



# CITY OF IOWA CITY MEMORANDUM

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**Date:** January 8, 2019

**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 2018 ended on June 30, 2018, 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 2018, 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
- 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. 2009A Sewer Revenue bond maturities called on July 1, 2017
  - ii. 2009B Water Revenue bond maturities called on July 1, 2017
  - iii. 2011A GO bond maturities called on August 1, 2017
  - iv. 2010B GO bond maturities called on June 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

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

- 2019 General Obligation Bonds – 2019 CIP Program - \$13,323,240

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 2018 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, 2019 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.

# **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, 2018**

## **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 2016. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy. For assessment year 2016, the taxable value rollback rate was 56.9391% of actual value for residential property; 47.4996% of actual value for agricultural property; 82.50% of actual value for multi-residential 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 AND TREND OF VALUATIONS ACTUAL (100%) VALUATIONS FOR THE CITY (1)(2)

Property Class	Fiscal Year:	2013/14	2014/15	2015/16	2016/17	2017/18
	Levy Year:	2012	2013	2014	2015	2016
Residential		\$3,371,854,560	\$3,495,700,460	\$3,617,590,930	\$3,893,541,900	\$4,011,317,530
Agricultural		2,655,640	2,680,920	3,553,520	3,736,510	3,443,020
Commercial		1,118,453,910	1,157,640,090	1,155,761,766	856,972,664	877,491,737
Industrial		77,291,810	80,494,880	76,495,918	79,053,598	79,474,988
Multi-residential (3)		0	0	0	415,208,021	420,082,751
Railroads		3,205,451	3,827,506	4,015,580	4,096,577	3,984,932
Utilities without Gas & Electric		10,816,940	9,599,528	8,239,789	7,375,066	6,734,894
Gas & Electric Utility		87,100,183	78,642,915	87,728,294	92,987,351	94,582,279
Less: Military Exemption		(3,059,502)	(2,939,122)	(2,828,002)	(2,727,994)	(2,635,396)
Total Valuation with TIF		\$4,668,318,992	\$4,826,647,177	\$4,950,557,795	\$5,350,243,693	\$5,494,476,735
Percent Change		1.14%(4)	3.39%	2.57%	8.07%	2.70%

Notes: (1) Source: Iowa Department of Management.

(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2012	2013	2014	2015	2016
TIF Valuation	\$14,113,908	\$21,131,574	\$42,307,287	\$72,666,677	\$80,577,275

(3) New Class as of January 1, 2015, previously reported as Commercial Property.

(4) Based on 2011 Actual Valuation of \$4,615,527,744.

For the January 1, 2016 levy year, the City's Taxable Valuation was comprised of approximately 73% residential, 15% commercial, 7% multi-residential, 1% industrial, 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:	2013/14	2014/15	2015/16	2016/17	2017/18
	Levy Year:	2012	2013	2014	2015	2016
Residential		\$1,780,898,909	\$1,901,667,703	\$2,016,210,314	\$2,165,817,742	\$2,284,007,603
Agricultural		1,591,636	1,597,501	1,588,496	1,706,955	1,618,090
Commercial		1,118,453,910	1,099,758,752	1,040,185,590	771,275,414	789,742,578
Industrial		77,291,810	76,470,143	68,846,326	71,148,238	71,527,489
Multi-residential (3)		0	0	0	358,117,010	346,568,385
Railroads		3,205,451	3,636,130	3,614,022	3,686,919	3,586,439
Utilities without Gas & Electric		10,816,940	9,599,528	8,239,789	7,375,066	6,734,894
Gas & Electric Utility		46,813,214	47,004,994	46,785,426	44,986,783	41,702,196
Less: Military Exemption		(3,059,502)	(2,939,122)	(2,828,002)	(2,727,994)	(2,635,396)
Total Valuation with TIF		\$3,036,012,368	\$3,136,795,629	\$3,182,641,961	\$3,421,386,133	\$3,542,852,278
Percent Change		2.56%(4)	3.32%	1.46%	7.50%	3.55%

Notes: (1) Source: Iowa Department of Management.

(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2012	2013	2014	2015	2016
TIF Valuation	\$14,113,908	\$21,131,574	\$33,331,128	\$72,650,838	\$80,559,947

(3) New Class as of January 1, 2015, previously reported as Commercial Property.

(4) Based on 2011 Actual Valuation of \$2,960,112,178.

**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>1/1/2016 Taxable Valuations</u>
American College Testing, Inc.	Commercial	\$47,791,285
Mid American Energy Co.	Utility	39,414,550
Ann S. Gerdin Revocable Trust	Commercial	22,836,294
MidWestOne Bank	Banking	21,066,264
Dealer Properties IC LLC	Commercial	18,888,867
Procter & Gamble Hair Care LLC	Industrial	16,459,144
BBCS Hawkeye Housing LLC	Apartments	15,327,864
Vesper Iowa City LLC	Apartments	14,357,871
Alpla, Inc.	Industrial	13,949,217
National Computer Systems Inc.	Commercial	12,814,893

## 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 56.9391 % of Actual Valuation), or the reduction in the percentage of telecommunication 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 telecommunication 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.

