



# CITY OF IOWA CITY MEMORANDUM

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**Date:** January 31, 2020

**To:** Geoff Fruin, City Manager

**From:** Jacklyn Fleagle, Budget & Compliance Officer

**RE:** Long-term Debt Disclosure Report

On October 6, 2015, the City Council adopted a new Debt Management Policy. As part of that policy, an annual debt report was to be submitted within 210 days after the fiscal year-end to the City Manager and the City Council. The City's fiscal year 2019 ended on June 30, 2019, and this report is intended to provide information in regards to that fiscal year. According to the policy, the annual debt report should include, at a minimum, the following information:

- **General Long-term Debt Obligations:**
  - Property valuations and trend valuations for total actual and taxable valuations
  - List of the City's 10 largest taxpayers
  - Summary of all of the City's direct, long-term debt obligations
  - Debt per capita (GO Debt and TIF Revenue Debt)
  - Debt per total assessed value (GO Debt and TIF Revenue Debt)
  - City's debt versus the legal debt limit
- **Revenue-Secured Debt Obligations:**
  - Summary of the system
  - Summary of the system's rates and charges
  - The historical trend of system's sales and charges
  - Coverage ratios for system
  - Number of system customers, if applicable
  - List of system's 10 largest users, if applicable

According to the policy, the annual debt report should also include a list of any potential upcoming debt issues and a summary of any material events that have occurred in the past year. The report may also include any other relevant information that is significant to the City's debt program or ability to repay its debt obligations.

During fiscal year 2019, the City incurred the following significant events related to its bond obligations:

- Principal and interest payment delinquencies: None
- Non-payment related defaults, if material: None
- Unscheduled draws on debt service reserves reflecting financial difficulties: None
- Unscheduled draws on credit enhancements relating to the Bonds reflecting financial substitution of credit or liquidity providers, or their failure to perform: None
- Substitution of credit or liquidity providers, or their failure to perform: None
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or

- other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds: None
- Modifications to rights of Holders of the Bonds, if material: None
  - Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers; a Notice of Material Event was timely filed for each of these events:
    - i. 2010A Sewer Revenue bond maturities called on July 1, 2018
    - ii. 2011C GO bond maturities called on July 1, 2018
  - Defeasances of the Bonds; a Notice of Material Event was timely filed for this event: None
  - Release, substitution, or sale of property securing repayment of the Bonds, if material: None
  - Rating changes on the Bonds: None
  - Bankruptcy, insolvency, receivership or similar event of the Issuer: None
  - The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material: None
  - Appointment of a successor or additional trustee or the change of name of a trustee, if material: None
  - Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material: None
  - Default, event of acceleration, termination event, modification of terms or similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties: None

In the next 180 days, we are currently anticipating the following potential bond issues:

- 2020 General Obligation Bonds – 2020 CIP Program - \$12,240,000

Other potential debt issues include: None

Attached to this memo are summaries that include the additional financial and debt information mentioned above. This information along with our Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR) will be provided to our bondholders and will be posted on the Electronic Municipal Market Access (EMMA) web site in accordance with Municipal Securities Rulemaking Board (MSRB) rules. This information must be posted by January 26, 2020 in order to comply with the continuing disclosure certificates on our outstanding bonded debt.

We are not aware of any material or significant events that will prevent the City from meeting its current outstanding bonded debt obligations.

**CONTINUING DISCLOSURE SUBMISSION**

**FINANCIAL AND OPERATING REPORT**

**FOR THE FISCAL YEAR JUNE 30, 2019**



**Relating to**

**CITY OF IOWA CITY  
Johnson County, Iowa**

**GENERAL OBLIGATION DEBT**

**CUSIP NO. 462308**

**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.**

**Pursuant to Securities and Exchange Commission Rule 15c2-12**

**For further information please contact:**

**Dennis Bockenstedt  
Director of Finance  
City of Iowa City  
410 E. Washington Street  
Iowa City, IA 52240**

**Telephone: (319) 356-5053**

**January 24, 2020**

**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 2017 valuation currently applicable to the Fiscal Year 2018-19 is as follows:

2017 Actual Valuation of Property .....	\$5,907,660,998
Legal Debt Limit of 5% .....	<u>0.05</u>
Legal Debt Limit .....	\$ 295,383,050
Less: TIF Revenue Debt Subject to Debt Limit .....	(14,930,000)
Less: Total G.O. Debt Subject to Debt Limit .....	(52,470,000)
Less: Other Loans .....	(603,000)
Less: Other Legal Indebtedness (TIF Rebates) .....	<u>(27,704,000)</u>
Total Applicable Debt .....	<u>(95,707,000)</u>
Net Debt Limit .....	\$ 199,676,050

**DIRECT DEBT**

General Obligation Debt Supported by Property Taxes and Tax Increment

<u>Date of Issue</u>	<u>Original Amount Issued</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/30/19</u>
June 2012	\$ 9,070,000	City Improvements	6/22	\$ 2,935,000
July 2013	7,230,000	City Improvements	6/23	3,380,000
June 2014	11,980,000	Refunded City Improvements	6/24	4,875,000
June 2015	7,785,000	City Improvements	6/25	4,915,000
June 2016	8,795,000	City Improvements	6/26	6,785,000
June 2017	9,765,000	City Improvements	6/27	7,960,000
June 2018	8,895,000	City Improvements	6/28	8,085,000
June 2018	3,100,000	Taxable City Improvements	6/20	1,000,000
June 2019	12,535,000	City Improvements	6/29	<u>12,535,000</u>
Total General Obligation Bonds				\$52,470,000

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**GENERAL OBLIGATION DEBT(1)**  
 (Principal Only)

Fiscal Year Ending June 30	Series 2012A	Series 2013A	Series 2014A	Series 2015A	Series 2016A	Series 2017A	Series 2018A	Series 2018B
2020 .....	\$ 955,000	\$ 820,000	\$ 925,000	\$ 765,000	\$ 910,000	\$ 920,000	\$ 825,000	\$1,000,000
2021 .....	975,000	835,000	950,000	785,000	930,000	940,000	840,000	0
2022 .....	1,005,000	855,000	970,000	805,000	950,000	955,000	855,000	0
2023 .....	0	870,000	1,000,000	830,000	965,000	980,000	875,000	0
2024 .....	0	0	1,030,000	850,000	985,000	1,000,000	895,000	0
2025 .....	0	0	0	880,000	1,010,000	1,025,000	915,000	0
2026 .....	0	0	0	0	1,035,000	1,055,000	940,000	0
2027 .....	0	0	0	0	0	1,085,000	960,000	0
2028 .....	0	0	0	0	0	0	980,000	0
2029 .....	0	0	0	0	0	0	0	0
Total .....	\$2,935,000	\$3,380,000	\$4,875,000	\$4,915,000	\$6,785,000	\$7,960,000	\$8,085,000	\$1,000,000

Fiscal Year Ending June 30	Series 2019	Total General Obligation Debt	Cumulative Retirement		Principal & Interest
			Amount	Percent	
2020 .....	\$ 4,125,000	\$11,245,000	\$11,245,000	21.43%	\$12,441,696
2021 .....	905,000	7,160,000	18,405,000	35.08%	8,103,923
2022 .....	925,000	7,320,000	25,725,000	49.03%	8,106,163
2023 .....	955,000	6,475,000	32,200,000	61.37%	7,103,413
2024 .....	985,000	5,745,000	37,945,000	72.32%	6,220,513
2025 .....	875,000	4,705,000	42,650,000	81.28%	5,051,513
2026 .....	905,000	3,935,000	46,585,000	88.78%	4,175,700
2027 .....	940,000	2,985,000	49,570,000	94.47%	3,132,325
2028 .....	960,000	1,940,000	51,510,000	98.17%	2,012,600
2029 .....	960,000	960,000	52,470,000	100.00%	981,600
Total .....	\$12,535,000	\$52,470,000			\$57,329,446

Note: (1) Source: the City.

