

TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

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

DATE: June 15, 2017

City Engineer Gus Psihoyos recommends City Council approval to seek an amendment to the State Flood Mitigation Board Funding Agreement for the Bee Branch Watershed Flood Mitigation Project.

Recently, the City of Cedar Falls reached out to the City of Dubuque seeking help. They believe that their sales tax growth in Fiscal Year 2017 will not grow as originally projected, preventing them from collecting approximately \$700,000 in sales tax increment funding from the state. And the State Flood Mitigation Board (Board) would not have the ability to re-allocate the funding later on as the Board has already allocated the maximum they can in subsequent years. This is where the City of Dubuque may be able to help.

In contrast to Cedar Falls, sales tax collections in the City of Dubuque have exceeded the projections outlined in the City's original application. It is possible the City will generate enough sales tax increment in Fiscal Year 2017 to support the City's receipt of additional funding. The proposal to the Board will be to shift up to \$700,000 in Fiscal Year 2017 sales tax increment from the City of Cedar Falls to the City of Dubuque and in Fiscal Year 2019 to shift a corresponding amount from the City of Dubuque to the City of Cedar Falls.

The amendment will take into consideration that the amount shifted will be limited to the actual sales tax increment generated in the City of Dubuque above and beyond what the City is currently programmed to receive. Hence, the "up to \$700,000" language. Essentially, the City will not lose out on sales tax increment funding as a result of the proposed amendment.

This amendment will not modify the total sales tax increment funding available for the City's use. It would simply accelerate the City's receipt of up to \$700,000, shifting it from Fiscal Year 2019 to Fiscal Year 2017.

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


Michael C. Van Milligen

MCVM:jh

Attachment

cc: Crenna Brumwell, City Attorney
Teri Goodmann, Assistant City Manager
Gus Psihoyos, City Engineer