## 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 2016 valuation currently applicable to the fiscal year 2017-18 is as follows:

2016 Actual Valuation of Property	\$5,494,459,407
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$274,722,970
Less: Total G.O. Debt	(51,880,000)
Less: TIF Revenue Debt	(15,065,000)
Less: Letters of Credit (UniverCity)	(475,000)
Less: Other legal indebtedness (TIF rebates)	<u>(25,012,000)</u>
Net Debt Limit	\$182,290,970

### 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 6/30/18</u>
6/11C	\$10,930,000	Refunding	6/21	\$3,850,000 <sup>1)</sup>
6/12A	9,070,000	City Improvements	6/22	3,865,000
7/13A	7,230,000	City Improvements	6/23	4,185,000
6/14	11,390,000	City Improvements	6/24	5,785,000
6/15	7,785,000	City Improvements	6/25	5,655,000
6/16A	8,795,000	City Improvements	6/26	7,680,000
6/17A	9,765,000	City Improvements	6/27	8,865,000
6/18A	8,895,000	City Improvements	6/28	8,895,000
6/18B	3,100,000	City Improvements	6/20	<u>3,100,000</u>

Subtotal	\$51,880,000
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1) City called Series 2011C with cash on July 1, 2018.

<b>Total General Obligation Debt Subject to Debt Limit:</b>	<b>\$51,880,000</b>
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## Annual Fiscal Year General Obligation Debt Service Payments

<u>Fiscal Year</u>	<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>
2018-19	\$9,335,000	\$10,592,050
2019-20	8,400,000	9,436,338
2020-21	7,585,000	8,404,135
2021-22	6,395,000	7,026,263
2022-23	5,520,000	6,012,013
2023-24	4,760,000	5,118,213
2024-25	3,830,000	4,078,913
2025-26	3,030,000	3,190,600
2026-27	2,045,000	2,130,325
2027-28	<u>980,000</u>	<u>1,009,400</u>
Total	\$51,880,000	\$56,998,250

### 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 6/30/18</u>
11/12D	\$2,655,000	Developer Grant	6/32	\$2,260,000
09/16E	12,805,000	Developer Grant	6/36	<u>12,805,000</u>
Total				\$15,065,000

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 6/30/18</u>
4/17	\$15,400,000	Parking	6/37	\$11,958,305



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 6/30/18</u>
6/12C	\$4,950,000	Water Refunding	7/22	\$2,595,000
6/16D	3,650,000	Water Refunding	7/24	3,270,000
6/17C	5,910,000	Water Refunding	7/25	<u>5,910,000</u>
Total				\$11,775,000

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 6/30/18</u>
4/10A	\$15,080,000	Sewer Refunding	7/20	\$3,940,000
6/16C	9,360,000	Sewer Refunding	7/21	7,520,000
6/17B	4,550,000	Sewer Refunding	7/22	<u>4,550,000</u>
Total				\$16,010,000

#### **INDIRECT GENERAL OBLIGATION DEBT**

<u>Taxing District</u>	<u>1/1/2016 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	\$8,417,314,468	42.09%	\$10,640,000	\$4,478,376
Iowa City CSD	6,229,388,162	56.87%	58,955,000	33,527,709
Clear Creek-Amana CSD	129,976,009	0.04%	76,045,000	30,418
Kirkwood Comm. College	25,113,133,985	14.11%	90,422,000	<u>12,758,544</u>
City's share of total overlapping debt				\$50,795,047

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

2) Includes general obligation bonds only.

## DEBT RATIOS

	<u>G.O. Debt</u>	<u>Debt/Actual Market Value<sup>1)</sup></u>	<u>Debt/Actual Taxable Value<sup>2)</sup></u>	<u>Debt/67,862 Population<sup>3)</sup></u>
Total General Obligation Debt	\$51,880,000	0.94%	1.46%	\$764.49
TIF Revenue Debt	\$15,065,000	0.27%	0.43%	\$221.99
City's share of total overlapping debt	\$50,795,047	0.92%	1.43%	\$748.51

1) Based on the City's 1/1/2016 100% Actual Valuation; includes Ag Land, Ag Buildings, all Utilities and TIF Increment (\$5,494,459,407).

2) Based on the City's 1/1/2016 Taxable Valuation; includes Ag Land, Ag Buildings, all Utilities and TIF Increment (\$3,542,852,278).

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

## TAX RATES

	<u>FY2013-14 \$/1,000</u>	<u>FY2014-15 \$/1,000</u>	<u>FY2015-16 \$/1,000</u>	<u>FY2016-17 \$/1,000</u>	<u>FY2017-18 \$/1,000</u>
Johnson County	6.73712	6.74168	6.90337	6.77140	6.85143
City of Iowa City	16.80522	16.70520	16.65096	16.58305	16.33305
Iowa City CSD	13.68792	13.69999	13.86773	13.98935	13.95855
Clear Creek-Amana CSD (Clear Creek)	15.31055	15.06516	15.62084	16.75419	16.75949
Kirkwood Comm. College	1.06473	1.05754	1.06125	1.08048	1.13174
City Assessor	0.25873	0.23866	0.24325	0.24339	0.25141
County Ag. Extension	0.08160	0.08119	0.08129	0.07781	0.07585
State of Iowa	<u>0.00330</u>	<u>0.00330</u>	<u>0.00330</u>	<u>0.00330</u>	<u>0.00310</u>

### Total Tax Rate - City Resident:

Iowa City CSD	38.63862	38.52756	38.81115	38.74878	38.60513
Clear Creek-Amana CSD (Clear Creek)	40.26125	39.89273	40.56426	41.51362	41.40607

## 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 2017-18. 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 2017-18. Debt service levies are not limited.