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**INDIRECT GENERAL OBLIGATION DEBT  
 DEBT RATIOS  
 STATEMENT OF BONDED INDEBTEDNESS(1)(2)**

City Actual Value, January 1, 2017 ..... \$5,907,660,998  
 City Taxable Value, January 1, 2017 ..... \$3,745,477,705

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2010 Pop. 67,862 )
		Percent	Amount			
Direct Bonded Debt .....	\$ 52,470,000	100.00%	\$ 52,470,000	0.89%	1.40%	\$ 773.19
TIF Revenue Debt .....	14,930,000	100.00%	14,930,000	0.25%	0.40%	220.00
Overlapping Debt:						
Iowa City Community School District .....	\$115,095,000	57.24%	\$ 65,880,378	1.11%	1.76%	970.80
Clear Creek-Amana Community School Dist. ....	81,155,000	0.04%	32,462	0.00%	0.00%	0.48
Kirkwood Community College(3) .....	80,231,000	14.19%	11,384,779	0.19%	0.30%	167.76
Johnson County .....	5,145,000	42.22%	2,172,219	0.04%	0.06%	32.01
Total Overlapping Bonded Debt.....	\$349,026,000		\$ 79,469,838	1.34%	2.12%	\$1,171.05
Total Direct and Overlapping Bonded Debt.....			\$146,869,838	2.48%	3.92%	\$2,164.24

Per Capita Actual Value ..... \$87,054.04  
 Per Capita Taxable Value..... \$55,192.56

- Notes: (1) Source: the City, Audited Financial Statements and EMMA for the County, School Districts and Community College.  
 (2) As of June 30, 2019.  
 (3) Excludes \$32,315,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

**OTHER OBLIGATIONS  
 OTHER DEBT**

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

Date of Issue	Original Amount Issued	Purpose	Final Maturity	Principal Outstanding As of 6/30/19
Nov 2012	\$ 2,655,000	Developer Grant	6/32	\$ 2,125,000
Sept.2016	12,805,000	Developer Grant	6/36	12,805,000
Total				\$14,930,000

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

Date of Issue	Original Amount Issued	Purpose	Final Maturity	Capital Lease Obligation As of 6/30/19
April 2017	\$15,400,000	Parking	6/37	\$ 9,413,024

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

Date of Issue	Original Amount Issued	Purpose	Final Maturity	Principal Outstanding As of 6/30/19
June 2012	\$ 4,950,000	Water Refunding	7/22	\$ 2,100,000
June 2016	3,650,000	Water Refunding	7/24	2,865,000
June 2017	5,910,000	Water Refunding	7/25	5,300,000
Total				\$10,265,000

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

Date of Issue	Original Amount Issued	Purpose	Final Maturity	Principal Outstanding As of 6/30/19
June 2016	\$9,360,000	Sewer Refunding	7/21	\$5,600,000
June 2017	4,550,000	Sewer Refunding	7/22	4,275,000
Total				\$9,875,000

## IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

### PERCENTAGES FOR TAXABLE VALUATION AFTER ROLLBACKS(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi-Residential(2)</u>	<u>Ag Land &amp; Buildings</u>	<u>Commercial</u>
2010/11.....	46.9094%	N/A	66.2715%	100.0000%
2011/12.....	48.5299%	N/A	69.0152%	100.0000%
2012/13.....	50.7518%	N/A	57.5411%	100.0000%
2013/14.....	52.8166%	N/A	59.9334%	100.0000%
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%

Notes: (1) Source: the Iowa Department of Revenue.  
 (2) New category beginning with fiscal year 2017.

## BUILDING PERMITS

### City Building Permits(1) (Excludes the Value of Land)

Calendar Year:	2015	2016	2017	2018	2019
<u>New Construction</u>					
No. of New Permits.....	184	262	211	151	120
Valuation:.....	\$106,350,572	\$295,339,497	\$108,285,647	\$115,872,543	\$134,485,833
<u>Remodeling Repair and Additions:</u>					
No. of New Permits:.....	461	532	507	467	484
Valuation:.....	\$ 31,960,941	\$ 93,087,526	\$108,532,366	\$ 76,942,267	\$ 97,036,048
Total Permits.....	645	794	718	618	604
Total Valuations.....	\$138,311,513	\$388,427,023	\$216,818,013	\$192,814,810	\$231,521,881

Note: (1) Source: the City.

**PROPERTY VALUATIONS AND TREND OF VALUATIONS  
 ACTUAL (100%) VALUATIONS FOR THE CITY(1)(2)**

Property Class	Fiscal Year:	2014/15	2015/16	2016/17	2017/18	2018/19
	Levy Year:	2013	2014	2015	2016	2017
Residential .....		\$3,495,700,460	\$3,617,590,930	\$3,893,541,900	\$4,011,317,530	\$4,279,194,820
Agricultural .....		3,680,920	3,553,520	3,736,510	3,443,020	2,626,150
Commercial .....		1,157,640,090	1,155,761,766	856,972,664	877,491,737	964,588,039
Industrial .....		80,494,880	76,495,918	79,053,598	79,474,988	74,013,639
Multi-residential(3).....		0	0	415,208,021	420,082,751	482,118,763
Railroads .....		3,827,506	4,015,580	4,096,577	3,984,932	3,549,414
Utilities without Gas and Electric.....		9,599,528	8,239,789	7,375,066	6,734,894	7,099,293
Gas and Electric Utility .....		78,642,915	87,728,294	92,987,351	94,582,279	97,050,716
Less: Military Exemption.....		(2,939,122)	(2,828,002)	(2,727,994)	(2,635,396)	(2,579,836)
Total .....		\$4,826,647,177	\$4,950,557,795	\$5,350,243,693	\$5,494,476,735	\$5,907,660,998
Percent Change +(-).....		3.39%(4)	2.57%	8.07%	2.70%	7.52%

- Notes: (1) Source: Iowa Department of Management.  
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2013	2014	2015	2016	2017
TIF Valuation .....	\$21,131,574	\$42,307,287	\$72,650,838	\$80,559,947	\$85,379,369

- (3) New Class as of January 1, 2015, previously reported as Commercial Property.  
 (4) Based on 2012 Actual Valuation of \$4,668,318,992.

For the January 1, 2017 levy year, the City’s Taxable Valuation was comprised of approximately 64% residential, 23% commercial, 2% industrial, 10% multi-residential, 1% utilities and less than 1% agriculture and military exemption.

