



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
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To: Gregg Mandsager, City **FINANCE & RECORDS** Administrator

From: Nancy A. Lueck, Finance Director
Andrew Fangman, City Planner

Date: March 4, 2019

Re: Resolution Approving Amended Development Agreement with TIF Oak Park, Inc.

Introduction and Background:

On July 5, 2018 City Council approved a development agreement with TIF Oak Park, Inc. for their construction of a senior living complex consisting of 16 triplexes and a clubhouse, and to price the units at levels that will be affordable to seniors of low and moderate income as defined in Iowa Code Section 403.17(14). The original agreement provided that the development would be substantially completed by no later than December 31, 2019.

The developer has requested the substantial completion date be extended to no later than December 31, 2020 due to issues which delayed the closing date for the property acquisition. The developer had originally anticipated that site work would begin in the 2019 construction season, but with the delayed closing on the property, construction is now planned to begin in 2019.

Summary:

Please include the attached resolution approving the amended development agreement with TIF Oak Park, Inc. on the agenda for the March 7, 2019 City Council meeting.

Please contact either of us if you have any questions or need additional information.

APPROVE AMENDED DEVELOPMENT AGREEMENT

(TIF Oak Park, Inc.)

421464-55

Muscatine, Iowa

March 7, 2019

A meeting of the City Council of the City of Muscatine, Iowa, was held at 7 o'clock p.m., on March 7, 2019, at the City Hall Council Chambers, Muscatine, Iowa, pursuant to the rules of the Council.

The Mayor presided and the roll was called, showing members present and absent as follows:

Present: _____

Absent: _____.

Council Member _____ introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member _____; and after due consideration thereof by the Council, the Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared said resolution duly adopted, as follows:

RESOLUTION _____

Resolution Approving Amended Development Agreement with TIF Oak Park, Inc.

WHEREAS, the City of Muscatine, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, this Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa, which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City has previously entered into a certain development agreement (the "Original Agreement") with TIF Oak Park, Inc. (the "Developer") in connection with the construction of multifamily housing in the Urban Renewal Area that is affordable to seniors of low and moderate income (the "Project") in the Urban Renewal Area; and

WHEREAS, under the Agreement, the City would provide annual appropriation tax increment payments to the Developer in a total amount not exceeding \$497,445; and

WHEREAS, the City and the Developer now propose to amend the Original Agreement in order to extend the completion date of the Project to December 31, 2020; and

WHEREAS, an amended agreement (the "Amended Agreement") has been prepared to set forth the new understanding between the City and the Developer; and

WHEREAS, Chapter 15A of the Code of Iowa ("Chapter 15A") declares that economic development is a public purpose for which a City may provide grants, loans, tax incentives, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans, tax incentives or other financial assistance, a City Council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that in determining whether funds should be spent, a City Council must consider any or all of a series of factors; and

NOW, THEREFORE, It Is Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. Pursuant to the factors listed in Chapter 15A, the Council hereby reaffirms that:

(a) The Project will add diversity and generate new opportunities for the Muscatine and Iowa economies;

(b) The Project will generate public gains and benefits, particularly in the creation of new jobs and new housing opportunities, which are warranted in comparison to the amount of the proposed property tax incentives.

Section 2. The City Council further finds and reaffirms that a public purpose will reasonably be accomplished by entering into the Amended Agreement and providing incremental property tax payments to the Developer.

Section 3. The Amended Agreement is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Amended Agreement on behalf of the City, in substantially the form and content in which the Amended Agreement has been presented to this City Council, and such officers are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Amended Agreement.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved on March 7, 2019.

Mayor

Attest:

City Clerk

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On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
MUSCATINE COUNTY SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the aforementioned City, hereby certify that the foregoing is a true and correct copy of the minutes of the Council of the City relating to adopting a resolution to approve an Amended Development Agreement.

WITNESS MY HAND hereto affixed this ___ day of _____, 2019.

City Clerk

March 1, 2019

Via Email

Gregg Mandsager
City Administrator/City Hall
Muscatine, IA

Re: TIF Oak Park, Inc.
Amended Development Agreement
File No. 421464-55

Dear Gregg:

Attached please find proceedings covering the adoption of a resolution approving the Amended Development Agreement with TIF Oak Park, Inc.

We would appreciate receiving one fully executed copy of these proceedings as soon as they are available.

Please contact John Danos or me if you have questions.

Kind regards,

Amy Bjork

Attachments

cc: Nancy Lueck