

Tax Increment Financing Supplemental Appropriation Policy

Purpose

To better manage the City's cash flow and plan for annual appropriations by increasing the likelihood that funds will be available to pay City-supported tax increment financing ("TIF") obligations, should project-generated revenues be insufficient. To aid the City Council in consideration of the annual budget by synthesizing complex information from the City's many TIF redevelopment areas into an easily understood, comprehensive model. To maintain a market for City-supported TIF obligations by demonstrating proactive, prudent financial management

Tax Increment Financing Supplemental Fund

The City shall establish a Tax Increment Financing Supplemental Fund (the "Fund"). The Fund will be utilized to make payments on City-supported TIF obligations when project-generated revenues are insufficient.

The Fund shall be financed through voluntarily directed, legally available funds consisting of new revenues generated by the 1.0% general sales tax, the 0.5% streets sales tax, the 0.25% parks sales tax, the 0.25% storm water sales tax, the general property tax and the health and recreation property tax due to the expiration of tax increment financing within redevelopment areas that exist as of the date of passage of this Policy (the "Available Revenue").

The Fund shall be maintained at a level determined by the City Council to be sufficient to support debt service on the City-supported TIF obligations (the "Retention Requirements"). The Retention Requirements shall be set for each fiscal year by the City Council at the same time and in connection with the adoption of the City's budget for such fiscal year.

The sources of all Available Revenues deposited in the Fund will be tracked and Available Revenues will not be applied in a manner inconsistent with expenditure purpose limitations imposed by Missouri law.

To the extent not necessary to meet the Retention Requirements or to the extent that state law purpose limitations prevent Available Revenue from being applied to debt service on City-supported TIF obligations, Available Revenues may be, on an annual basis after adoption of the City's budget, deposited in the City fund or funds applicable to their original purpose.

The City Manager will designate a City staff member responsible for implementing this Policy.

The following resources have been established to implement this Policy:

- The City has developed a general fund 5-year financial model to monitor the City's long-term financial plan.
- The City has developed a model that determines the amount and availability of the Available Revenue (the "Available Revenue Model").
- The City has contracted with Gilmore & Bell to serve as bond counsel.
- The City has contracted with Baker Tilly Municipal Advisors, LLC to serve as municipal advisor.
- The City anticipates contracting with a third party to maintain the Available Revenue Model (the "Consultant").

Operation of the Tax Increment Financing Supplemental Fund

A group consisting of City staff, bond counsel, the municipal advisor, and the Consultant (collectively, the “Working Group”) shall be established to aid the designated City staff member in implementation of this Policy. The Working Group shall:

- Semi-annually, forecast Available Revenue for the period during which City-supported TIF Obligations are outstanding and update the Available Revenue Model.
- At least yearly in association with the annual budget, forecast the deposits necessary for the current and next five fiscal years to maintain the Fund at the Retention Requirements and present a recommendation to the City Council. Such forecast shall consider; the current balance in the Fund, project-generated revenues pledged toward City-supported TIF Obligations debt service, City-supported TIF Obligations debt service and Available Revenues for the current and next five fiscal years.