**PROPERTY VALUATIONS AND TREND OF VALUATIONS  
 TAXABLE (“ROLLBACK”) VALUATIONS FOR THE CITY(1)(2)**

Property Class	Fiscal Year:	2014/15	2015/16	2016/17	2017/18	2018/19
	Levy Year:	2013	2014	2015	2016	2017
Residential .....		\$1,901,667,703	\$2,016,210,314	\$2,165,817,742	\$2,284,007,603	\$2,380,126,625
Agricultural .....		1,597,501	1,588,496	1,706,955	1,618,090	1,429,547
Commercial .....		1,099,758,752	1,040,185,590	771,275,414	789,742,578	868,129,247
Industrial .....		76,470,143	68,846,326	71,148,238	71,527,489	66,612,275
Multi-residential(3).....		0	0	358,117,010	346,568,385	379,668,606
Railroads .....		3,636,130	3,614,022	3,686,919	3,586,439	3,194,473
Utilities without Gas and Electric(4).....		9,599,528	8,239,789	7,375,066	6,734,894	7,099,293
Gas and Electric Utility(4).....		47,004,994	46,785,426	44,986,783	41,702,196	41,797,475
Less: Military Exemption.....		(2,939,122)	(2,828,002)	(2,727,994)	(2,635,396)	(2,579,836)
Total .....		\$3,136,795,629	\$3,182,641,961	\$3,421,386,133	\$3,542,852,278	\$3,745,477,705
Percent Change +(-).....		3.32%(5)	1.46%	7.50%	3.55%	5.72%

- Notes: (1) Source: Iowa Department of Management.  
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2013	2014	2015	2016	2017
TIF Valuation .....	\$21,131,574	\$33,331,128	\$72,650,838	\$80,559,947	\$85,379,369

- (3) New Class as of January 1, 2015, previously reported as Commercial Property.  
 (4) See “PROPERTY TAX INFORMATION - Utility Property Tax Replacement” herein.  
 (5) Based on 2012 Taxable Valuation of \$3,036,012,368.



## LEVIES AND TAX COLLECTIONS(1)

The following shows the trend in the City's tax extensions and collections.

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2010.....	2011-12.....	\$49,589,988	\$49,543,860	99.91%
2011.....	2012-13.....	50,407,375	50,419,618	100.02%
2012.....	2013-14.....	50,307,189	50,051,577	99.49%
2013.....	2014-15.....	51,608,730	51,496,353	97.70%
2014.....	2015-16.....	52,033,966	52,020,805	99.97%
2015.....	2016-17.....	55,330,223	55,357,357	100.05%
2016.....	2017-18.....	56,458,399	56,525,799	100.12%
2017.....	2018-19.....	59,173,825	59,252,017	100.13%

- Notes: (1) Source: the State of Iowa Department of Management and the City. Does not include Levies or Collections for Utility Replacement. Does not include levies and collections for the City's tax increment finance district.  
 (2) Includes delinquent taxes.

## LARGER TAXPAYERS(1)

Taxpayer Name	Business/Service	Levy Year 2017 Taxable Valuation(2)
American College Testing, Inc (aka ACT, Inc.) .....	Commercial .....	\$ 50,377,182
MidAmerican Energy .....	Utility .....	39,501,682
BBCS-Hawkeye Housing LLC .....	Real Estate Management/Apartments.....	25,227,744
Ann S Gerdin Revocable Trust .....	Commercial .....	22,903,407
MidWestOne Bank.....	Banking .....	20,850,984
Dealer Properties IC LLC.....	Commercial .....	19,318,887
Procter & Gamble LLC.....	Industrial .....	16,805,285
Vesper Iowa City LLC .....	Apartments .....	15,123,579
Alpla Inc .....	Industrial .....	14,019,426
National Computer Systems Inc.....	Commercial .....	13,673,205
Total .....		\$237,801,381
Ten Largest Taxpayers as Percent of City's 2017 Taxable Valuation (\$3,745,477,705) .....		6.35%

- Notes: (1) Source: Johnson County.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

## 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 2018-19. 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 2018-19. Debt service levies are not limited.

**TAX RATES**

**Levy Years 2013 - 2017(1)(2)**  
 (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2014/15 <u>2013</u>	2015/16 <u>2014</u>	2016/17 <u>2015</u>	2017/18 <u>2016</u>	2018/19 <u>2017</u>
City:						
General Fund .....	\$	8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy.....		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund.....		4.12963	3.92833	3.82846	3.57846	3.22846
Employee Benefits .....		2.96331	3.11277	3.14415	3.14415	3.34415
Capital Improvement .....		0.00000	0.00000	0.00000	0.00000	0.00000
Other.....		<u>1.51226</u>	<u>1.50986</u>	<u>1.51044</u>	<u>1.51044</u>	<u>1.51044</u>
Total City.....		\$16.70520	\$16.65096	\$16.58305	\$16.33305	\$16.18305
Johnson County .....	\$	6.74168	\$6.90337	\$6.77140	\$6.85143	\$6.53594
Iowa City Community School District.....		13.69999	13.86773	13.98935	13.95855	14.85629
Kirkwood .....		1.05754	1.06125	1.08048	1.13174	1.20354
Other.....		<u>0.32315</u>	<u>0.32784</u>	<u>0.32450</u>	<u>0.33036</u>	<u>0.30557</u>
Total Tax Rate(3) .....		\$38.52756	\$38.81115	\$38.74878	\$38.60513	\$39.08439

- Notes: (1) Source: Iowa Department of Management.  
 (2) Does not include the tax rate for agriculture.  
 (3) Taxpayers in the Iowa City Community School District area.

**PROPERTY TAX LEGISLATION**

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the “2019 Act”). This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the county budget. The bill also includes a provision that will require the affirmative vote of 2/3 of the board of supervisors when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula.

The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds. It is too early to evaluate the affect the 2019 Act will have on the overall financial position of the City or its ability to fund essential services.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “2013 Act”). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property 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 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

The Act includes 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. Beginning in fiscal year 2018 the standing appropriation cannot exceed the actual 2017 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 to 3%, the gradual transition for multi-residential properties from the residential rollback percentage (currently 53% of market value), 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's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal 2018, the impact of the 2013 Act on the City's future property tax collections is uncertain and the City has not attempted to quantify the financial impact of the 2013 Act's provisions on the City's future operations.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues bonds, "[t]he 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.

