. Dubuque Street
Description	Located on a parcel confined by Burlington Street to the south, Dubuque Street to the west, Linn Street to the east and the Sheraton Hotel to the north.
Access	This is a cashiered facility with two entry lanes off of Dubuque Street; one entry lanes off of Linn Street; and two exit lanes onto Dubuque Street.
Spaces	625
Monthly Permits	310
Rates	Hourly \$1.00 per hour, with first hour free Monthly \$80.00 per month

Changes in Dubuque Street Garage rates over the last ten fiscal years:

	Hourly	Monthly
2007	25%	8%
2008	0%	0%
2009	0%	0%
2010	0%	23%
2011	0%	0%
2012	0%	0%
2013	0%	0%
2014*	33%	0%
2015	0%	0%
2016	0%	0%

\*2014 Hourly Rate increase from \$0.75 to \$1.00 but the first hour free also started in 2014

### Chauncey Swan Garage

Constructed	1993
Address	415 E. Washington Street
Description	Located on a parcel confined by College Street to the south, Van Buren Street to the east, Gilbert Street to the west and Washington Street to the north.
Access	This is an automated facility with one entry/exit lane off of College Street; one entry/exit lane off of Washington Street; and one entry/exit lane through the Recreation Center parking lot onto Burlington Street.
Spaces	475
Monthly Permits	380
Rates	Hourly \$0.75 per hour Monthly \$80.00 per month

Changes in Chauncey Swan Garage rates over the last ten fiscal years:

	Hourly	Monthly
2007	20%	9%
2008	0%	0%
2009	0%	0%
2010	0%	17%
2011	0%	14%
2012	0%	0%
2013	0%	0%
2014	25%	0%
2015	0%	0%
2016	0%	0%

**Tower Place Garage**

Constructed	2001	
Address	335 E. Iowa Avenue	
Description	Located on a parcel confined by Iowa City Senior Center to the south, Gilbert Street to the east, Linn Street to the west and Iowa Avenue to the north.	
Access	This is a cashiered facility with two entry lanes off of Iowa Avenue; three exit lanes onto Iowa Avenue; and secured permit-only entry and exit off of Gilbert Street.	
Spaces	510	
Monthly Permits	210	
Rates	Hourly	\$1.00 per hour, with first hour free
	Monthly	\$80.00 per month

Changes in Tower Place Garage rates over the last ten fiscal years:

	Hourly	Monthly
2007	25%	7%
2008	0%	0%
2009	0%	0%
2010	0%	7%
2011	0%	0%
2012	0%	0%
2013	0%	0%
2014*	33%	0%
2015	0%	0%
2016	0%	0%

\*2014 Hourly Rate increase from \$0.75 to \$1.00 but the first hour free also started in 2014

**On-Street Parking Meters:** The City operates short-term meters (1-2 hours) concentrated in the core of the downtown. These meters are intended for shopper's use. Each parking meter dial states the maximum time. Longer term meters become more common away from the core downtown area.

Meters	1,174	
Rates	Hourly	\$0.75 - \$1.50 per hour based on proximity to the central business district and usage.

**Parking Lots:** The City operates seven parking lots in the Central Business District. They consist of a mix of permit spaces and metered spaces.

Spaces	371	
Monthly Permits	150	
Rates	Hourly	\$0.75 - \$1.50 per hour based on proximity to the central business district and usage.
	Monthly	\$60.00 per month

**Moped Parking:** FY12 saw the implementation of a parking permit program for mopeds, scooters, and motorcycles. Spaces were designated throughout the Central Business District to accommodate the use of mopeds and scooters while also removing them from parking in bicycle racks.

Spaces	150	
Total Annual Permits	735	
Rates	Annual	\$90.00 per year

Financial Information: The following table summarizes the results of operations for the Parking System for the fiscal years ended June 30, 2016, 2015, and 2014.

