

ORDINANCE NO. 15,244

AN ORDINANCE amending the franchise heretofore granted to MidAmerican Energy Company for the production, distribution, transmission and sale of electric energy and amending the franchise heretofore granted to MidAmerican Energy Company for the production, distribution, transmission and sale of gas to temporarily increase the franchise fee to be used solely toward payment of the *Kragnes v. City of Des Moines* judgment.

WITNESSETH:

WHEREAS, pursuant to Ordinance No. 14,341, the City of Des Moines granted unto MidAmerican Energy Company an extended and amended franchise for the production, distribution, transmission and sale of electric energy and pursuant to Ordinance No. 14,342 the City of Des Moines granted unto MidAmerican Energy Company an extended and amended franchise for the production, distribution, transmission and sale of gas; and

WHEREAS, to avoid dramatic property tax increases or devastating cuts to City services, the City Council has determined that it would be in the best interests of the City of Des Moines and its residents to vote upon an amendment to said franchises to temporarily increase the franchise fee to be used solely toward payment of the *Kragnes v. City of Des Moines* judgment.

NOW THEREFORE, BE IT ORDAINED, by the City Council of the City of Des Moines, Iowa:

Section 1. That the electric energy franchise and the gas franchise granted to MidAmerican Energy Company are hereby amended by adding and enacting a new Section 6A thereof to each franchise relating to the temporary increase of the franchise fee, as follows:

**Section 6A. Temporary increase to franchise fee to be used solely toward payment of the *Kragnes v. City of Des Moines* judgment**

To avoid dramatic property tax increases or devastating cuts to city services, the rate of the franchise fee shall be temporarily increased for only the next seven consecutive fiscal years to seven and one-half percent of gross revenues generated from sales of the Company in the city and, commencing on the first day of the fiscal year following approval of this section at election, there is hereby imposed upon the Company to pay to the city a franchise fee in an amount equal to seven and one-half percent (7.5%) of the gross revenue of the Company, minus uncollectible accounts, derived from the distribution, transmission, and retail sale of gas or electric energy by the Company to customers within the current or future corporate limits of the city (excluding, however, the sale of gas or electric energy to the city). All such franchise fee amounts assessed and collected during such fiscal years in excess of five percent of gross revenues generated from sales of the Company shall be used solely for the purposes to pay, adjust, renew or extend any part or all of the legal indebtedness of the city as evidenced by bonds, warrants or judgments and the funding or refunding of all amounts ordered refunded by a

court of competent jurisdiction for franchise fees assessed and collected by the city prior to June 20, 2013.

Section 2. This ordinance shall be in full force and effect from and after its passage, publication and approval at an election by an affirmative majority vote as certified by the county election commissioner all as provided by law.

Passed December 9, 2013

Signed December 9, 2013

T. M. Franklin Cownie, Mayor

Attest:

I, Diane Rauh, City Clerk of the City of Des Moines, Iowa, hereby certify that the above and foregoing is a true copy of an ordinance, passed by the City Council of said City at a meeting held December 9, 2013, signed by the Mayor on December 9, 2013, and published as provided by law in the Business Record on December 27, 2013. Authorized by Publication Order 8752.

Diane Rauh, City Clerk