



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
(563) 264-1550
Fax (563) 264-0750

To: Gregg Mandsager, City **FINANCE & RECORDS** Administrator
From: Nancy A. Lueck, Finance Director
Jodi Royal-Goodwin, Community Development Director
Date: September 27, 2019
Re: Resolution Set a Public Hearing on Urban Renewal Plan Amendments

Introduction:

The City periodically amends its Urban Renewal Plan to allow for future tax increment (TIF) funding to be used for new Economic Development Agreements, new projects or programs, or to continue or to amend existing projects or programs. Prior to amending the Urban Renewal Plan, a public hearing is required. The City is also required to hold a consultation meeting with other taxing entities prior to the approval of the Plan Amendment.

Background:

The City traditionally groups project or programs into a single Plan Amendment. The currently proposed amendment includes three items:

1. The April 2019 Urban Renewal Plan Amendment included using up to \$3.1 million in future incremental tax funds for the Downtown Street Program which includes street, sidewalk, storm water drainage, and streetscaping improvements. The current proposed Plan Amendment provides for increasing the project cost estimate to up to \$3.5 million.
2. City Council previously gave consensus approval for the City to proceed with entering into a Development Agreement with Musco Sports Lighting LLC for their plans for expanding their facilities, operations, and workforce in Muscatine. Musco requested a 10 year, 50% TIF rebate for the project with a maximum total rebate amount set at \$515,000.
3. The final item in the proposed Plan Amendment is for a new Small Business Forgivable Loan Program in Blighted Areas of the City for Code Compliance and ADA improvements. This proposed Program provides for up to \$250,000 over a 5-year period (\$50,000 per year) with funding from future tax increment funds. Specific provisions of this program are being finalized for Council consideration and adoption after the Plan Amendment is approved.

Summary:

Please include the attached resolution to set a public hearing on the proposed Urban Renewal Plan Amendment on the agenda for the October 3, 2019 Council meeting. The public hearing will be set for November 7, 2019 and the resolution to approve the Plan Amendment will be considered after the public hearing.

Also at the November 7 meeting, a public hearing will be set for November 21 to consider the proposed

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

Development Agreement with Musco Sports Lighting LLC. The resolution for approval of the Musco Development Agreement will be considered after the public hearing.

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

CITY OF MUSCATINE, IOWA
URBAN RENEWAL PLAN AMENDMENT
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA

November, 2019

The Urban Renewal Plan (the “Plan”) for the Consolidated Muscatine Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purposes of (1) updating the description of the Downtown Street Improvements Project; and (2) identifying new urban renewal projects to be undertaken therein.

1) Update Description of the Downtown Street Improvements Project. The City approved the Downtown Street Improvements Project in the Plan. It is now necessary to update the description of the Downtown Street Improvements Project as follows:

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, as amended November 7, 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 \$3,500,000 (increased from \$3,100,000 as approved in the April, 2019 amendment to the Plan).

2) 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: Musco Sports Lighting, LLC Expansion Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: November 7, 2019

Description of the Project and Project Site: Musco Sports Lighting, LLC (the "Company") is a significant contributor to the local economy and maintains a substantial workforce at its operations in the City of Muscatine. The Company owns the real property situated at 2107 Stewart Road in the Urban Renewal Area (the "Property") and has proposed to undertake the expansion of its facilities, operations and workforce thereon (the "Expansion Project"). It is anticipated that the Company will add 40 or more employees to its Muscatine workforce in connection with the Expansion Project.

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 Expansion Project.

The costs incurred by the City in providing tax increment financing assistance to the Company will include legal and administrative fees (the "Admin Fees") in an amount not to exceed \$8,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Expansion 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 Expansion Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Company with respect to the construction and use of the completed Expansion Project and to provide annual appropriation economic development payments (the "Payments") to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Property. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the Expansion Project will not exceed \$515,000, plus the Admin Fees.

B.

Name of Project: Small Business Forgivable Loan Program in Blighted Areas of the City for Code Compliance and ADA Improvements (the “Blighted Areas Forgivable Loan Program”)

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: November 7, 2019

Description of Blighted Area Forgivable Loan Program: The City acknowledges the importance of the success of local businesses to the promotion of economic development in the City. The Blighted Areas Forgivable Loan Program is designed to provide public support to the development and improvement of local businesses in the Urban Renewal Area. The City will provide fiscal support to the Blighted Areas Forgivable Loan Program through the provision of economic development forgivable loans (the “Forgivable Loans”) to small businesses situated in certain Blighted Areas highlighted on the map attached as Exhibit A hereto.

The Forgivable Loans will be targeted to assist with the promotion of City code compliance and ADA improvements through the facilities enhancement of qualifying small businesses. It is anticipated that the Forgivable Loans will be made in each of the City’s 2020 through 2024 fiscal years. Over the course of these fiscal years, the City will consider making Forgivable Loans to eligible applicants in an aggregate amount not to exceed \$250,000. 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 to be derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Forgivable Loans will not exceed \$250,000.

