



City Council Agenda Items

To: Mayor /City Council

From: Dean Rich, Director of Finance
Walter Denton, City Administrator

Date: April 2, 2007

Subject: SWIDA Bond Volume Cap Transfer Resolution .

List of committees that have reviewed: Finance and Administration

Background: As a Home Rule City, O'Fallon is allocated a portion of the State Industrial Revenue Bonding Capability (Cap) based on a per capital share. This is based on the 1986 Tax Reform Act and O'Fallon's cap for this year is \$2,138,175. This not actual funds but the authority is issued bond credit for a narrowly defined industrial usage. As this is our first year to receive this cap we have no valid use for the credit issue and can transfer the amount to the Southwestern Illinois Development Authority (SWIDA) for their use throughout the region. If we do not transfer the cap to SWIDA the state will take it back and reallocate it state wide at their discretion.

Legal Considerations, if any: This transfer is authorized under the 1986 Tax Reform Act

Budget Impact: None as this is the ability to issue credit for a very narrowly defined industrial use.

Staff recommendation: Staff recommends Council approval to keep the authority in Southwestern Illinois.