**CITY FUNDS ON HAND (Cash and Investments as of June 30, 2019, in thousands)**

City Operating Funds	\$175,028
City Restricted Funds	<u>48,703</u>
Total	\$233,731

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**STATEMENT OF NET POSITION  
 GOVERNMENTAL ACTIVITIES(1)**  
 (Amounts Expressed in Thousands)

	Audited as of June 30				
	2015	2016	2017	2018	2019
<b>ASSETS:</b>					
Equity in Pooled Cash and Investments .....	\$ 63,571	\$ 84,052	\$111,030	\$109,860	\$111,645
Receivables:					
Property Tax.....	52,240	55,482	56,639	59,538	60,529
Accounts and Unbilled Usage.....	718	953	820	817	941
Interest.....	364	284	428	920	967
Notes.....	17,308	16,252	5,524	5,304	5,209
Internal Balances.....	(12,127)	(13,688)	(15,494)	(16,069)	(20,055)
Due from Other Governments.....	10,298	5,987	4,519	4,067	7,584
Prepaid Item.....	0	10	811	810	907
Inventories.....	656	688	730	602	650
Assets Held for Resale.....	2,170	582	750	562	689
Restricted Assets:					
Equity in Pooled Cash and Investments.....	45,981	36,914	24,560	26,108	18,553
Other Post Employment Benefits Asset.....	25	40	35	0	0
Capital Assets:					
Land and Construction in Progress.....	48,032	48,275	52,545	73,176	51,291
Other Capital Assets (Net of Accumulated Depreciation).....	<u>151,620</u>	<u>158,947</u>	<u>173,598</u>	<u>174,835</u>	<u>210,302</u>
Total Assets.....	<u>\$380,856</u>	<u>\$394,778</u>	<u>\$416,495</u>	<u>\$440,530</u>	<u>\$449,212</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:(2)</b>					
Pension Related Deferred Outflows.....	\$ 6,767	\$ 7,192	\$ 13,131	\$ 11,477	\$ 11,255
OPEB Related Deferred Outflows.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>637</u>	<u>1,467</u>
Total Deferred Outflows of Resources.....	\$ 6,767	\$ 7,192	\$ 13,131	\$ 12,114	\$ 12,722
<b>LIABILITIES:</b>					
Accounts Payable.....	\$ 2,296	\$ 3,374	\$ 2,127	\$ 5,168	\$ 3,399
Contracts Payable.....	5,468	2,773	2,521	3,663	5,864
Accrued Liabilities.....	4,145	4,143	4,182	4,193	5,231
Interest Payable.....	168	110	133	134	151
Deposits.....	1,078	1,715	1,230	952	1,008
Advances from Grantors.....	69	47	144	124	98
Due to Other Governments.....	636	402	42	29	31
Notes Payable.....	2,004	582	663	475	602
Noncurrent Liabilities:					
Due Within One Year:					
Employee Vested Benefits.....	1,148	1,185	1,252	1,253	1,308
Bonds Payable.....	11,255	10,384	8,230	9,612	11,534
Due in more than One Year:					
Employee Vested Benefits.....	928	947	989	987	1,012
Net Pension Liability.....	24,556	30,539	39,080	38,867	38,890
Other Post Employment Benefits Liability.....	2,932	3,227	3,660	5,472	6,401
Notes Payable.....	211	211	211	211	211
Bonds Payable.....	<u>50,785</u>	<u>48,105</u>	<u>59,509</u>	<u>58,307</u>	<u>56,771</u>
Total Liabilities.....	<u>\$107,679</u>	<u>\$107,744</u>	<u>\$123,973</u>	<u>\$129,447</u>	<u>\$132,511</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable Revenues:					
Pension Related Deferred Inflows.....	\$ 10,791	\$ 3,740	\$ 1,603	\$ 1,565	\$ 1,940
OPEB Related Deferred Inflows.....	0	0	0	246	216
Succeeding Year Property Taxes.....	52,035	55,330	56,459	59,173	60,296
Notes.....	11,422	11,226	0	0	0
Grants.....	<u>0</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources.....	<u>\$ 74,248</u>	<u>\$ 70,308</u>	<u>\$ 58,062</u>	<u>\$ 60,984</u>	<u>\$ 62,452</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets.....	\$153,729	\$163,362	\$183,651	\$157,106	\$208,028
Restricted for or by:					
Employee Benefits.....	1,593	1,671	2,810	3,119	4,249
Capital Projects.....	27,014	31,456	30,856	21,463	17,020
Debt Service.....	6,921	6,463	7,221	8,423	9,514
Police.....	510	458	349	283	214
Other Purposes.....	409	1,657	2,590	4,469	4,359
Grant Agreement.....	0	449	3,850	3,733	3,463
Unrestricted.....	<u>15,520</u>	<u>18,402</u>	<u>16,264</u>	<u>63,617</u>	<u>20,124</u>
Total Net Position.....	<u>\$205,696</u>	<u>\$223,918</u>	<u>\$247,591</u>	<u>\$262,213</u>	<u>\$266,971</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2015 through 2019.

**STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES(1)**  
 (Amounts Expressed in Thousands)

FUNCTION/PROGRAMS:	Audited for the Year Ended June 30				
	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>					
Public Safety .....	\$ (16,991)	\$ (15,969)	\$ (18,053)	\$ (20,466)	\$ (20,862)
Public Works .....	8,350	998	6,746	(3,084)	(2,516)
Culture and Recreation.....	(13,208)	(13,535)	(14,573)	(15,189)	(14,834)
Community and Economic Development .....	(6,101)	(4,322)	(6,264)	(10,166)	(14,116)
General Government .....	(4,777)	(4,988)	(4,600)	(5,338)	(5,807)
Interest on Long-Term Debt.....	(1,517)	(1,287)	(1,481)	(1,414)	(1,444)
Total Governmental Activities .....	<u>\$ (34,244)</u>	<u>\$ (39,103)</u>	<u>\$ (38,225)</u>	<u>\$ (55,657)</u>	<u>\$ (59,579)</u>
<b>General Revenues:</b>					
Property Taxes, Levied for General Purposes .....	\$ 52,205	\$ 53,114	\$ 57,649	\$ 59,046	\$ 61,739
Hotel/Motel Tax .....	1,057	1,079	1,137	1,046	1,302
Gas and Electric Tax .....	851	764	726	684	668
Utility Franchise Tax.....	902	874	939	976	965
Grants and Contributions Not Restricted to Specific Purposes.....	1,048	2,080	1,583	1,547	1,552
Earnings on Investments .....	1,188	1,045	1,397	2,368	3,257
Gain on Disposal of Capital Assets.....	135	218	2,151	140	186
Miscellaneous.....	5,518	4,464	3,369	3,656	3,329
Transfers .....	(10,057)	(6,395)	(7,053)	1,814	(8,661)
Reassignment of Cable Television to Governmental Activities .....	0	82	0	0	0
Total General Revenues and Transfers .....	<u>\$ 52,847</u>	<u>\$ 57,325</u>	<u>\$ 61,898</u>	<u>\$ 71,277</u>	<u>\$ 64,337</u>
Changes in Net Position .....	\$ 18,603	\$ 18,222	\$ 23,673	\$ 15,620	\$ 4,758
Net Position Beginning of Year .....	<u>187,093(2)</u>	<u>205,696</u>	<u>223,918</u>	<u>246,593(2)</u>	<u>262,213</u>
Net Position End of Year .....	<u>\$205,696</u>	<u>\$223,918</u>	<u>\$247,591</u>	<u>\$262,213</u>	<u>\$266,971</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2015 through 2019.  
 (2) Restated.