## CITY FUNDS ON HAND (Cash and Investments as of June 30, 2018, in thousands)

City Operating Funds	\$173,380
City Restricted Funds	<u>60,047</u>
Total	\$233,427

**CITY OF IOWA CITY, IOWA**

**LEVIES AND 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>
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	0	52,074	100.1
2017	55,330	55,331	100.0	0	55,331	100.0
2018	56,458	56,434	100.0	0	56,434	100.0

**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, 2018**

## **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

Revenue bonded debt activity for the year ended June 30, 2018, was as follows:

	<u>July 1, 2017</u>	<u>Issues</u>	<u>Retirements</u>	<u>June 30, 2018</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds	\$ 15,200,000	\$ -	\$ 135,000	\$ 15,065,000	\$ 135,000
Less: Unamortized					
Discounts	31,860	-	2,124	29,736	2,124
Total revenue bonds	<u>15,168,140</u>	<u>-</u>	<u>132,876</u>	<u>15,035,264</u>	<u>132,876</u>
Business-type activities:					
Revenue bonds	\$ 32,820,000	\$ -	\$ 5,035,000	\$ 27,785,000	\$ 4,975,000
Plus: Unamortized					
Premium	1,600,914	-	290,852	1,310,062	290,852
Total revenue bonds	<u>34,420,914</u>	<u>-</u>	<u>5,325,852</u>	<u>29,095,062</u>	<u>5,265,852</u>
	<u>\$ 34,420,914</u>	<u>\$ -</u>	<u>\$ 5,325,852</u>	<u>\$ 29,095,062</u>	<u>\$ 5,265,852</u>

As of June 30, 2018, the following unmatured revenue bond issues are outstanding:

	<u>Wastewater Treatment</u>	<u>Water</u>	<u>Taxable Urban Renewal</u>
Original issue amount	\$28,990,000	\$14,510,000	\$15,200,000
Interest rates	2.0% to 5.0%	1.5% to 5.0%	1.0% to 3.9%
Annual maturities	\$275,000 to \$2,085,000	\$405,000 to \$1,225,000	\$135,000 to \$965,000
Amount outstanding	\$16,010,000	\$11,775,000	\$15,065,000

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 135,000	\$ 454,335	\$ 4,975,000	\$ 872,703
2020	140,000	451,635	5,385,000	685,365
2021	140,000	448,695	5,610,000	477,665
2022	1,110,000	445,475	4,350,000	298,690
2023	1,110,000	413,045	3,840,000	149,270
2024-2028	5,205,000	1,573,275	3,625,000	88,150
2029-2033	4,630,000	816,890	-	-
2034-2038	2,595,000	157,200	-	-
Total	<u>\$ 15,065,000</u>	<u>\$ 4,760,550</u>	<u>\$ 27,785,000</u>	<u>\$ 2,571,843</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:

<u>Account</u>	<u>Amount</u>
(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: Taxable Urban Renewal Revenue bonds – maximum debt service due on the bonds in any succeeding fiscal year. Wastewater Revenue and Water Revenue bonds – 10% of Par or Production of all the Wastewater Revenue and Water Revenue Bonds 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, 2018, the Wastewater Treatment Fund had net revenue of \$6,559,000 and the amount of principal and interest due was \$4,336,000. In fiscal year ended June 30, 2018, the Water Fund had net revenues of \$2,889,000 and the amount of principal and interest due was \$1,849,000.

## Summary of Bond Issues

General obligation and revenue bonds payable at June 30, 2018, are comprised of the following issues:

	Date of Issue	Amount Issued	Interest Rates	Final Maturity	Outstanding June 30, 2018
<b>General Obligation Bonds:</b>					
Refunded Multi-Purpose and					
Library Construction (1)	June 2011	\$ 10,930,000	2.0 - 3.625	6/21	\$ 3,850,000
Multi-Purpose	June 2012	9,070,000	2.0 - 2.25	6/22	3,865,000
Multi-Purpose	July 2013	7,230,000	1.0 - 2.0	6/23	4,185,000
Refunded Multi-Purpose (2)	June 2014	11,980,000	2.0 - 3.0	6/24	5,785,000
Multi-Purpose	June 2015	7,785,000	2.0 - 2.25	6/25	5,655,000
Multi-Purpose	June 2016	8,795,000	2.0 - 3.0	6/26	7,680,000
Multi-Purpose	June 2017	9,765,000	2.0 - 2.5	6/27	8,865,000
Multi-Purpose	June 2018	8,895,000	1.8 - 2.65	6/28	8,895,000
Taxable Multi-Purpose	June 2018	3,100,000	2.35 - 2.6	6/20	3,100,000
Total General Obligation Bonds					<u>\$ 51,880,000</u>
	Date of Issue	Amount Issued	Interest Rates	Final Maturity	Outstanding June 30, 2018
<b>Revenue Bonds:</b>					
Refunded Wastewater					
Treatment Bonds (3)	Apr. 2010	\$ 15,080,000	3.0 - 4.0	7/20	\$ 3,940,000
Refunded Wastewater					
Treatment Bonds (4)	June 2016	9,360,000	3.0 - 4.0	7/21	7,520,000
Refunded Wastewater					
Treatment Bonds (5)	June 2017	4,550,000	2.0 - 5.0	7/22	4,550,000
Refunded Water Bonds (6)	June 2012	4,950,000	1.5 - 2.1	7/22	2,595,000
Refunded Water Bonds (7)	June 2016	3,650,000	1.5 - 5.0	7/24	3,270,000
Refunded Water Bonds (8)	June 2017	5,910,000	2.0 - 2.25	7/25	5,910,000
Taxable Urban Renewal	Nov. 2012	2,655,000	1.0 - 3.9	6/32	2,260,000
Taxable Urban Renewal	Sept. 2016	12,805,000	3.0	6/36	12,805,000
Total Revenue Bonds					<u>\$ 42,850,000</u>
					<u>\$ 94,730,000</u>

