

SET DATE FOR HEARING ON URBAN
RENEWAL PLAN AMENDMENT

421464-57

Muscatine, Iowa

March 21, 2019

The City Council of the City of Muscatine, Iowa, met on March 21, 2019, at 7 o'clock, p.m., at the City Hall Council Chambers, in the City, for the purpose of setting a date for a public hearing on a proposed urban renewal plan amendment. The Mayor presided and the roll being called, the following members of the Council were present and absent:

Present:

Absent:

The Mayor announced that an amendment to the urban renewal plan for the Consolidated Muscatine Urban Renewal Area had been prepared, and that it was now necessary to set a date for a public hearing on the proposed amendment to the urban renewal plan. Accordingly, Council Member _____ moved the adoption of the following resolution entitled "Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment," and the motion was seconded by Council Member _____. Following due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes:

Nays:

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

RESOLUTION NO.2019-0066

Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment

WHEREAS, the City Council of the City of Muscatine, Iowa by resolution previously established the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of initiatives and projects therein; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which would facilitate the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (1) providing tax increment financing support to Bush Construction in connection with the redevelopment of the former Hershey Building into a mixed-use building; (2) using tax increment financing to pay the costs of the redevelopment of the former IDOT building for use as a fire station, police substation, and public works building; (3) using tax increment financing to pay the costs of constructing street, sidewalk, storm water drainage, and streetscaping improvements in the City's downtown; (4) using tax increment financing to pay the costs of the Downtown Façade Improvement Program; and (5) using tax increment financing to pay the costs of planning, designing, site preparation and environmental remediation of certain real property situated along the Mississippi River south of Hershey Avenue/Mississippi Drive, and it is now necessary that a date be set for a public hearing on the Amendment;

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

Section 1. This City Council will meet at the City Hall Council Chambers, Muscatine, Iowa, on April 18, 2019, at 7 o'clock p.m., at which time and place it will hold a public hearing on the proposed Amendment.

Section 2. The City Clerk shall publish notice of said hearing, the same being in the form attached hereto, which publication shall be made in a legal newspaper of general circulation in the City, which publication shall be not less than four (4) and not more than twenty (20) days before the date set for hearing.

Section 3. Pursuant to Section 403.5 of the Code of Iowa, Gregg Mandsager is hereby designated as the City's representatives in connection with the consultation process which is required under that section of the urban renewal law.

Passed and approved this March 21, 2019.

Kelcey Brackett, Mayor Pro Tem

Attest:

Nancy Lueck, Acting City Clerk

**NOTICE OF PUBLIC HEARING ON PROPOSED URBAN RENEWAL PLAN
AMENDMENT**

Notice Is Hereby Given: That at 7 o'clock p.m., at the City Hall Council Chambers, Muscatine, Iowa, on April 18, 2019, the City Council of the City of Muscatine, Iowa, will hold a public hearing on the question of amending the urban renewal plan for the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") to facilitate the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (1) providing tax increment financing support to Bush Construction in connection with the redevelopment of the former Hershey Building into a mixed-use building; (2) using tax increment financing to pay the costs of the redevelopment of the former IDOT building for use as a fire station, police substation, and public works building; (3) using tax increment financing to pay the costs of constructing street, sidewalk, storm water drainage, and streetscaping improvements in the City's downtown; (4) using tax increment financing to pay the costs of the Downtown Façade Improvement Program; and (5) using tax increment financing to pay the costs of planning, designing, site preparation and environmental remediation of certain real property situated along the Mississippi River south of Hershey Avenue/Mississippi Drive, and it is now necessary that a date be set for a public hearing on the Amendment. A copy of the amendment is on file for public inspection in the office of the City Clerk.

At said hearing any interested person may file written objections or comments and may be heard orally with respect to the subject matters of the hearing.

Gregg Mandsager
City Administrator

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On motion and vote the meeting adjourned.

Kelcey Brackett, Mayor Pro Tem

Attest:

Nancy Lueck, Acting City Clerk

ATTESTATION CERTIFICATE:

STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned, City Clerk of the aforementioned City, do hereby certify that as such I have in my possession or have access to the complete corporate records of the City and of its officers; and that I have carefully compared the transcript hereto attached with the aforesaid records and that the attached is a true, correct and complete copy of the corporate records relating to the action taken by the City Council preliminary to and in connection with setting a date for public hearing on an urban renewal plan amendment.

WITNESS my hand this __ day of _____, 2019.

Gregg Mandsager, City Clerk



March 15, 2019

VIA E-MAIL

Gregg Mandsager
City Administrator/City Hall
Muscatine, IA

Re: Consolidated Muscatine Urban Renewal Area (2019 Amendment)
Our File No. 421464-57

Dear Gregg:

We have prepared the attached materials which will enable the City Council to act on March 21st to set April 18th as the date for a public hearing on the amendment to the existing urban renewal plan for the Consolidated Muscatine Urban Renewal Area. A copy of the Plan Amendment will follow soon for your review.

