

CITY OF MUSCATINE, IOWA

URBAN RENEWAL PLAN AMENDMENT  
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA

October, 2016

The Urban Renewal Plan (the “Plan”) for the Consolidated Muscatine Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purposes of (i) identifying new urban renewal projects to be undertaken therein; and (ii) extending the City’s Small Business Forgivable Loan Program.

**1) Identification of Project.** By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project descriptions:

**A.**

**Name of Project:** Harrison Lofts LLC Low and Moderate Income Housing Development Project

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** October 20, 2016

**Description of the Project and Project Site:** Harrison Lofts, LLC (the “Developer”) has undertaken the development of an apartment complex with approximately fifty-four units (the “LMI Housing Project”) on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Number 0825276036 (the “LMI Housing Property”). It is intended that 25% of the apartment units constructed in connection with the LMI Housing Project will be affordable for families of low and moderate income. The addition of new affordable housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the LMI Housing Project.

**Description of Public Infrastructure:** It is not anticipated that the City will install public infrastructure in connection with the LMI Housing Project.

**Description of Properties to be Acquired in Connection with Project:** It is not anticipated that the City will acquire real property in connection with the LMI Housing Project.

**Description of Use of TIF for the Project:** The City intends to enter into a development agreement (the “Development Agreement”) with the Developer with respect to the LMI

Housing Project and to provide economic development payments (the “Payments”) thereunder in a principal amount not to exceed \$675,000. The Payments will be funded with the incremental property tax revenues to be derived from the LMI Housing Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council.

**B.**

**Name of Project:** KRE, LLC Development Project

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area.

**Date of Council Approval of Project:** October 20, 2016

**Description of Project and Project Site:** KRE, LLC (the “Company”) has proposed to undertake the redevelopment of a commercial facility (the “Redevelopment Project”) for leasing and use in its business operations on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Numbers 0825201013 and 0825201014 (the “Redevelopment Property”).

It has been requested that the City provide tax increment financing assistance to the Company in support of the efforts to complete, operate and maintain the Redevelopment Project.

**Description of Public Infrastructure:** It is not anticipated that the City will install public infrastructure in connection with the Redevelopment Project.

**Description of Properties to be Acquired in Connection with the Project:** It is not anticipated that the City will acquire real property in connection with the Redevelopment Project.

**Description of Use of TIF for the Project:** The City intends to enter into a development agreement (the “Development Agreement”) with the Company with respect to the Redevelopment Project and to provide economic development payments (the “Payments”) thereunder in a principal amount not to exceed \$155,000. The Payments will be funded with the incremental property tax revenues to be derived from the Redevelopment Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council.

C.

**Name of Project:** Dilapidated Buildings Demolition Project (the “Demolition Project”)

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** October 20, 2016

**Description of Project and Project Site:** The Demolition Project will consist of the acquisition and demolition of certain dilapidated buildings situated on certain real property in the Urban Renewal Area (the “Demolition Project Property”) bearing Muscatine County Property Tax Identification Parcel Numbers 0835434031 and 0835434029. The City will undertake the necessary site preparation of the Demolition Project Property for the future commercial and industrial development thereon. Further, the City will consider providing direct financial incentives to private developers in connection with the redevelopment of the Demolition Project Property.

**Description of Public Infrastructure:** It is not anticipated that the City will install public infrastructure in connection with the Demolition Project.

**Description of Properties to be Acquired in Connection with Project:** The City will acquire easement territory and rights-of-way as are necessary to successfully undertake the Demolition Project.

**Description of Use of TIF for the Project:** It is anticipated that the City will pay for the Demolition Project with a combination of borrowed funds, the proceeds of an internal advance of City funds on-hand and/or through an economic development agreement with private developers. In all cases, the City’s obligations will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Demolition Project will not exceed \$750,000.

**D.**

**Name of Project:** Housing Demand Study

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** October 20, 2016

**Declaration of Housing Demand Study as an Urban Renewal Project:**

The City Council acknowledges the importance of the provision of adequate housing, including workforce housing, to the economic development initiatives in the Urban Renewal Area. The City will hire the necessary professionals to undertake the study, investigation and quantification of the housing needs in the Urban Renewal Area that must be met in order to boost economic growth and enhance economic development therein.

**Description of Use of TIF for the Study:** It is anticipated that the City will pay for the Housing Demand Study with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City's obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Housing Demand Study will not exceed \$50,000.