**PARKING SYSTEM**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**

Last Three Fiscal Years  
(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 5,438	\$ 5,502	\$ 5,294
Miscellaneous	40	82	26
Total operating revenues	<u>5,478</u>	<u>5,584</u>	<u>5,320</u>
<b>Operating Expenses:</b>			
Personal services	1,781	1,465	1,530
Commodities	578	106	141
Services and charges	<u>1,304</u>	<u>2,257</u>	<u>1,298</u>
	3,663	3,828	2,969
Depreciation	<u>808</u>	<u>798</u>	<u>800</u>
Total operating expenses	<u>4,471</u>	<u>4,626</u>	<u>3,769</u>
Operating income	<u>1,007</u>	<u>958</u>	<u>1,551</u>
<b>Nonoperating Revenues (Expenses):</b>			
Gain (loss) on disposal of capital assets	2,450	-	-
Interest income	37	36	45
Interest expense	<u>-</u>	<u>(77)</u>	<u>(298)</u>
Total nonoperating revenues (expenses)	<u>2,487</u>	<u>(41)</u>	<u>(253)</u>
Income before capital contributions and transfers	3,494	917	1,298
Transfers in	<u>-</u>	<u>-</u>	<u>19</u>
Income before special item	3,494	917	766
<b>Special item:</b>			
Payment to refunded bond escrow	<u>-</u>	<u>(574)</u>	<u>-</u>
Change in net assets	3,494	343	1,317
<b>Net Position, Beginning*</b>	<u>17,737</u>	<u>17,394</u>	<u>16,960</u>
<b>Net Position, Ending</b>	<u>\$ 21,231</u>	<u>\$ 17,737</u>	<u>\$ 18,277</u>

\*The 2015 beginning balance was restated from implementation of GASB 68.

The following table summarizes the budget and actual figures for the Parking System for the fiscal year ended June 30, 2016 and the budget for the fiscal year ended June 30, 2017 on a modified accrual basis.

**PARKING SYSTEM  
BUDGET AND ACTUALS (MODIFIED ACCRUAL BASIS)**

For the Year Ended June 30, 2016  
(amounts expressed in thousands)

	Actual	Budget	Percentage	FY17 Budget
Charges for services	\$ 5,438	\$ 5,274	103.11%	\$ 5,512
Interest income	37	28	132.14%	35
Miscellaneous	40	27	148.15%	79
Sale of assets	5,503	5,500	100.05%	-
Total Receipts	<u>\$ 11,018</u>	<u>\$ 10,829</u>	<u>101.75%</u>	<u>\$ 5,626</u>
Personal services	\$ 1,543	\$ 1,708	90.34%	\$ 1,612
Commodities	60	37	162.16%	31
Services and charges	1,601	1,605	99.75%	1,739
Capital outlay	511	1,012	50.49%	509
Interfund Loan Repayment	221	221	100.00%	228
Total Disbursements	<u>\$ 3,936</u>	<u>\$ 4,583</u>	<u>85.88%</u>	<u>\$ 4,119</u>

The following table summarizes the Parking System funds on hand for the fiscal years ended June 30, 2016, 2015, and 2014.

**PARKING SYSTEM  
FUNDS ON HAND (CASH AND INVESTMENTS)**

Last Three Fiscal Years  
(amounts expressed in thousands)

	2016	2015	2014
Operating Funds	\$ 10,944	\$ 4,238	\$ 5,674
Restricted and Designated Funds	387	386	1,921
Total Funds on Hand	<u>\$ 11,331</u>	<u>\$ 4,624</u>	<u>\$ 7,595</u>



## **Urban Renewal Area: CITY – UNIVERSITY PROJECT I**

The City, acting under the authority of Chapter 403 of the Code of Iowa, has established an urban renewal area designated as “City - University Project I Urban Renewal Area” (the “Urban Renewal Area”) designed to implement their comprehensive plan.

### **Description of CITY – UNIVERSITY PROJECT I Urban Renewal Plan/Area**

On October 2, 1969, the Iowa City Council adopted Resolution No. 2157 approving the City - University Project I Urban Renewal Plan (Project No. IA R-14) which plan has been modified and amended from time to time (said plan, as amended, is hereinafter referred to as the “Urban Renewal Plan” or “Plan”).