The notice which is included in the attached resolution must be published once, not less than four (4) and not more than twenty (20) days prior to the date selected for the hearing. The last date on which the notice may effectively be published is April 14, 2019. Please print a copy of the notice for delivery to the newspaper. Please email a copy of the published notice to lemke.susan@dorsey.com.

Also, a "consultation session" must be set up with the local county and school district. Please refer to my separate letter enclosed for further details.

Please provide one fully executed set of proceedings, once all the actions have been taken, and contact John Danos or me if you have any questions.

Kind regards,

Amy Bjork

Attachments

cc: Nancy Lueck

CITY OF MUSCATINE, IOWA

URBAN RENEWAL PLAN AMENDMENT
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA

April, 2019

The Urban Renewal Plan (the “Plan”) for the Consolidated Muscatine Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purpose of identifying new urban renewal projects to be undertaken therein.

1) Identification of Projects. 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: Hershey Building Redevelopment Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: April 18, 2019

Description of Project and Project Site: Bush Construction (the “Developer”) has proposed to undertake the redevelopment of the former Hershey Building situated at 216 Sycamore Street in the Urban Renewal Area (the “Hershey Redevelopment Property”) into a mixed-use building, including multiresidential units and commercial units (the “Hershey Redevelopment Project”).

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the Hershey Redevelopment Project. The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$8,500.

The Hershey Redevelopment Project will facilitate economic development in the Urban Renewal Area and help alleviate the blighted conditions in the Urban Renewal Area.

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

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

Hershey Redevelopment Project and to provide economic development payments (the “Payments”) thereunder in a principal amount not to exceed \$500,000. The Payments will be funded with the incremental property tax revenues to be derived from the Hershey Redevelopment Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council.

B.

Name of Project: Municipal Building Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: April 18, 2019

Description of Project and Project Site: The Municipal Building Project will include the redevelopment of the former IDOT Building situated at 417 Lake Park Boulevard in the Urban Renewal Area (the “Municipal Building Property”) for use by the City as a fire station, police substation, and public works building.

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

Description of Use of TIF for Project: It is anticipated that the City will pay for the Municipal Building Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, a portion of the City’s obligations incurred 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 Municipal Building Project will not exceed \$1,000,000.

Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the City has analyzed its proposed use of incremental property tax revenues for the funding of the Municipal Building Project and alternative development and funding options for the Municipal Building Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The City Council has determined that a need exists for the provision of new and improved fire, police, and public works facilities in the Urban Renewal Area. The City’s ability to fulfill its duty of fire protection services, police protection services, and maintenance of public infrastructure and public property in the Urban Renewal Area is diminished by inadequate, outdated and undersized administrative facilities. There is no conceivable way for the City to outsource or privatize fire and police protection or services provided by the City’s public works department, and the use of the former IDOT Building as the site of the Municipal

Building Project is an optimal use for such building. Promoting other types of development on the Municipal Building Property will not meet the public need being addressed by the Municipal Building Project.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: The Local Option Sales and Services Tax Revenues are authorized to be used exclusively by the City for sanitary sewer system and street improvement projects.

* General Fund: The City is at its \$8.10 per thousand levy limit for the General Fund, and the annual proceeds from this levy are fully committed to maintain the operational integrity of the City. The City cannot access its General Fund reserves to aid in the Municipal Building Project funding without risking unsound fiscal practice.

* Capital Improvements Levy: The City does not have a Capital Improvements Levy available, and the imposition of such additional levy would require a successful referendum, which is not feasible at this time.

* Debt Service Levy: The City does not have authority to levy a debt service tax for general obligation indebtedness for the Municipal Building Project. It is not feasible for the City to acquire the authority, either through full referendum or reverse referendum, to issue general obligation indebtedness for the Municipal Building Project without the ability to assure the voting public that tax increment financing will be available to assist with the funding. The use of tax increment financing will lessen the burden on individual tax payers that would result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the City's successful economic development initiatives in the Urban Renewal Area.

* Utility Surpluses: The City does not have identified surpluses in its sewer utility fund that could aid in the funding of the Municipal Building Project.

C.

Name of Project: Downtown Street Improvements Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: April 18, 2019

Description of Project and Project Site: The Downtown Street Improvements Project (the "Street Project") will consist of constructing street, sidewalk, storm water drainage, and streetscaping improvements; and the incidental utility, landscaping, site clearance and related cleanup work situated on the real property in the Urban Renewal Area that is bounded on the west by Pine Street, on the north by 3rd Street, on the east by Mulberry Avenue and on the south by Mississippi Drive.

