



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: February 4, 2008
Subject: Ordinance Approving Transfer of Bond Cap to SWIDA

List of committees that have reviewed: Finance and Administration

Background : The Southwestern Illinois Development Authority (SWIDA) requests the City transfer unused Illinois Private Activity Bond Allocation. This is an industrial bond authority granted to Home Rule municipalities for a very limited area of Industrial Economic Authority. If the city does not use or transfer the bond authority by May 1, it reverts back to the state. As the City does not have a qualifying use for the authority in 2007, staff recommends it be transferred to SWIDA for use in our area. This is the second transfer we have processed, and should the City have a use for this authority in the future, we would be in a better position to request help from SWIDA. Last year's bond cap authority was combined with others to finance an Ethanol Plant in Sauget and a Manufacturing Plant in Granite City.

Legal Considerations, if any: None.

Budget Impact:: This is a very limited authority to issue a set dollar amount of industrial economic development bonds and has no affect on our financial status.

Staff recommendation: Recommend approval.