- (1) This bond issue refunded the May 2002 General Obligation Bonds.
- (2) This bond issue is an advance refunding of portions of the September 2006 and May 2007 General Obligation Bonds.
- (3) This bond issue refunded the December 2001 and April 2002 Wastewater Revenue Bonds.
- (4) This bond issue refunded the October 2008 Wastewater Revenue Bond.
- (5) This bond issue refunded the May 2009 Wastewater Revenue Bonds.
- (6) This bond issue refunded the October 2002 Water Revenue Bonds.
- (7) This bond issue refunded the October 2008 Water Revenue Bonds.
- (8) This bond issued refunded the May 2009 Water Revenue Bonds.

## Parking Capital Lease Obligation Activity

In the fiscal year ended June 30, 2018, the government entered into a lease agreement as lessee for financing the acquisition of a parking ramp valued at \$15,497,867. The parking ramp has a 30-year estimated useful life. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, was recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2018, were as follows:

Fiscal Year Ending June 30	Business-type Activities
2019	\$ 1,021,221
2020	1,021,221
2021	1,021,221
2022	1,021,221
2023	1,021,221
2024-2036	11,313,343
Total minimum lease payments	16,419,448
Less: amount representing interest	(4,461,143)
Present value of minimum lease payments	\$ 11,958,305

Changes in the capital lease obligation for the year ended June 30, 2018, was as follows:

	July 1, 2017	Issues	Retirements	June 30, 2018	Due Within One Year
Business-type activities:	\$ 14,482,714	\$ -	\$ 2,524,409	\$ 11,958,305	\$ 545,281



**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>							
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	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
<b>Wastewater Treatment Revenue<sup>4</sup></b>							
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
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
<b>Water Revenue<sup>5</sup></b>							
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
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

**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 31.75 (FTE) employees who work in the Water Division. This division serves about 75,798 people and has over 28,665 customer water accounts. The average daily use for fiscal year 2018 was approximately 5.8 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 277 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 3,579 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, 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:

2009	0%
2010	0%
2011	0%
2012	0%
2013	0%
2014	0%
2015	5%
2016	5%
2017	0%
2018	0%

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

<u>Classification</u>	<u>FY2014</u>	<u>FY2015</u> <sup>3)</sup>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u> <sup>4)</sup>
Residential	24,790	23,089	23,638	24,025	27,042
Commercial	1,491	1,409	1,415	1,425	1,428
Industrial	15	14	14	14	17
Other <sup>2)</sup>	<u>202</u>	<u>135</u>	<u>131</u>	<u>134</u>	<u>178</u>
Total Meters	26,498	24,647	25,198	25,598	28,665

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.

4) Included all active meters for each customer – dual purpose (water & sewer) as well as single purpose meters (water only, typically for irrigation)

Financial Information: The following table summarizes the results of operations for the Water System for the fiscal years ended June 30, 2018, 2017, and 2016.

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

Last Three Fiscal Years  
(amounts expressed in thousands)

	2018	2017	2016
<b>Operating Revenues:</b>			
Charges for services	\$ 9,473	\$ 9,275	\$ 9,134
Miscellaneous	73	41	17
Total operating revenues	\$ 9,546	\$ 9,316	\$ 9,151
<b>Operating Expenses:</b>			
Personal services	\$ 3,463	\$ 3,288	\$ 3,115
Commodities	1,427	1,031	578
Services and charges	2,059	2,013	1,694
	6,949	6,332	5,387
Depreciation	2,372	2,344	2,295
Total operating expenses	\$ 9,321	\$ 8,676	\$ 7,682
Operating income	\$ 225	\$ 640	\$ 1,469
<b>Nonoperating Revenues (Expenses):</b>			
Gain (Loss) on disposal of capital assets	\$ 3	\$ 1	\$ 8
Interest income	292	213	172
Interest expense	(259)	(447)	(528)
Total nonoperating revenues (expenses)	\$ 36	\$ (233)	\$ (348)
Income before capital contributions and transfers	\$ 261	\$ 407	\$ 1,121
Capital contributions	\$ 483	\$ 869	\$ 674
Transfers in	1,041	2,305	985
Transfers out	(715)	(250)	(720)
Change in net assets	\$ 1,070	\$ 3,331	\$ 2,060
<b>Net Position, Beginning*</b>	70,371	67,163	65,103
<b>Net Position, Ending</b>	\$ 71,441	\$ 70,494	\$ 67,163

\*The 2018 beginning balance was restated from implementation of GASB 75.