The Urban Renewal Area is located in the heart of City’s downtown. The northern edge of the original area consists of part of Washington Street with the western edge consisting of the eastern bank of the Iowa River. The southern edge consisted of a part of Court Street to the eastern edge which ran to Linn Street. In 2001, the original urban renewal area was expanded north to Iowa Ave, south to Prentiss Street and east to Gilbert Street. In 2012, the amended urban renewal area was extended south of the existing boundaries. In 2016, the amended urban renewal area was expanded to include a one block area bounded by Iowa Avenue on the north, Van Buren Street on the East, Washington Street on the South and Gilbert Street on the West. The original Urban Renewal Area is classified as a blighted area and does not have a sunset or expiration date. The 2001 amended urban renewal area has, at a minimum, a twenty year life and will expire after fiscal year 2023-24. The 2012 amended urban renewal area is classified as a blighted area and does not have a sunset or expiration date. The 2016 amended urban renewal area will expire, at a minimum, twenty years from the calendar year following the calendar year in which the City first certifies debt for the amended area.

The objectives of the Plan called for the City to undertake a program for the clearance and reconstruction or rehabilitation to enhance and promote the economic development within the Urban Renewal Area. Through the implementation of the Plan, the City’s overall goal is to develop and redevelop the Urban Renewal Area; to stimulate through public action and commitments, private investment which creates employment and increases to the tax base within the City.

In general, tax increment revenues from an Urban Renewal Area are determined annually by multiplying the aggregate of all local taxes, excluding the portion of the overall tax rate associated with debt service, physical plant and equipment and the instructional support program levies applicable to the taxable valuation of all property within the Urban Renewal Area, by the aggregate difference (“Tax Increment Valuation Available”) between the current taxable valuation and the original taxable valuation upon creation of the Urban Renewal Area. In general, the original taxable valuation reflects the valuation upon creation of the Urban Renewal Area (the “Frozen Base Valuation”). Johnson County (the “County”) collects the real estate taxes and distributes the Tax Increment Revenues to the City to use for repayment of the urban renewal revenue bonds. Tax Increment Revenues are generally distributed by the County to the City in the months of October and April of each calendar year.

**TOP TAXPAYERS LOCATED WITHIN URBAN RENEWAL AREA**

<u>Taxpayer</u>	<u>Classification</u>	<u>Taxable Valuation</u>	<u>FY2016/17 % of Total Taxable Valuations (1)</u>
MIDWESTONE BANK	Financial Institution	\$ 12,902,535	3.76%
RBD IOWA CITY LLC	Sheraton Hotel	11,579,832	3.38%
OC GROUP LC	Old Capital Mall	8,968,986	2.62%
PLAZA TOWERS LLC	Residential & Comm. Condo Rentals	8,087,115	2.36%
MOEN, MARC B	Residential & Comm. Condo Rentals	7,491,452	2.18%
FIRST NATIONAL BANK IOWA CITY	Financial Institution	6,906,951	2.01%
100-500 LLC	Residential Condo Rentals	6,795,112	1.98%
ICF LLC	Residential & Comm. Condo Rentals	6,660,466	1.94%
CENTER CITY LLC	Residential & Comm. Condo Rentals	6,414,733	1.87%
COURT STREET APARTMENTS LLC	Residential & Comm. Condo Rentals	6,037,026	1.76%
Total		\$ 81,844,208	23.87%

(1) The Total Taxable Valuation in the Urban Renewal Area for 1/1/2015 for fiscal year 2016-17 is \$342,890,955.