It is anticipated that the Street 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 Street Project.

Description of Use of TIF for Project: It is anticipated that the City will pay for the Street Project with either borrowed funds and/or 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 derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Street Project will not exceed \$3,100,000.

D.

Name of Project: Downtown Façade Improvement Program

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: April 18, 2019

Description of Program: The City acknowledges the importance of a vibrant downtown to the promotion of economic development in the Urban Renewal Area. Under the Downtown Façade Improvement Program (the "Program"), the City will fund economic development grants to eligible, local commercial business owners to assist such local business owners with paying the costs of undertaking building façade improvement projects and other projects approved by the City Staff. The City Staff will develop appropriate materials, including agreements and applications, for the administration of the Program.

Description of Use of TIF for Program: It is anticipated that the City will pay for Program with either borrowed funds and/or 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 derived from the Urban Renewal Area. The amount of incremental property tax revenues to be expended by the City in connection with Program will not exceed \$500,000 over the course of the City's 2020 through 2024 fiscal years.

E.

Name of Project: Carver Corner Development Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: April 18, 2019

Description of Project and Project Site: Certain real property situated along the Mississippi River south of Hershey Avenue/Mississippi Drive (the "Development

Property”) has been identified by the City Council as a property in need of development and economic development initiatives (the “Development Project”). The City will hire the necessary consultants and professionals or conduct a Request for Proposals with developers to undertake the planning and design of the Development Project and will also undertake environmental remediation measures and site preparation activities on the Development Property.

Description of Use of TIF for Project: It is anticipated that the City will pay for the Development Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, 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 initial phase of the Development Project will not exceed \$2,000,000.

2) 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>\$69,930,487</u>
Outstanding general obligation debt of the City:	<u>\$14,390,000</u>
Proposed debt to be incurred under this April, 2019 Amendment*:	<u>\$ 6,108,500</u>

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



March 15, 2019

VIA E-MAIL

Gregg Mandsager
City Administrator/City Hall
Muscatine, IA

Re: Consolidated Muscatine Urban Renewal Area Amendment/Consultation Session
Our File Number: 421464-57

Dear Gregg:

The Iowa Urban Renewal Law requires that a city provide information concerning a proposed urban renewal plan or amendment to any other governmental bodies which might be affected by the use of tax increment financing within your urban renewal area. Specifically, the City must send a copy of the urban renewal plan amendment and an invitation to attend a meeting to discuss the urban renewal plan amendment to any county or school district whose jurisdiction covers any property which is within the urban renewal area. This consultation must be held at least two weeks prior to the public hearing on April 18, 2019.

It is our understanding that the property within your urban renewal area would affect Muscatine County and the Muscatine Community School District.

Attached is a draft letter which you may use in order to provide notification to these governmental entities of the date, time and place of a meeting at which they may discuss your urban renewal plan amendment. The law does not require that this be a meeting of the City Council, and you may use your discretion about who represents the City at the meeting.

Along with the letter, you should send a copy of the urban renewal plan amendment and a copy of the notice of the public hearing on the urban renewal plan amendment.

According to our records, here are the mailing addresses for the individuals who should receive the notification letter and the enclosures:

Board of Supervisors
c/o Muscatine County Auditor
Muscatine County Courthouse
414 East 3rd Street, Suite 201
Muscatine, Iowa 52761

Superintendent
Muscatine Community School District
2900 Mulberry Avenue
Muscatine, Iowa 52761

Please call John Danos or me if you have questions.

Kind regards,

Amy Bjork

cc: Nancy Lueck

[City letterhead]

DATE: _____

TO: Board of Supervisors, Muscatine County
Superintendent, Muscatine Community School District

FROM: City Council
City of Muscatine, Iowa

RE: Consolidated Muscatine Urban Renewal Area Plan Amendment

The City of Muscatine is in the process of amending the urban renewal plan for the Consolidated Muscatine Urban Renewal Area, and, pursuant to Section 403.5 of the Code of Iowa, the City is sending you the enclosed copy of its urban renewal plan amendment and scheduling a meeting at which you will have the opportunity to discuss this amendment.

The meeting to discuss our urban renewal plan amendment has been set for _____, 2019, at _____ o'clock ____m. at the _____ in Muscatine. If you are unable to send a representative to the meeting, we invite your written comments. In addition, Section 403.5 gives your designated representative the right to make written recommendations concerning the urban renewal plan amendment no later than seven days following the date of the meeting.

The City will also hold a public hearing on this urban renewal plan amendment at _____ o'clock ____m. on April 18, 2019, and a copy of the notice of hearing is enclosed for your information.

Please call our City Clerk at (563) 264-1550 if you have questions.

Enclosure