The following table summarizes the budget and actual figures for the Water System for the fiscal year ended June 30, 2018 and the budget for the fiscal year ended June 30, 2019 on a modified accrual basis.

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

For the Year Ended June 30, 2018  
(amounts expressed in thousands)

	Actual	Budget	Percentage	FY19 Budget
Charges for services	\$ 9,470	\$ 9,097	104.10%	\$ 9,738
Interest income	292	163	179.14%	77
Miscellaneous	19	8	237.50%	41
Intergovernmental	57	-	0.00%	-
Bond sales	-	-	0.00%	1,100
Sale of Assets	3	-	0.00%	-
Total Receipts	<u>\$ 9,841</u>	<u>\$ 9,268</u>	<u>106.18%</u>	<u>\$ 10,956</u>
Personal services	\$ 2,783	\$ 2,806	99.18%	\$ 2,850
Commodities	554	655	84.58%	651
Services and charges	2,766	2,656	104.14%	2,691
Capital outlay	2,165	2,942	73.59%	2,431
Transfer to capital project funds	715	725	98.62%	540
Debt service payments	7,575	7,634	99.23%	1,791
Total Disbursements	<u>\$ 16,558</u>	<u>\$ 17,418</u>	<u>95.06%</u>	<u>\$ 10,954</u>

The following table summarizes the Water System funds on hand for the fiscal years ended June 30, 2018, 2017, and 2016.

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

Last Three Fiscal Years  
(amounts expressed in thousands)

	2018	2017	2016
Operating Funds	\$ 8,223	\$ 9,566	\$ 8,481
Restricted and Designated Funds	5,163	4,640	5,026
Total Funds on Hand	<u>\$ 13,386</u>	<u>\$ 14,206</u>	<u>\$ 13,507</u>

**CITY OF IOWA CITY, IOWA**

**SALES HISTORY AND WATER SYSTEM 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>
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 <sup>1</sup>	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

**Sources:**

City of Iowa City Revenue Department

**Notes:**

<sup>1</sup>Beginning in March 2015, Water Sales by Cubic Feet Sold also includes unbilled usage.

**CITY OF IOWA CITY, IOWA**

**LARGER WATER SYSTEM CUSTOMERS**

Current Year and Nine Years Ago

<u>Customer Name</u>	<u>2009</u>			<u>2018</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
Proctor & Gamble	\$ 624,483	1	8.33 %	\$ 787,275	1	7.91 %
Veterans Administration Medical Center	91,529	2	1.22	120,538	2	1.21
Mercy Hospital	71,622	4	0.96	67,081	3	0.67
Campus Apartments	66,600	5	0.89	66,835	4	0.67
Tailwind Iowa City LLC formerly Dolphin Lake	37,843	9	0.50	55,022	5	0.55
Dominium JIT Srv formerly Mark IV Apts	53,273	7	0.71	55,000	6	0.55
Iowa City School District	-	-	N/A	47,194	7	0.47
Seville Apts	31,885	10	0.43	38,527	8	0.39
Oaknoll	-	-	N/A	37,130	9	0.37
U of I Mayflower	90,330	3	1.20	34,763	10	0.35
Robert's Dairy	63,517	6	0.85	-	-	N/A
Lear Corp	-	-	N/A	-	-	N/A
Sheraton Inn/Holiday Inn	35,806	8	0.48	-	-	N/A
	<u>\$ 1,166,888</u>		<u>15.57 %</u>	<u>\$ 1,309,365</u>		<u>13.14 %</u>
Total Water System Charges	\$ 7,497,903			\$ 9,953,510		

**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 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 2018 was 7.57 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 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:

2009	5%
2010	0%
2011	0%
2012	0%
2013	0%
2014	0%
2015	0%
2016	0%
2017	0%
2018	0%

### Number of Sewer System Customers:

<u>Fiscal Year</u>	<u>Number of Sewer System Customers</u>
2014	24,389
2015	24,533
2016	25,085
2017	25,485
2018	26,049



Financial Information: The following table summarizes the results of operations for the Sewer System for the fiscal years ended June 30, 2018, 2017, and 2016.

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

Last Three Fiscal Years  
(amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 12,626	\$ 12,277	\$ 12,266
Miscellaneous	87	754	94
Total operating revenues	<u>\$ 12,713</u>	<u>\$ 13,031</u>	<u>\$ 12,360</u>
<b>Operating Expenses:</b>			
Personal services	\$ 3,091	\$ 2,899	\$ 2,808
Commodities	1,250	1,094	1,421
Services and charges	2,281	2,364	2,284
	6,622	6,357	6,513
Depreciation	4,436	4,506	4,484
Total operating expenses	<u>\$ 11,058</u>	<u>\$ 10,863</u>	<u>\$ 10,997</u>
Operating income	<u>1,655</u>	<u>2,168</u>	<u>1,363</u>
<b>Nonoperating Revenues (Expenses):</b>			
Gain (loss) on disposal of capital assets	\$ (53)	\$ (4,835)	\$ -
Interest income	468	352	321
Interest expense	(375)	(558)	(927)
Total nonoperating revenues (expenses)	<u>\$ 40</u>	<u>\$ (5,041)</u>	<u>\$ (606)</u>
Income before capital contributions and transfers	\$ 1,695	\$ (2,873)	\$ 757
Capital contributions	\$ 1,913	\$ 2,226	\$ 3,839
Transfers in	531	5,911	195
Transfers out	<u>(4,727)</u>	<u>(2,436)</u>	<u>(522)</u>
Change in net assets	\$ (588)	\$ 2,828	\$ 4,269
<b>Net Position, Beginning*</b>	<u>137,820</u>	<u>135,052</u>	<u>130,783</u>
<b>Net Position, Ending</b>	<u>\$ 137,232</u>	<u>\$ 137,880</u>	<u>\$ 135,052</u>

\*The 2018 beginning balance was restated from implementation of GASB 75.