**TAX INCREMENT TAX RATES**

	<u>FY2009-10</u>	<u>FY2010-11</u>	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>FY2013-14 (1)</u>	<u>FY2014-15 (1)</u>	<u>FY2015-16 (1)</u>	<u>FY2016-17 (1)</u>
Total City Tax Rate	\$ 40.59569	\$ 40.91519	\$ 40.75369	\$ 39.49917	\$ 38.63862	\$ 38.52756	\$ 38.81115	\$ 38.74878
City Debt Service	(4.21934)	(4.43847)	(4.64901)	(4.44287)	(4.02965)	(4.12963)	(3.92833)	(3.82846)
Iowa City CSD Debt Service	(0.78674)	(0.72701)	(0.74900)	(0.69729)	(0.63500)	(0.59831)	(0.58612)	(0.55017)
Iowa City CSD PPEL	(1.67000)	(1.67000)	(1.67000)	(1.67000)	(1.67000)	(1.67000)	(1.67000)	(1.67000)
Iowa City CSD ISPL	-	-	-	-	(0.12405)	(0.08550)	(0.08991)	(0.07069)
Kirkwood Debt Service	(0.15908)	(0.18561)	(0.20000)	(0.20000)	(0.20000)	(0.20000)	(0.27005)	(0.21003)
Johnson County Debt Service	<u>(0.69680)</u>	<u>(0.59533)</u>	<u>(0.47402)</u>	<u>(0.62813)</u>	<u>(1.61074)</u>	<u>(2.05908)</u>	<u>(1.77673)</u>	<u>(2.00829)</u>
Tax Increment Tax Rate	\$ 33.06373	\$ 33.29877	\$ 33.01166	\$ 31.86088	\$ 30.36918	\$ 29.78504	\$ 30.49001	\$ 30.41114
Iowa City Downtown SSMID (2)				<u>2.00000</u>	<u>2.00000</u>	<u>2.00000</u>	<u>2.00000</u>	<u>2.00000</u>
Tax Increment Tax Rate in SSMID				\$ 33.86088	\$ 32.36918	\$ 31.78504	\$ 32.49001	\$ 32.41114

(1) Any urban renewal area created after April 24, 2012, will not be eligible to receive the benefits of the local school district's instruction support levy (ISPL) tax revenues, unless the ISPL is necessary to pay principal and interest on the urban renewal debt and the school passes a special resolution approving such use of the revenues. Urban renewal debt incurred on or before April 24, 2012, may receive the benefit of ISPL tax revenues for fiscal year 2013-14 and following only if the ISPL is necessary to pay principal and interest on the urban renewal area debt and the city certifies to the school district by July 1 of each fiscal year, beginning July 1, 2013. The school district must then pay those amounts during that fiscal year (Nov. 1 and May 1) back to the City's urban renewal fund.

(2) In fiscal year 2012-13, the City created a Self Supporting Municipal Improvement District (SSMID) within a portion of the Urban Renewal Area. The tax levy for the SSMID increases the tax increment rate but is only applied to certain properties when the County is apportioning the tax increment revenue request.