**E.**

**Name of Project:** Community Branding and Marketing Study

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** October 20, 2016

**Declaration of Housing Demand Study as an Urban Renewal Project:**

The City Council acknowledges the importance of adequate community branding and marketing to (i) attracting new businesses, industries, and housing development; (ii) increasing tourism; and (iii) supporting economic development initiatives in the Urban Renewal Area. The City will hire the necessary professionals to undertake a community branding and marketing study to assist the City with community branding and marketing strategies that will promote economic development in the Urban Renewal Area.

**Description of Use of TIF for the Study:** It is anticipated that the City will pay for the Community Branding and Marketing Study with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City's obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Community Branding and Marketing Study will not exceed \$32,000.

**F.**

**Name of Project:** Downtown Sidewalk Enhancement Project (the “Sidewalk Project”)

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** October 20, 2016

**Description of Project and Project Site:** The Sidewalk Project will consist of the repair and/or the replacement of existing sidewalks; the installation of ADA ramps; the installation of upgraded tree planters; the construction of improvements to pedestrian crossings; the installation of way-finding signage; and the incidental utility, landscaping, site clearance and related cleanup work on sidewalks situated on the real property in the Urban Renewal Area that is bounded on the west by Pine Street, on the north by 3<sup>rd</sup> Street, on the east by Mulberry Avenue and on the south by Mississippi Drive.

It is anticipated that the Sidewalk Project will enhance the City’s downtown and other commercial areas, thereby resulting in increased tourism and commercial and residential growth in the Urban Renewal Area and in the City.

**Description of Properties to be Acquired in Connection with Project:** The City will acquire easement territory and rights-of-way as are necessary to successfully undertake the Sidewalk Project.

**Description of Use of TIF for the Project:** It is anticipated that the City will pay for the Sidewalk Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City’s obligation will be repaid with incremental property tax revenues. It is anticipated that the City’s use of incremental property tax revenues for the Sidewalk Project will not exceed \$1,000,000.

**2) Extension of the City’s Small Business Forgivable Loan Program.** The City approved the Small Business Forgivable Loan Program in the September, 2014 Amendment to the Plan. It is now necessary to update the description of the Small Business Forgivable Loan to extend the Program through the City’s 2019-2020 Fiscal Year. The description of the Small Business Forgivable Loan Program shall now read as follows:

**Name of Project:** Small Business Forgivable Loan Program

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** September 4, 2014

**Description of Small Business Forgivable Loan Program:** The City acknowledges the importance of the success of small businesses to the promotion of economic development in the City. The Small Business Forgivable Loan Program is designed to provide public support to the development and improvement of small businesses in the Urban Renewal

Area. The City will provide fiscal support to the Program through the provision of economic development forgivable loans (the “Forgivable Loans”) to small businesses situated in certain districts highlighted on the map attached as Exhibit A to the September, 2014 Amendment.

The Forgivable Loans will be targeted to assist with the promotion of in-fill, redevelopment and facilities enhancement of qualifying small businesses. It is anticipated that the Forgivable Loans will be made in each of the City’s fiscal years through June 30, 2020. Over the course of these fiscal years, the City will consider making Forgivable Loans to eligible applicants in an aggregate amount not to exceed \$300,000 (such amount being in an addition to the amount of \$350,000 originally approved for the Small Business Forgivable Loan Program in the September, 2014 Amendment). The City Staff will develop appropriate materials, including agreements and applications, for the administration of the Forgivable Loans.

**Description of Use of TIF for the Program:** It is anticipated that the City will fund the Forgivable Loans with borrowed funds or with the proceeds of an internal advance of City funds on-hand. In any case, the City’s obligation will be repaid with incremental property tax revenues. It is anticipated that the City’s use of incremental property tax revenues for the Forgivable Loans will not exceed \$300,000 (such amount being in an addition to the amount of \$350,000 originally approved for the Small Business Forgivable Loan Program in the September, 2014 Amendment).

**3) Required Financial Information.** The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$66,073.09</u>
Outstanding general obligation debt of the City:	<u>\$15,095,000</u>
Proposed debt to be incurred under this October, 2016 Amendment*:	<u>\$ 2,962,000</u>

\*Some or all of the debt incurred hereunder may be subject to annual appropriation by the City Council.