The following table summarizes the budget and actual figures for the Sewer System for the fiscal year ended June 30, 2018 and the budget for the fiscal year ended June 30, 2019 on a modified accrual basis.

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

For the Year Ended June 30, 2018  
(amounts expressed in thousands)

	Actual	Budget	Percentage	FY19 Budget
Charges for services	\$ 12,626	\$ 12,216	103.36%	\$ 12,278
Interest income	468	288	162.50%	209
Miscellaneous	88	85	103.53%	150
Grants	1,291	1,140	113.25%	1,552
Transfers from other funds	231	150	154.00%	-
Bond sales	300	-	0.00%	-
Sale of assets	10	-	0.00%	-
Total Receipts	<u>\$ 15,014</u>	<u>\$ 13,879</u>	<u>108.18%</u>	<u>\$ 14,189</u>
Personal services	\$ 2,310	\$ 2,355	98.09%	\$ 2,412
Commodities	902	803	112.33%	1,011
Services and charges	2,877	2,928	98.26%	2,954
Capital outlay	5,681	10,349	54.89%	7,033
Transfer to capital project funds	2,000	1,900	105.26%	724
Debt service payments	9,582	9,588	99.94%	6,729
Total Disbursements	<u>\$ 23,352</u>	<u>\$ 27,923</u>	<u>83.63%</u>	<u>\$ 20,863</u>

The following table summarizes the Sewer System funds on hand for the fiscal years ended June 30, 2018, 2017, and 2016.

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

Last Three Fiscal Years  
(amounts expressed in thousands)

	2018	2017	2016
Operating Funds	\$ 14,856	\$ 18,830	\$ 18,210
Restricted and Designated Funds	9,991	9,136	9,460
Total Funds on Hand	<u>\$ 24,847</u>	<u>\$ 27,966</u>	<u>\$ 27,670</u>

## CITY OF IOWA CITY, IOWA

### SALES HISTORY AND SEWER SYSTEM 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>
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 <sup>1</sup>	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

**Sources:**

City of Iowa City Revenue Department

**Notes:**

<sup>1</sup>Beginning in March 2015, Sewer Sales by Cubic Feet Sold also includes unbilled usage.

**CITY OF IOWA CITY, IOWA**

**LARGER SEWER SYSTEM CUSTOMERS**

Current Year and Nine Years Ago

<u>Customer Name</u>	<u>2009</u>			<u>2018</u>		
	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>	<u>Charges</u>	<u>Rank</u>	<u>Percentage</u>
University of Iowa	\$ 1,953,325	1	15.63 %	\$ 1,938,618	1	15.48 %
Proctor & Gamble	1,443,652	2	11.55	1,355,077	2	10.82
Veterans Administration Medical Center	88,204	8	0.71	162,111	3	1.29
Mercy Hospital	122,737	5	0.98	106,938	4	0.85
Campus Apartments	91,889	7	0.74	78,918	5	0.63
Dominium JIT Srv formerly Mark IV Apts	73,987	9	0.59	68,736	6	0.55
University of Iowa Mayflower	163,776	3	1.31	54,414	7	0.43
Seville Apts	-	-	N/A	52,407	8	0.42
Oaknoll Retirement Residence	-	-	N/A	52,205	9	0.42
Tailwind Iowa City LLC formerly Dolphin Lake	-	-	N/A	52,142	10	0.42
Robert's Dairy	155,192	4	1.24	-	-	N/A
Iowa City Landfill	92,318	6	0.74	-	-	N/A
Sheraton Iowa City Hotel	62,698	10	0.50	-	-	N/A
	<u>\$ 4,247,778</u>		<u>33.99 %</u>	<u>\$ 3,921,566</u>		<u>31.31 %</u>
 Total Sewer System Charges	 \$ 12,499,949			 \$ 12,524,540		

**Sources:**

City of Iowa City Revenue Department

## 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 21.63 (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 2,025 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	189
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:

	Hourly	Monthly
2009	0%	0%
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%

\*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	301
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:

	Hourly	Monthly
2009	0%	0%
2010	0%	23%
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%

\*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	334	
Rates	Hourly	\$0.75 per hour
	Monthly	\$85.00 per month

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

	Hourly	Monthly
2009	0%	0%
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%

\*\*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	294	
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:

	Hourly	Monthly
2009	0%	0%
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%

\*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	311	
Rates	Hourly	\$0.75 per hour
	Monthly	\$85.00 per month

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

	Hourly	Monthly
2017*	100%	100%
2018	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	1,175	
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	61	
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	718	
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, 2018, 2017, and 2016.