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**BALANCE SHEET**  
**GENERAL FUND(1)**  
 (Amounts Expressed in Thousands)

	Audited as of June 30				
	2015	2016	2017	2018	2019
<b>ASSETS:</b>					
Equity in Pooled Cash and Investments .....	\$19,001	\$30,214	\$32,500	\$36,321	\$38,979
Receivables:					
Property Taxes .....	29,922	31,825	32,965	34,973	36,301
Accounts and Unbilled Usage .....	250	449	410	496	491
Interest .....	217	163	161	276	360
Notes .....	1,340	1,305	1,292	1,276	1,329
Advances to Other Funds .....	2,681	0	0	0	56
Due from Other Governments .....	1,859	1,758	1,887	1,941	2,131
Prepaid Item .....	0	10	719	726	818
Assets Held for Resale .....	2,005	582	750	562	689
Restricted Assets:					
Equity in Pooled Cash and Investments .....	<u>30,141</u>	<u>21,277</u>	<u>10,268</u>	<u>1,904</u>	<u>2,028</u>
Total Assets .....	<u>\$87,416</u>	<u>\$87,583</u>	<u>\$80,952</u>	<u>\$78,475</u>	<u>\$83,182</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable .....	\$ 1,328	\$ 1,376	\$ 1,191	\$ 1,492	\$ 1,497
Accrued Liabilities .....	887	1,141	1,321	1,391	1,466
Due to Other Governments .....	312	29	38	29	31
Interest Payable .....	37	0	4	5	17
Notes Payable .....	2,004	582	663	475	602
Liabilities Payable from Restricted Assets:					
Deposits .....	1,072	1,710	1,224	947	1,004
Advances from Grantors .....	27	0	7	113	94
Total Liabilities .....	<u>\$ 5,667</u>	<u>\$ 4,838</u>	<u>\$ 4,448</u>	<u>\$ 4,452</u>	<u>\$ 4,711</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable Revenues:					
Succeeding Year Property Taxes .....	\$29,805	\$31,739	\$32,863	\$34,764	\$36,176
Notes .....	1,340	1,305	0	0	0
Grants .....	82	15	6	9	34
Other .....	<u>1,393</u>	<u>1,434</u>	<u>1,539</u>	<u>1,600</u>	<u>1,643</u>
Total Deferred Inflows of Resources .....	<u>\$32,620</u>	<u>\$34,493</u>	<u>\$34,408</u>	<u>\$36,373</u>	<u>\$37,853</u>
<b>FUND BALANCES:</b>					
Nonspendable .....	\$ 69	\$ 69	\$ 788	\$ 793	\$ 887
Restricted .....	25,291	18,975	9,974	1,942	1,808
Committed .....	0	4,699	5,199	4,962	0
Assigned .....	4,483	1,143	1,342	1,437	3,565
Unassigned .....	<u>19,286</u>	<u>23,366</u>	<u>24,793</u>	<u>28,516</u>	<u>34,358</u>
Total Fund Balances .....	<u>\$49,129</u>	<u>\$48,252</u>	<u>\$42,096</u>	<u>\$37,650</u>	<u>\$40,618</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances .....	<u>\$87,416</u>	<u>\$87,583</u>	<u>\$80,952</u>	<u>\$78,475</u>	<u>\$83,182</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2015 through 2019.

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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND(1)**  
 (Amounts Expressed in Thousands)

	Audited Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
<b>REVENUES:</b>					
Taxes .....	\$ 31,909	\$ 32,229	\$ 34,290	\$ 35,363	\$ 37,426
Licenses and Permits .....	1,806	3,056	3,521	2,734	2,981
Intergovernmental .....	3,487	3,830	3,574	3,786	4,099
Charges for Service.....	1,460	1,543	1,665	1,465	1,595
Fines and Forfeits.....	0	760	750	695	776
Use of Money and Property .....	845	749	839	1,164	1,599
Miscellaneous.....	5,835	1,430	1,692	1,878	1,950
Total Revenues .....	<u>\$ 45,342</u>	<u>\$ 43,597</u>	<u>\$ 46,331</u>	<u>\$ 47,085</u>	<u>\$ 50,426</u>
<b>EXPENDITURES:</b>					
Current:					
Public Safety .....	\$ 21,087	\$ 20,967	\$ 22,005	\$ 22,762	\$ 23,858
Public Works .....	1,624	1,312	1,803	1,871	1,922
Cultural and Recreation .....	11,698	12,038	12,890	13,099	13,096
Community and Economic Development .....	3,187	2,842	3,074	2,785	3,561
General Government .....	7,093	5,479	5,471	5,550	6,144
Capital Outlay.....	3,333	1,651	1,463	2,124	1,718
Total Expenditures.....	<u>\$ 48,022</u>	<u>\$ 44,289</u>	<u>\$ 46,706</u>	<u>\$ 48,191</u>	<u>\$ 50,299</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures .....	<u>\$ (2,680)</u>	<u>\$ (692)</u>	<u>\$ (375)</u>	<u>\$ (1,106)</u>	<u>\$ 127</u>
Other Financing Sources (Uses):					
Issuance of Debt .....	\$ 0	\$ 0	\$ 0	\$ 17	\$ 0
Sale of Capital Assets .....	164	252	268	140	758
Premiums on Issuance of Bonds .....	0	0	0	0	0
Transfers In .....	8,780	10,692	10,725	10,138	11,548
Transfers Out .....	(5,044)	(11,129)	(18,023)	(13,635)	(9,465)
Total Other Financing Sources and (Uses).....	<u>\$ 3,900</u>	<u>\$ (185)</u>	<u>\$ (7,030)</u>	<u>\$ (3,340)</u>	<u>\$ 2,841</u>
Net Change in Fund Balances .....	\$ 1,220	\$ (877)	\$ (7,405)	\$ (4,446)	\$ 2,968
Fund Balances, Beginning .....	<u>\$ 47,909</u>	<u>\$ 49,129</u>	<u>\$ 49,501(2)</u>	<u>\$ 42,096</u>	<u>\$ 37,650</u>
Fund Balances, Ending .....	<u>\$ 49,129</u>	<u>\$ 48,252</u>	<u>\$ 42,096</u>	<u>\$ 37,650</u>	<u>\$ 40,618</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2015 through 2019.  
 (2) Restated.

**PENSIONS**

The City participates in two public pension systems, Iowa Public Employee's Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Summary descriptions of each Plan follow.

In fiscal year 2019, pursuant to the IPERS' required rate, the City's Regular members contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%. The City's contributions to IPERS for the year ended June 30, 2019 were \$2,912,438. The City's contribution to MFPRSI for year ended June 30, 2019 was \$2,902,433. The City's share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to IPERS and MFPRSI.

At June 30, 2019, the City reported a liability of \$25,419,730 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers.

**OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The City operates one self-funded medical and dental plan for all employees, which is offered to current and retired employees and their dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The following table shows the City’s total OPEB liability:

Total OPEB Liability Beginning of Year .....	\$7,589,740
Changes for the year	
Service Cost.....	552,791
Interest.....	296,944
Difference Between Expected and Actual Experience .....	1,160,860
Changes in Assumptions.....	225,633
Benefit Payments .....	<u>(948,137)</u>
Net Changes .....	<u>1,288,091</u>
Total OPEB Liability End of Year.....	\$8,877,831

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**FINANCIAL AND OPERATING REPORT  
FOR THE FISCAL YEAR JUNE 30, 2019**

**Relating to**

**CITY OF IOWA CITY  
Johnson County, Iowa**

**WATER SYSTEM REVENUE**

**BASE CUSIP NO. 462380**

**SEWER SYSTEM REVENUE**

**BASE CUSIP NO. 462362**

**PARKING SYSTEM REVENUE**

**BASE CUSIP NO. 462344**

and

**URBAN RENEWAL AREA REVENUE**

**BASE CUSIP NO. 462371**

**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 revenue, sewer revenue and urban renewal revenue debt is included in this report. Attached is additional information as required to be submitted under previous disclosure undertakings of the City.**

**Pursuant to Securities and Exchange Commission Rule 15c2-12**

## 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 31.75 (FTE) employees who work in the Water Division. This division serves about 75,798 people and has over 28,972 customer water accounts. The average daily use for fiscal year 2019 was approximately 5.4 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 1.0 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 279 miles of water mains and includes over 28,000 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 3,669 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.

## WATER SYSTEM RATES AND CHARGES

The following rates and charges were effective July 1, 2016.

### Water Service Charge Minimums<sup>(1)</sup> (Includes up to the first 100 cubic feet (c.f.))

<u>Meter Size</u>	<u>Charge</u>	<u>Meter Size</u>	<u>Charge</u>
5/8" .....	\$ 7.42	2" .....	\$ 25.63
3/4" .....	8.11	3" .....	47.37
1" .....	9.56	4" .....	82.62
1-1/2" .....	19.06	6" .....	166.25

Note: (1) Source: the City.

### Monthly Usage in excess of 100 Cubic Feet (c.f.)<sup>(1)</sup>

101 c.f. - 3,000 c.f.....	\$3.47 per 100 c.f.
3,001 c.f. and over.....	\$2.49 per 100 c.f.

Note: (1) Source: the City

### Single Purpose Meter Charges(1)

First 100 c.f. ....	Minimum Monthly Charge
Usage in excess of 100 c.f. ....	\$3.47 per 100 c.f.

Note: (1) Source: the City.

Changes in water rates over the last ten fiscal years:

### Water Rate Changes(1)

Fiscal Year	Rate Change
2010 .....	0%
2011 .....	0%
2012 .....	0%
2013 .....	0%
2014 .....	0%
2015 .....	5%
2016 .....	5%
2017 .....	0%
2018 .....	0%
2019 .....	0%

Note: (1) Source: the City.

### SALES HISTORY AND WATER SYSTEM CHARGES(1)

Fiscal Year	Water Sales Cubic Feet Sold(2)	Water System Charges
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
2017 .....	267,511,531 .....	9,156,005
2018 .....	293,046,636 .....	9,953,510
2019 .....	289,055,329 .....	10,139,587

Notes: (1) Source: the City.  
 (2) Beginning in March 2015 the amounts include unbilled usage.

### WATER SYSTEM CUSTOMERS BY CLASSIFICATION(1)(2)

Classification	FY2015(4)	FY2016	FY2017	FY2018	FY2019(5)
Residential .....	23,089	23,638	24,025	27,042	27,232
Commercial .....	1,409	1,415	1,425	1,428	1,528
Industrial .....	14	14	14	17	17
Other(3) .....	135	131	134	178	198
Total Meters .....	24,647	25,198	25,598	28,665	28,972

Notes: (1) Source: the City.  
 (2) Represents the number of meters customers billed as of the end of the fiscal year.  
 (3) Other meters consist of rural, schools, government, churches and City meters.  
 (4) Implemented a new utility billing system during Fiscal Year 2015, which consolidated customers with multiple meters.  
 (5) Included all active meters for each customer – dual purpose (water and sewer) as well as single purpose meters (water only, typically for irrigation).

**LARGER WATER SYSTEM CUSTOMERS(1)**

<u>Customer Name</u>	<u>Fiscal Year 2019</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
Proctor & Gamble .....	\$ 884,980	1	8.73%
Iowa City Veterans Health Care System .....	108,501	2	1.07%
Campus Apartments .....	69,523	3	0.69%
Mercy Hospital .....	62,721	4	0.62%
Tailwind Iowa City (Rus Properties Management)....	62,045	5	0.61%
Dorminium JIT .....	52,530	6	0.52%
Graduate Hotel .....	48,311	7	0.48%
Seville Apartments .....	38,770	8	0.38%
Iowa City Community School District.....	37,848	9	0.37%
Emerald Court Apartments.....	<u>32,840</u>	10	<u>0.32%</u>
Total .....	\$1,398,069		13.79%
Total Water System Customers	\$10,139,587		

Note: (1) Source: the City.

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## SEWER SYSTEM

The City of Iowa City operates a municipal Sewer Utility System consisting of approximately 300+ miles of sanitary sewers, 17 sanitary sewer lift stations, and a wastewater treatment plant. There are a total of 26.00 (FTE) employees who work in the Wastewater Division. This division serves approximately 76,000 people and has approximately 26,000 customers. The system has 3 significant industrial users, 2 non-categorical and 1 categorical. The average daily treatment plant flow for fiscal year 2019 was 10.05 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 monitors 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.

## SEWER SYSTEM RATES AND CHARGES

The following Sewer System rates and charges were approved by the City Council and became effective July 1, 2015:

Monthly 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

The following table shows historical rate increases over the last ten fiscal years.

### Sewer Rate Increases(1)

Fiscal Year	Rate Change
2010 .....	0%
2011 .....	0%
2012 .....	0%
2013 .....	0%
2014 .....	0%
2015 .....	0%
2016 .....	0%
2017 .....	0%
2018 .....	0%
2019 .....	0%

**SALES HISTORY AND SEWER SYSTEM CHARGES(1)**

<u>Fiscal Year</u>	<u>Sewer Sales Cubic Feet Sold(2)</u>	<u>Sewer System Charges</u>
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
2017.....	277,712,785	12,404,360
2018.....	283,246,320	12,524,540
2019.....	288,537,266	12,822,250

Notes: (1) Source: the City.  
 (2) Beginning in March 2015 the amount includes unbilled usage in totals.

**NUMBER OF SEWER SYSTEM CUSTOMERS(1)**

<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
2017.....	25,485
2018.....	26,049
2019.....	26,201

Note: (1) Source: the City.

**LARGER SEWER SYSTEM CUSTOMERS(1)**

<u>Customer Name</u>	<u>Fiscal Year 2019</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
University of Iowa .....	\$ 2,145,648	1	16.73%
Proctor & Gamble .....	1,317,634	2	10.28%
Iowa City Landfill.....	249,780	3	1.95%
Iowa City Veterans Health Care System .....	133,486	4	1.04%
Mercy Hospital.....	100,293	5	0.78%
Campus Apartments .....	77,874	6	0.61%
Dorminium JIT .....	60,449	7	0.47%
Tailwind Iowa City LLC .....	57,910	8	0.45%
Seville Apartments.....	53,432	9	0.42%
Graduate Hotel .....	50,597	10	0.39%
Total .....	\$ 4,247,103		33.12%
Total Sewer System Customers.....	\$12,822,250		

Note: (1) Source: the City.

