

CHAPTER 10

CAPITAL DEVELOPMENT FUND

10-1-1 ESTABLISHMENT. A fund is hereby established for the support of community economic development and related capital improvement projects. The fund shall be designated as the City Capital Development Fund. The fund shall be a part of the City's corporate fund.

10-1-2 FUNDING. The City Capital Development Fund shall be funded by the fee in lieu of taxes assessed against the City's electric utility and by any other method designated by the City.

10-1-3 USES. Monies expended from the City Capital Development Fund shall be used only for the following purposes:

- (A) Capital improvement (infrastructure related to economic development except for infrastructure improvements of any of the City utility funds), or
- (B) Economic development, or
- (C) Emergency transfer to the City electric fund.

10-1-4 PROCEDURE FOR EXPENDITURES. Before any expenditure can be made out of the City Capital Development Fund, a written application explaining the proposed use and amount of estimated expenditures shall be submitted to the City Council Finance Committee. The Finance Committee shall consider the application and make, to the City Council, its recommendation on the application.

10-1-5 POLICY STATEMENT, FEE IN LIEU OF TAXES.

(A) The municipally owned and operated electric system is a public utility and should be operated in a businesslike manner. The electric utility shall not be operated for the benefit of other municipal functions and shall not be used directly or indirectly as a general revenue-producing agency for the City, but it may pay to the City an amount in lieu of such taxes as are normally placed upon private business enterprises.

(B) The electric utility shall pay to the City Capital Development Fund a fee in lieu of taxes. Such fee shall be **three percent (3%)** of the gross operating revenues of the utility. Such fee shall be paid monthly when the gross operating revenues for the previous month have been calculated. The fee shall not be due or payable when either (1) the fund balance of the electric fund is less than or

equal to **One Million Dollars (\$1,000,000.00)** or (2) the fund balance of the City Capital Development fund is equal to or greater than **Two Hundred Fifty Thousand Dollars (\$250,000.00)**. "Gross operating revenues" is defined as the retail sales of the fund and does not include penalties, service fees or tap fees. (**Ord. No. 07-07; 06-05-07**)

(Ord. No. 94-38A; 05-17-94)