**HISTORICAL AND PROJECTED TAXABLE VALUATIONS WITHIN THE URBAN RENEWAL AREA**

Assessment Date	Fiscal Year	Total Taxable Value (1)	Taxable Value Frozen Base (2)	Taxable Valuation Available	New Taxable Valuation Park @ 201	New Taxable Valuation Chauncy	Taxable Valuation Available for Certification	Taxable Valuation Certified
1/1/2010	FY 2012	195,540,284	89,677,074	105,863,210	0	0	105,863,210	0
1/1/2011	FY 2013	199,993,156	90,475,486	109,517,670	0	0	109,517,670	3,925,401
1/1/2012	FY 2014	306,901,127	196,103,957	110,797,170	0	0	110,797,170	9,358,858
1/1/2013	FY 2015	316,944,391	178,306,881	138,637,510	2,880,000	0	141,517,510	16,477,686
1/1/2014	FY 2016	309,883,790	159,027,124	150,856,666	6,041,734	0	156,898,400	17,156,898
1/1/2015	FY 2017	336,428,957	147,479,758	188,949,199	6,461,998	0	195,411,197	25,360,541
1/1/2016	FY 2018	336,428,957	147,479,758	188,949,199	6,461,998	0	195,411,197	6,818,061
1/1/2017	FY 2019	336,428,957	147,479,758	188,949,199	6,461,998	0	195,411,197	19,378,918
1/1/2018	FY 2020	336,428,957	147,479,758	188,949,199	6,461,998	0	195,411,197	19,454,549
1/1/2019	FY 2021	336,428,957	147,479,758	188,949,199	6,461,998	16,345,771	211,756,968	19,357,873
1/1/2020	FY 2022	336,428,957	147,479,758	188,949,199	6,461,998	30,128,234	225,539,431	51,148,198
1/1/2021	FY 2023	336,428,957	147,479,758	188,949,199	6,461,998	30,128,234	225,539,431	50,081,812
1/1/2022	FY 2024	336,428,957	147,479,758	188,949,199	6,461,998	30,128,234	225,539,431	48,842,135
1/1/2023	FY 2025	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	47,761,939
1/1/2024	FY 2026	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	46,836,291
1/1/2025	FY 2027	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	41,784,853
1/1/2026	FY 2028	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	37,662,679
1/1/2027	FY 2029	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	37,403,892
1/1/2028	FY 2030	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	37,283,048
1/1/2029	FY 2031	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	37,135,241
1/1/2030	FY 2032	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	37,122,910
1/1/2031	FY 2033	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	30,163,289
1/1/2032	FY 2034	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	30,181,374
1/1/2033	FY 2035	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	30,174,798
1/1/2034	FY 2036	238,069,229	105,456,210	132,613,019	6,461,998	30,128,234	169,203,251	30,143,559

(1) Total taxable valuation available for certification will decrease in fiscal year 2024-25 due to the retirement of the tax increment of the 2001 Amended portion of the Urban Renewal Area. Total taxable value increased in fiscal year 2013-14 due to 2012 Amended Area of the Urban Renewal Area.

(2) Taxable value frozen base decreases due to commercial and industrial rollback amounts starting in fiscal year 2014-15 and multi-residential rollback amounts starting in fiscal year 2016-17.