## PARKING SYSTEM

The Parking System currently consists of approximately 5,105 parking spaces located at various parking facilities in 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 21.38 (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 100% 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 2,051 permit holders. The largest customer for the monthly permit parking is the University of Iowa with 615 permits. There are currently over 2,000 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 Graduate Hotel in the amount of \$8,500.00 per month and with the Hotel Vetro in the amount of \$2,125.00 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 underlying economic growth and employment base of the City continues to contribute to increased demand.

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 most recent monthly permit rate adjustments that were approved by the City Council became effective July 1, 2017.

Parking Facilities: The Parking System consists of 2 cashiered garages and 3 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	178
Rates	Hourly \$1.00 per hour, with first hour free
	Monthly \$85.00 per month

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

	<u>Hourly</u>	<u>Monthly</u>
2010	0%	7%
2011	0%	0%
2012	0%	0%
2013	0%	0%
2014*	33%	0%
2015	0%	0%
2016	0%	0%
2017	0%	0%
2018**	0%	6.3%
2019	0%	0%

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

\*\*2018 Monthly Rate increase from \$80.00 to \$85.00

**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	264	
Rates	Hourly	\$1.00 per hour, with first hour free
	Monthly	\$85.00 per month

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

	<u>Hourly</u>	<u>Monthly</u>
2010	0%	7%
2011	0%	0%
2012	0%	0%
2013	0%	0%
2014*	33%	0%
2015	0%	0%
2016	0%	0%
2017	0%	0%
2018**	0%	6.3%
2019	0%	0%

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

\*\* 2018 Monthly Rate increase from \$80.00 to \$85.00

**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	261	
Rates	Hourly	\$0.75 per hour
	Monthly	\$85.00 per month



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

	<u>Hourly</u>	<u>Monthly</u>
2010	0%	17%
2011	0%	14%
2012	0%	0%
2013	0%	0%
2014	25%	0%
2015	0%	0%
2016	0%	0%
2017	0%	0%
2018**	0%	6.3%
2019	0%	0%

\*\*2018 Monthly Rate increase from \$80.00 to \$85.00

**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	266	
Rates	Hourly	\$1.00 per hour, with first hour free
	Monthly	\$85.00 per month

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

	<u>Hourly</u>	<u>Monthly</u>
2010	0%	7%
2011	0%	0%
2012	0%	0%
2013	0%	0%
2014*	33%	0%
2015	0%	0%
2016	0%	0%
2017	0%	0%
2018**	0%	6.3%
2019	0%	0%

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

\*\*2018 Monthly Rate increase from \$80.00 to \$85.00

**Harrison Street Garage**

Constructed	2017	
Address	175 E. Harrison Street	
Description	Located on a parcel confined by Harrison Street to the north, Sabin Townhomes to the east, Prentiss St to the south, and MidWest One to the west.	
Access	This is an automated facility with one entry lane and two exit lanes off of Harrison Street.	
Spaces	600	
Monthly Permits	302	
Rates	Hourly	\$0.75 per hour
	Monthly	\$85.00 per month

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

	<u>Hourly</u>	<u>Monthly</u>
2017*	100%	100%
2018	0%	0%
2019	0%	0%

\*Garage was opened in fiscal year 2017.

**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	1,177	
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	245	
Monthly Permits	59	
Rates	Hourly	\$0.75 - \$1.50 per hour based on proximity to the central business district and usage.
	Monthly	\$65.00 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	206	
Total Annual Permits	721	
Rates	Annual	\$90.00 per year

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

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended <u>June 30</u>	<u>Revenue</u>	<u>Expenses<sup>1</sup></u>	Net Revenue Available for <u>Debt Service</u>	Annual Debt Service <sup>2</sup>			Ratio of <u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
<b>Parking Revenue<sup>3</sup></b>							
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	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
<b>Wastewater Treatment Revenue<sup>4</sup></b>							
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
2017	13,383	6,357	7,026	3,625	985	4,610	1.52
2018	13,181	6,622	6,559	3,580	756	4,336	1.51
2019 <sup>8</sup>	13,548	6,840	6,708	6,135	539	6,674	1.68
<b>Water Revenue<sup>5</sup></b>							
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
2017	9,529	6,332	3,197	1,760	524	2,284	1.40
2018	9,838	6,949	2,889	1,455	394	1,849	1.56
2019	10,078	6,888	3,190	1,510	280	1,790	1.78

**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.

<sup>8</sup> Ratio of Coverage excludes the amount called early of \$2,670,000.

## **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.

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**TOP TAXPAYERS LOCATED WITHIN URBAN RENEWAL AREA**

<u>Taxpayer</u>	<u>Classification</u>	<u>Taxable Valuation</u>	<u>FY2019/20 % of Total Taxable Valuations (1)</u>
MIDWESTONE BANK	Financial Institution	\$ 18,637,551	4.02%
RISE AT RIVERFRONT CROSSING OWNER LLC	Residential & Comm. Condo Rentals	\$ 16,173,442	3.49%
IOWA CITY HOTEL ASSOCIATES LLC	Hilton Garden Inn Hotel	\$ 14,623,650	3.15%
GRADUATE IOWA CITY OWNER, LLC	Graduate Hotel	13,609,404	2.94%
OC GROUP LC	Old Capital Mall	9,915,912	2.14%
RIVERFRONT CROSSING HOSPITALITY OWNER LLC	Residential & Comm. Condo Rentals	9,211,257	1.99%
PLAZA TOWERS LLC	Residential & Comm. Condo Rentals	8,488,241	1.83%
MOEN, MARC B	Residential & Comm. Condo Rentals	8,175,475	1.76%
FIRST NATIONAL BANK IOWA CITY	Financial Institution	7,915,158	1.71%
ICF LLC	Residential & Comm. Condo Rentals	7,232,307	1.56%
Total		\$ 113,982,397	24.59%

(1) The Total Taxable Valuation in the Urban Renewal Area for 1/1/2018 for fiscal year 2019-20 is \$463,563,686.

