

Special Meeting
April 5, 1988

Council members present: Sanderson, Schiebel, Reece, King, Lutes

Others present: Rusty Schryver, Shane Tiernan, Cliff Wilson, Denny Hines, Tom Simmering, Dave Fox, Don Kliebenstein, John McKinney, Linda Waugh & Larry Neal

The meeting was called to order at 5:00 P.M. in the Council Chambers by Mayor Gearhart.

The purpose of the meeting was to discuss the urban renewal district and financing options for the city in regard to the Ritchie expansion.

John McKinney, of the bonding attorney's office in Des Moines, noted that tax increment financing was possible only in an urban renewal district. He stated the Iowa statutes were very broad on this issue.

Fox stated the amount to be borrowed would be \$120,000, primarily for utilities and land purchase.

McKinney said that urban renewal revenue bonds or a GO bond issue, either taxable or tax exempt, would be ways to obtain the money, however, borrowing directly from a local bank would be better yet. Ultimately, the tax payer pays the bill but with an urban renewal district the tax payer in that district pays. He stated that a GO issue of this kind was considered a General Essential Corporate Purpose bond but no election was necessary unless demanded by the public.

Tax abatement was discussed. The tax abatement would free up money of the developer to use for other purposes and not pay in taxes. If tax increment financing was used the tax abatement now being used by Ritchie would be withdrawn.

Tom Simmering will have the information on the urban renewal district for the April 11th council meeting. The council in turn will refer it to the Planning and Zoning Commission for their consideration. When the Commission gives it back to the clerk she will be authorized to publish the notice setting the hearing date.

The process to close a portion of Church Street will begin at the meeting on April 11th. Fox will have a cost estimate on the utilities for that meeting also.

Motion to adjourn by Sanderson, second by Schiebel. Carried.

Bill Gearhart
Bill Gearhart, Mayor

Attest: Carol Whipple
Carol Whipple, Clerk