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

Last Three Fiscal Years  
(amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 5,648	\$ 5,453	\$ 5,438
Miscellaneous	35	41	40
Total operating revenues	<u>\$ 5,683</u>	<u>\$ 5,494</u>	<u>\$ 5,478</u>
<b>Operating Expenses:</b>			
Personal services	\$ 1,674	\$ 1,767	\$ 1,781
Commodities	502	621	578
Services and charges	1,614	1,295	1,304
	<u>3,790</u>	<u>3,683</u>	<u>3,663</u>
Depreciation	1,268	880	808
Total operating expenses	<u>\$ 5,058</u>	<u>\$ 4,563</u>	<u>\$ 4,471</u>
Operating income	<u>\$ 625</u>	<u>\$ 931</u>	<u>\$ 1,007</u>
<b>Nonoperating Revenues (Expenses):</b>			
Gain (loss) on disposal of capital assets	\$ 2,423	\$ -	\$ 2,450
Interest income	129	37	37
Interest expense	(568)	(134)	-
Total nonoperating revenues (expenses)	<u>\$ 1,984</u>	<u>\$ (97)</u>	<u>\$ 2,487</u>
Change in net assets	\$ 2,609	\$ 834	\$ 3,494
<b>Net Position, Beginning*</b>	<u>22,047</u>	<u>21,231</u>	<u>17,737</u>
<b>Net Position, Ending</b>	<u>\$ 24,656</u>	<u>\$ 22,065</u>	<u>\$ 21,231</u>

\*The 2018 beginning balance was restated from implementation of GASB 75.

The following table summarizes the budget and actual figures for the Parking System for the fiscal year ended June 30, 2018 and the budget for the fiscal year ended June 30, 2019 on a modified accrual basis.

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

For the Year Ended June 30, 2018  
(amounts expressed in thousands)

	Actual	Budget	Percentage	FY19 Budget
Charges for services	\$ 5,648	\$ 5,823	96.99%	\$ 5,934
Interest income	129	35	368.57%	35
Miscellaneous	35	64	54.69%	35
Sale of assets	2,679	2,679	100.00%	-
Total Receipts	<u>\$ 8,491</u>	<u>\$ 8,601</u>	<u>98.72%</u>	<u>\$ 6,019</u>
Personal services	\$ 1,333	\$ 1,643	81.13%	\$ 1,622
Commodities	52	36	144.44%	34
Services and charges	2,012	2,222	90.55%	1,796
Capital outlay	562	1,206	46.60%	1,231
Interfund Loan Repayment	235	235	100.00%	242
Debt service payments	3,101	3,115	99.55%	3,021
Total Disbursements	<u>\$ 7,295</u>	<u>\$ 8,457</u>	<u>86.26%</u>	<u>\$ 7,946</u>

The following table summarizes the Parking System funds on hand for the fiscal years ended June 30, 2018, 2017, and 2016.

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

Last Three Fiscal Years  
(amounts expressed in thousands)

	2018	2017	2016
Operating Funds	\$ 12,971	\$ 11,896	\$ 10,944
Restricted and Designated Funds	1	1	387
Total Funds on Hand	<u>\$ 12,972</u>	<u>\$ 11,897</u>	<u>\$ 11,331</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>FY2018/19 % of Total Taxable Valuations (1)</u>
MIDWESTONE BANK	Financial Institution	\$ 21,330,369	5.12%
GRADUATE IOWA CITY OWNER, LLC	Sheraton Hotel	13,609,404	3.27%
OC GROUP LC	Old Capital Mall	9,915,912	2.38%
PLAZA TOWERS LLC	Residential & Comm. Condo Rentals	8,459,574	2.03%
MOEN, MARC B	Residential & Comm. Condo Rentals	8,182,672	1.96%
FIRST NATIONAL BANK IOWA CITY	Financial Institution	7,915,158	1.90%
100-500 LLC	Residential Condo Rentals	7,576,380	1.82%
1600-1700 LLC	Residential & Comm. Condo Rentals	7,153,403	1.72%
ICF LLC	Residential & Comm. Condo Rentals	7,091,526	1.70%
CENTER CITY LLC	Residential & Comm. Condo Rentals	6,959,107	1.67%
<b>Total</b>		<b>\$ 98,193,505</b>	<b>23.56%</b>

(1) The Total Taxable Valuation in the Urban Renewal Area for 1/1/2017 for fiscal year 2018-18 is \$416,738,028.

**TAX INCREMENT TAX RATES**

	<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>	<u>FY2017-18 (1)</u>	<u>FY2018-19 (1)</u>
Total City Tax Rate	\$ 40.75369	\$ 39.49917	\$ 38.63862	\$ 38.52756	\$ 38.81115	\$ 38.74878	\$ 38.60513	\$ 39.16292
City Debt Service	(4.64901)	(4.44287)	(4.02965)	(4.12963)	(3.92833)	(3.82846)	(3.57846)	(3.22846)
Iowa City CSD Debt Service	(0.74900)	(0.69729)	(0.63500)	(0.59831)	(0.58612)	(0.55017)	(0.52868)	(1.95540)
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)
Kirkwood Debt Service	(0.20000)	(0.20000)	(0.20000)	(0.20000)	(0.27005)	(0.21003)	(0.25000)	(0.25000)
Johnson County Debt Service	<u>(0.47402)</u>	<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>
Tax Increment Tax Rate	\$ 33.01166	\$ 31.86088	\$ 30.36918	\$ 29.78504	\$ 30.49001	\$ 30.41114	\$ 30.33712	\$ 29.68977
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>
Tax Increment Tax Rate in SSMID		\$ 33.86088	\$ 32.36918	\$ 31.78504	\$ 32.49001	\$ 32.20614	\$ 32.33712	\$ 31.68977