**TAX INCREMENT TAX RATES**

	<u>FY2012-13</u>	<u>FY2013-14 (1)</u>	<u>FY2014-15 (1)</u>	<u>FY2015-16 (1)</u>	<u>FY2016-17 (1)</u>	<u>FY2017-18 (1)</u>	<u>FY2018-19 (1)</u>	<u>FY2019-20 (1)</u>
Total City Tax Rate	\$ 39.49917	\$ 38.63862	\$ 38.52756	\$ 38.81115	\$ 38.74878	\$ 38.60513	\$ 39.16292	\$ 38.60077
City Debt Service	(4.44287)	(4.02965)	(4.12963)	(3.92833)	(3.82846)	(3.57846)	(3.22846)	(2.97846)
Iowa City CSD Debt Service	(0.69729)	(0.63500)	(0.59831)	(0.58612)	(0.55017)	(0.52868)	(1.95540)	(1.44867)
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)	(0.10140)	(0.12733)	(0.06273)
Kirkwood Debt Service	(0.20000)	(0.20000)	(0.20000)	(0.27005)	(0.21003)	(0.25000)	(0.25000)	(0.25000)
Johnson County Debt Service	<u>(0.62813)</u>	<u>(1.61074)</u>	<u>(2.05908)</u>	<u>(1.77673)</u>	<u>(2.00829)</u>	<u>(2.13947)</u>	<u>(2.24196)</u>	<u>(2.25950)</u>
Tax Increment Tax Rate	\$ 31.86088	\$ 30.36918	\$ 29.78504	\$ 30.49001	\$ 30.41114	\$ 30.33712	\$ 29.68977	\$ 29.93141
Iowa City Downtown SSMID (2)	<u>2.00000</u>	<u>2.00000</u>	<u>2.00000</u>	<u>2.00000</u>	<u>1.79500</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	\$ 32.20614	\$ 32.33712	\$ 31.68977	\$ 31.93141

(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 Chauncey	Taxable	Taxable
							Valuation Available for Certification	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	359,905,681	140,030,863	219,874,818	6,564,472	0	226,439,290	23,992,851
1/1/2017	FY 2019	407,922,479	119,175,408	288,747,071	6,691,956	2,040,000	297,479,027	46,941,691
1/1/2018	FY 2020	463,307,274	134,766,543	328,540,731	6,796,297	6,399,369	341,736,397	72,764,197
1/1/2019	FY 2021	463,307,274	134,766,543	328,540,731	6,796,297	16,345,771	351,682,799	19,668,135
1/1/2020	FY 2022	463,307,274	134,766,543	328,540,731	6,796,297	30,128,234	365,465,262	51,967,983
1/1/2021	FY 2023	463,307,274	134,766,543	328,540,731	6,796,297	30,128,234	365,465,262	50,884,506
1/1/2022	FY 2024	463,307,274	134,766,543	328,540,731	6,796,297	30,128,234	365,465,262	49,624,959
1/1/2023	FY 2025	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	48,527,450
1/1/2024	FY 2026	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	47,586,966
1/1/2025	FY 2027	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	42,454,565
1/1/2026	FY 2028	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	38,266,323
1/1/2027	FY 2029	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	38,003,388
1/1/2028	FY 2030	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	37,880,608
1/1/2029	FY 2031	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	37,730,431
1/1/2030	FY 2032	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	37,717,902
1/1/2031	FY 2033	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	30,646,735
1/1/2032	FY 2034	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	30,665,111
1/1/2033	FY 2035	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	30,658,429
1/1/2034	FY 2036	364,947,546	92,742,995	272,204,551	6,796,297	30,128,234	309,129,082	30,626,689

(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	Taxable Valuation	Available TIF	Certified Tax Increment	Other Revenues	Total Revenues	2012D TIF Revenue	2016E TIF Revenue	Other TIF	Total TIF	Annual Surplus/ (Deficit)	Ending Cash Balance (4)	Available Debt Coverage	Requested Debt Coverage	
		Available for Certification (1)	Certified	Tax Rate (2)	Revenues (3)	Revenues	Revenues	Bonds	Bonds	Debt	Debt		Balance (4)	Coverage	Coverage	
1/1/2010	FY 2012	105,863,210	0	33.01166	3,494,720	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	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	273,412	1,079,377	204,035	273,173	307,715	784,923	294,454	1,119,821	12.45	1.00
1/1/2016	FY 2018	226,439,290	23,992,851	30.33712	6,869,516	727,874	392,552	1,120,426	207,345	384,150	229,624	821,119	299,307	1,419,128	11.61	1.00
1/1/2017	FY 2019	297,479,027	46,941,691	29.68977	8,832,084	1,393,688	276,767	1,670,455	205,185	384,150	244,454	833,789	836,666	2,255,794	14.99	1.00
1/1/2018	FY 2020	341,736,397	72,764,197	29.93141	10,228,652	2,177,935	117,620	2,295,555	207,485	384,150	1,703,920	2,295,555	0	2,255,794	17.29	1.00
1/1/2019	FY 2021	351,682,799	19,668,135	29.93141	10,526,362	588,695	0	588,695	204,545	384,150	0	588,695	0	2,255,794	17.88	1.00
1/1/2020	FY 2022	365,465,262	51,967,983	29.93141	10,938,891	1,555,475	0	1,555,475	206,325	1,349,150	0	1,555,475	0	2,255,794	7.03	1.00
1/1/2021	FY 2023	365,465,262	50,884,506	29.93141	10,938,891	1,523,045	0	1,523,045	207,845	1,315,200	0	1,523,045	0	2,255,794	7.18	1.00
1/1/2022	FY 2024	365,465,262	49,624,959	29.93141	10,938,891	1,485,345	0	1,485,345	203,945	1,281,400	0	1,485,345	0	2,255,794	7.36	1.00
1/1/2023	FY 2025	309,129,082	48,527,450	29.93141	9,252,669	1,452,495	0	1,452,495	204,745	1,247,750	0	1,452,495	0	2,255,794	6.37	1.00
1/1/2024	FY 2026	309,129,082	47,586,966	29.93141	9,252,669	1,424,345	0	1,424,345	205,095	1,219,250	0	1,424,345	0	2,255,794	6.50	1.00
1/1/2025	FY 2027	309,129,082	42,454,565	29.93141	9,252,669	1,270,725	0	1,270,725	204,975	1,065,750	0	1,270,725	0	2,255,794	7.28	1.00
1/1/2026	FY 2028	309,129,082	38,266,323	29.93141	9,252,669	1,145,365	0	1,145,365	204,365	941,000	0	1,145,365	0	2,255,794	8.08	1.00
1/1/2027	FY 2029	309,129,082	38,003,388	29.93141	9,252,669	1,137,495	0	1,137,495	203,245	934,250	0	1,137,495	0	2,255,794	8.13	1.00
1/1/2028	FY 2030	309,129,082	37,880,608	29.93141	9,252,669	1,133,820	0	1,133,820	206,770	927,050	0	1,133,820	0	2,255,794	8.16	1.00
1/1/2029	FY 2031	309,129,082	37,730,431	29.93141	9,252,669	1,129,325	0	1,129,325	204,925	924,400	0	1,129,325	0	2,255,794	8.19	1.00
1/1/2030	FY 2032	309,129,082	37,717,902	29.93141	9,252,669	1,128,950	0	1,128,950	207,800	921,150	0	1,128,950	0	2,255,794	8.20	1.00
1/1/2031	FY 2033	309,129,082	30,646,735	29.93141	9,252,669	917,300	0	917,300	0	917,300	0	917,300	0	2,255,794	10.09	1.00
1/1/2032	FY 2034	309,129,082	30,665,111	29.93141	9,252,669	917,850	0	917,850	0	917,850	0	917,850	0	2,255,794	10.08	1.00
1/1/2033	FY 2035	309,129,082	30,658,429	29.93141	9,252,669	917,650	0	917,650	0	917,650	0	917,650	0	2,255,794	10.08	1.00
1/1/2034	FY 2036	309,129,082	30,626,689	29.93141	9,252,669	916,700	0	916,700	0	916,700	0	916,700	0	2,255,794	10.09	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.