

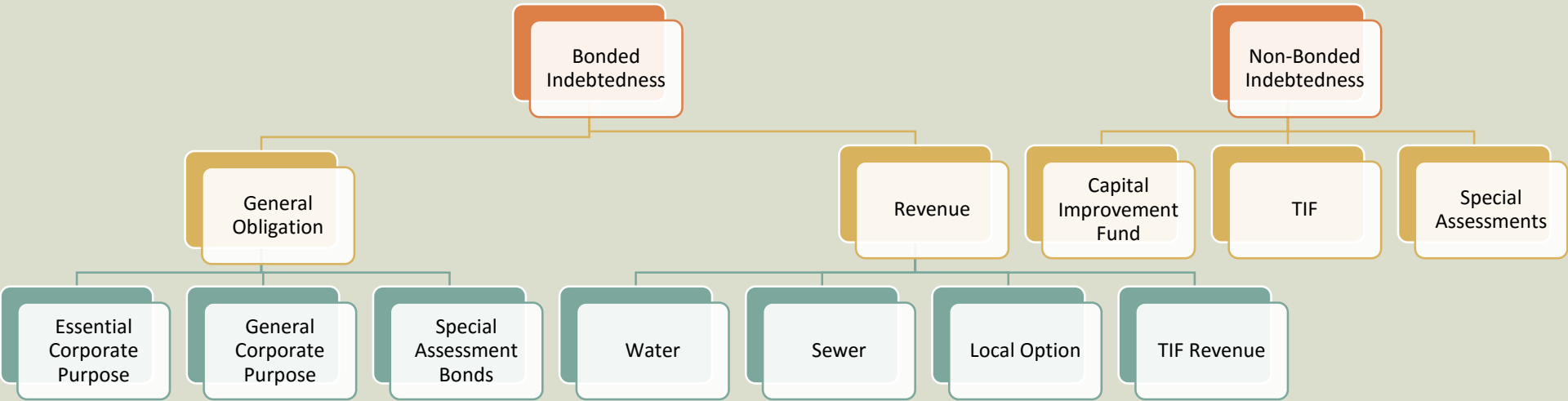
Funding Options for Street Improvements

2016 MUNICIPAL STREETS SEMINAR

November 17, 2016

Kristin Cooper

Types of Financing



Bonded Indebtedness

- Essential Corporate Purpose
- 4/20 notice provision



Bonded Indebtedness

Financing Process:

- Fix date for a hearing
- Hold hearing
- Approve a POS (if applicable)
- Sell the Bonds/Notes
- Authorize the issuance
- Close
- Watch for reimbursement issues

Bonded Indebtedness

Special Assessment Bonds vs. GO Bonds

- Can use special assessments as the security pledge
- Can issue GO Bonds and abate with special assessments

TIF Revenue Bonds vs. GO Bonds

- Can issue TIF revenue bonds as the security pledge
- Can use TIF to abate GO Bonds

Special Assessments

What are special assessments?

Charges to owners of real property by a governmental agency for street, sewer, water, or drainage improvements that benefit their property.

Special Assessments

Iowa Code Chapter 384 permits a city to assess private properties for the cost of public improvements.

The underlying principle is that an assessment should be less than or equal to the “benefits” conferred on property from nearby improvements.

Special Assessments

the assessment may not exceed 25% of the value of the property.

This valuation is reported to the Engineer and is shown on the Plat and Schedule (of assessments).

Special Assessments



Street paving projects

usually confer both
general and special
benefits

the abutting property
owners are not required
to pay for the general
benefits accruing to the
community at large.

Special Assessments

How are special assessments initiated?

1. Petition and Waiver
2. Council action

PETITION AND WAIVER

- Property owners may initiate a plan for a public improvement to be paid for in whole or in part by special assessments, by written contract to be approved by the city and signed by all of the owners of record of all property affected by the proposed assessment.

Special Assessments

If the Council adopts the "Resolution of Necessity" and later awards contracts for actual construction, then the assessments will be due and payable after construction is completed.

Those assessments which are not paid during the thirty day period are then listed on the County Auditor's tax rolls and are collected in annual installments along with interest - at present not exceeding 9 % per annum.

The Council determines the number of annual installments (not to exceed fifteen years) in which the assessments are collected.

Special Assessments

Property owners are again notified by certified mail, when the Council has levied the final assessments

Assessments are due and payable for a 30 day period without penalty or interest at the office of the City Clerk.

Special Assessments

The assessments are collected with property taxes by the County Treasurer with the taxes payable July 1, and due by September 30 of each year.

The unpaid assessments may be paid in full with accrued interest at anytime should the property owner wish to do so.

Special Assessments

- If the assessment installments are not paid when due, they are subject to collection with penalty the same as delinquent property taxes and are a lien on the property.

I. Alternative Methods of Financing.

Cash on Hand

Interfund
Transfers and
Loans

TIF
(reimbursement
tool)

Capital
Improvement
Reserve Fund
(384.7)

Contact Information

Ahlers & Cooney, P.C.

Kristin Cooper

kcooper@ahlerslaw.com

515-246-0330