**TAX INCREMENT CASH FLOW AND ANTICIPATE DEBT COVERAGE**

Assessment Date	Fiscal Year	Taxable Valuation		TIF Tax Rate (2)	Available Tax Increment Revenues (3)	Certified Tax Increment Revenues	Other Revenues	Total Revenues	2012D TIF	2016E TIF	Other TIF Debt	Total TIF Debt	Annual Surplus/ (Deficit)	Ending Cash Balance (4)	Available Debt Coverage	Requested Debt Coverage
		Available for Certification (1)	Taxable Valuation Certified						Revenue Bonds	Revenue Bonds						
1/1/2010	FY 2012	105,863,210	0	33.01166	3,494,720	0	0	0	0	0	0	0	0	662,510	n.a.	n.a.
1/1/2011	FY 2013	109,517,670	3,925,401	31.86088	3,489,329	128,072	31,795	159,867	0	0	159,867	159,867	0	662,510	n.a.	n.a.
1/1/2012	FY 2014	110,797,170	9,358,858	30.36918	3,364,819	289,650	148	289,798	75,335	0	214,315	289,650	148	662,658	44.66	1.55
1/1/2013	FY 2015	141,517,510	16,477,686	29.78504	4,215,105	502,339	5,090	507,429	75,335	0	427,004	502,339	5,090	667,748	55.95	1.05
1/1/2014	FY 2016	156,898,400	17,156,898	30.49001	4,783,834	532,776	2,434	535,210	205,335	0	172,256	377,591	157,619	825,367	23.30	1.00
1/1/2015	FY 2017	195,411,197	25,360,541	30.41114	5,942,677	805,965	0	805,965	204,035	0	307,715	511,750	294,215	1,119,582	29.13	1.00
1/1/2016	FY 2018	195,411,197	6,818,061	30.41114	5,942,677	207,345	0	207,345	207,345	0	0	207,345	0	1,119,582	28.66	1.00
1/1/2017	FY 2019	195,411,197	19,378,918	30.41114	5,942,677	589,335	0	589,335	205,185	384,150	0	589,335	0	1,119,582	10.08	1.00
1/1/2018	FY 2020	195,411,197	19,454,549	30.41114	5,942,677	591,635	0	591,635	207,485	384,150	0	591,635	0	1,119,582	10.04	1.00
1/1/2019	FY 2021	211,756,968	19,357,873	30.41114	6,439,771	588,695	0	588,695	204,545	384,150	0	588,695	0	1,119,582	10.94	1.00
1/1/2020	FY 2022	225,539,431	51,148,198	30.41114	6,858,911	1,555,475	0	1,555,475	206,325	1,349,150	0	1,555,475	0	1,119,582	4.41	1.00
1/1/2021	FY 2023	225,539,431	50,081,812	30.41114	6,858,911	1,523,045	0	1,523,045	207,845	1,315,200	0	1,523,045	0	1,119,582	4.50	1.00
1/1/2022	FY 2024	225,539,431	48,842,135	30.41114	6,858,911	1,485,345	0	1,485,345	203,945	1,281,400	0	1,485,345	0	1,119,582	4.62	1.00
1/1/2023	FY 2025	169,203,251	47,761,939	30.41114	5,145,664	1,452,495	0	1,452,495	204,745	1,247,750	0	1,452,495	0	1,119,582	3.54	1.00
1/1/2024	FY 2026	169,203,251	46,836,291	30.41114	5,145,664	1,424,345	0	1,424,345	205,095	1,219,250	0	1,424,345	0	1,119,582	3.61	1.00
1/1/2025	FY 2027	169,203,251	41,784,853	30.41114	5,145,664	1,270,725	0	1,270,725	204,975	1,065,750	0	1,270,725	0	1,119,582	4.05	1.00
1/1/2026	FY 2028	169,203,251	37,662,679	30.41114	5,145,664	1,145,365	0	1,145,365	204,365	941,000	0	1,145,365	0	1,119,582	4.49	1.00
1/1/2027	FY 2029	169,203,251	37,403,892	30.41114	5,145,664	1,137,495	0	1,137,495	203,245	934,250	0	1,137,495	0	1,119,582	4.52	1.00
1/1/2028	FY 2030	169,203,251	37,283,048	30.41114	5,145,664	1,133,820	0	1,133,820	206,770	927,050	0	1,133,820	0	1,119,582	4.54	1.00
1/1/2029	FY 2031	169,203,251	37,135,241	30.41114	5,145,664	1,129,325	0	1,129,325	204,925	924,400	0	1,129,325	0	1,119,582	4.56	1.00
1/1/2030	FY 2032	169,203,251	37,122,910	30.41114	5,145,664	1,128,950	0	1,128,950	207,800	921,150	0	1,128,950	0	1,119,582	4.56	1.00
1/1/2031	FY 2033	169,203,251	30,163,289	30.41114	5,145,664	917,300	0	917,300	0	917,300	0	917,300	0	1,119,582	5.61	1.00
1/1/2032	FY 2034	169,203,251	30,181,374	30.41114	5,145,664	917,850	0	917,850	0	917,850	0	917,850	0	1,119,582	5.61	1.00
1/1/2033	FY 2035	169,203,251	30,174,798	30.41114	5,145,664	917,650	0	917,650	0	917,650	0	917,650	0	1,119,582	5.61	1.00
1/1/2034	FY 2036	169,203,251	30,143,559	30.41114	5,145,664	916,700	0	916,700	0	916,700	0	916,700	0	1,119,582	5.61	1.00

(1) Total taxable valuation available for certification will decrease in fiscal year 2024-25 due to the retirement of the tax increment of the 2001 Amended portion of the Urban Renewal Area.

(2) The tax increment rate in fiscal year 2013-14 reflects the loss of the local school district's instruction support levy (ISPL) of \$.12405 due to recent legislative changes.

TIF tax rate does not include the SSMID levy rate of \$2.00 per \$1,000 of value. Starting in fiscal year 2012-13, a portion of the taxable valuation certified will be at the higher rate due to its location in the SSMID.

(3) The available tax increment revenues do not reflect an estimate for the portion of the available valuation that would be taxed at the higher SSMID rate.

(4) The balance includes TIF reserve fund of \$207,845.