(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 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	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	407,922,479	119,175,408	288,747,071	6,691,956	6,399,369	301,838,396	19,927,234
1/1/2019	FY 2021	407,922,479	119,175,408	288,747,071	6,691,956	16,345,771	311,784,798	19,828,210
1/1/2020	FY 2022	407,922,479	119,175,408	288,747,071	6,691,956	30,128,234	325,567,261	52,390,941
1/1/2021	FY 2023	407,922,479	119,175,408	288,747,071	6,691,956	30,128,234	325,567,261	51,298,646
1/1/2022	FY 2024	407,922,479	119,175,408	288,747,071	6,691,956	30,128,234	325,567,261	50,028,848
1/1/2023	FY 2025	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	48,922,407
1/1/2024	FY 2026	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	47,974,269
1/1/2025	FY 2027	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	42,800,096
1/1/2026	FY 2028	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	38,577,766
1/1/2027	FY 2029	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	38,312,692
1/1/2028	FY 2030	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	38,188,912
1/1/2029	FY 2031	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	38,037,513
1/1/2030	FY 2032	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	38,024,882
1/1/2031	FY 2033	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	30,896,164
1/1/2032	FY 2034	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	30,914,689
1/1/2033	FY 2035	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	30,907,952
1/1/2034	FY 2036	309,562,751	77,151,860	232,410,891	6,691,956	30,128,234	269,231,081	30,875,955

(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 Certified	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							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	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	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	266,405	1,660,093	205,185	384,150	244,454	833,789	826,304	2,245,432	14.99	1.00	
1/1/2018	FY 2020	301,838,396	19,927,234	29.68977	8,961,513	591,635	0	591,635	207,485	384,150	0	591,635	0	2,245,432	15.15	1.00	
1/1/2019	FY 2021	311,784,798	19,828,210	29.68977	9,256,819	588,695	0	588,695	204,545	384,150	0	588,695	0	2,245,432	15.72	1.00	
1/1/2020	FY 2022	325,567,261	52,390,941	29.68977	9,666,017	1,555,475	0	1,555,475	206,325	1,349,150	0	1,555,475	0	2,245,432	6.21	1.00	
1/1/2021	FY 2023	325,567,261	51,298,646	29.68977	9,666,017	1,523,045	0	1,523,045	207,845	1,315,200	0	1,523,045	0	2,245,432	6.35	1.00	
1/1/2022	FY 2024	325,567,261	50,028,848	29.68977	9,666,017	1,485,345	0	1,485,345	203,945	1,281,400	0	1,485,345	0	2,245,432	6.51	1.00	
1/1/2023	FY 2025	269,231,081	48,922,407	29.68977	7,993,409	1,452,495	0	1,452,495	204,745	1,247,750	0	1,452,495	0	2,245,432	5.50	1.00	
1/1/2024	FY 2026	269,231,081	47,974,269	29.68977	7,993,409	1,424,345	0	1,424,345	205,095	1,219,250	0	1,424,345	0	2,245,432	5.61	1.00	
1/1/2025	FY 2027	269,231,081	42,800,096	29.68977	7,993,409	1,270,725	0	1,270,725	204,975	1,065,750	0	1,270,725	0	2,245,432	6.29	1.00	
1/1/2026	FY 2028	269,231,081	38,577,766	29.68977	7,993,409	1,145,365	0	1,145,365	204,365	941,000	0	1,145,365	0	2,245,432	6.98	1.00	
1/1/2027	FY 2029	269,231,081	38,312,692	29.68977	7,993,409	1,137,495	0	1,137,495	203,245	934,250	0	1,137,495	0	2,245,432	7.03	1.00	
1/1/2028	FY 2030	269,231,081	38,188,912	29.68977	7,993,409	1,133,820	0	1,133,820	206,770	927,050	0	1,133,820	0	2,245,432	7.05	1.00	
1/1/2029	FY 2031	269,231,081	38,037,513	29.68977	7,993,409	1,129,325	0	1,129,325	204,925	924,400	0	1,129,325	0	2,245,432	7.08	1.00	
1/1/2030	FY 2032	269,231,081	38,024,882	29.68977	7,993,409	1,128,950	0	1,128,950	207,800	921,150	0	1,128,950	0	2,245,432	7.08	1.00	
1/1/2031	FY 2033	269,231,081	30,896,164	29.68977	7,993,409	917,300	0	917,300	0	917,300	0	917,300	0	2,245,432	8.71	1.00	
1/1/2032	FY 2034	269,231,081	30,914,689	29.68977	7,993,409	917,850	0	917,850	0	917,850	0	917,850	0	2,245,432	8.71	1.00	
1/1/2033	FY 2035	269,231,081	30,907,952	29.68977	7,993,409	917,650	0	917,650	0	917,650	0	917,650	0	2,245,432	8.71	1.00	
1/1/2034	FY 2036	269,231,081	30,875,955	29.68977	7,993,409	916,700	0	916,700	0	916,700	0	916,700	0	2,245,432	8.72	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.