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>\$71,221,117</u>
Outstanding general obligation debt of the City:	<u>\$11,950,000</u>
Proposed debt to be incurred under this November, 2019 Amendment*:	<u>\$ 1,165,000</u>

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

EXHIBIT A

Map of Blighted Areas

Description of Small Business Forgivable Loan Program for the Designated Blighted District: The Small Business Forgivable Loan program has expanded its area to allow businesses in the designated blighted district to apply for funding for code and accessibility compliance improvements. Eligible applicants within the designated blighted district may apply for up to \$10,000 to be used for updates pertaining to City Code improvements, interior and exterior, as well as requirements that fulfill the standards outlined in the American with Disabilities Act (ADA) Accessibility Guidelines.

The applicant is required to provide a one-to-one match, which may be used for other capital expenses, including compliance issues or general property improvements. The Forgivable Loan will target the redevelopment and facilities enhancements of qualifying small businesses to meet the standards of City Code and/or the ADA Accessibility Guidelines. The City Staff will develop appropriate materials, including agreements and applications, for the administration of the Forgivable Loans.

(1) Blighted Area:

That territory bounded by a line extended as follows: Beginning at a point at the center of the intersection of the main channel of the Mississippi River and an extension of the centerline of Kemper Avenue, thence westerly along the extension of the centerline of Kemper Avenue, thence westerly along the centerline of Kemper Avenue to the center of the intersection of Kemper Avenue and Stewart Road, thence southwesterly along the centerline Stewart Road to the center of the intersection of Stewart Road and Wallace Street, thence westerly along the centerline of Wallace Street to the center of the intersection of Wallace Street and Aaron Avenue, thence northerly along the centerline of Aaron Avenue to the center of the intersection of Aaron Avenue and Sampson Street, thence westerly along the centerline of Sampson Street to the center of the intersection of Sampson Street and 25th Street South, thence northwesterly along the centerline of 25th Street South until it becomes the centerline of South Houser Street, thence northwesterly and northerly along the centerline of South Houser Street to the center of the intersection of South Houser Street and the north bank of the Muscatine Slough, thence easterly along north bank of the Muscatine Slough to the center of the intersection of the north bank of the Muscatine Slough and an extension of the centerline of Charles Street, thence northerly along an extension of the centerline Charles Street to the center line of Charles Street, thence northerly along the centerline of Charles Street to the center of the intersection of Charles Street and Hershey Avenue, thence easterly along the centerline of Hershey Avenue to the center of the intersection of Hershey Avenue and Fletcher Avenue, thence northerly along the centerline of Fletcher Avenue to the center of the intersection of Fletcher Avenue and Lucas Road, thence northwesterly along the centerline of Lucas Road to the center of the intersection of Lucas Road and Newell Avenue, thence easterly along the centerline of Newell Avenue to the center of the intersection of Newell Avenue and Logan Street, thence northerly along the centerline of Logan Street to the center of the intersection of Logan Street and Dillaway Street, thence easterly along the centerline of Dillaway Street to the center of the intersection of Dillaway Street and Roscoe Avenue, thence northwesterly along the centerline of Roscoe Avenue to the center of the intersection of Roscoe Avenue and Fulliam Avenue, thence easterly along the centerline of Fulliam Avenue to the center of the intersection of Fulliam Avenue and Cedar Street, thence southeasterly along the centerline of Cedar Street to the center of the intersection of Cedar Street and Bartlett Street, thence northeasterly along the centerline of Bartlett Street to the center of the intersection of Bartlett Street and Mulberry Avenue, thence northwesterly along the centerline of Mulberry Avenue to the center of the intersection of Mulberry Avenue and Maple Avenue, thence northeasterly along the centerline of Maple Avenue to the center of the intersection of Maple Avenue and Oak Street, thence northwesterly along the centerline of Oak Street to the center of the intersection of Oak Street and Woodlawn Avenue, thence easterly along the centerline of Woodlawn Avenue to the center of the intersection of Woodlawn Avenue and Isett Avenue, thence northerly along the centerline of Isett Avenue to the center of the intersection of Isett Avenue and Clay Street, thence easterly along the centerline of Clay Street to the center of the intersection of Clay Street and Park Avenue, thence southerly along the centerline of Park Avenue to the center of the

intersection of Park Avenue and Washington Street, thence easterly along the centerline of Washington Street and then along an extension of the centerline of Washington Street to the intersection of an extension of Washington Street and the main channel of the Mississippi River, thence southwesterly along the main channel of the Mississippi River to the point of beginning.

SET DATE FOR HEARING ON URBAN
RENEWAL PLAN AMENDMENT

421464-59

Muscatine, Iowa

October 3, 2019

The City Council of the City of Muscatine, Iowa, met on October 3, 2019, at seven o'clock, p.m., at the City Hall Council Chambers, in the City of Muscatine, 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. _____

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 (1) updates the description of the Downtown Street Improvements Project; and (2) facilitates the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) providing tax increment financing support to Musco Sports Lighting, LLC in connection with the expansion of existing facilities located at 2107 Stewart Road in the Urban Renewal Area; and (b) using tax increment financing to pay the costs of the Small Business Forgivable Loan Program in Blighted Area of the City for Code Compliance and ADA Improvements, 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 _____, Muscatine, Iowa, on November 7, 2019, at _____ o'clock __.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 representative in connection with the consultation process which is required under that section of the urban renewal law.

Passed and approved this October 3, 2019.

Mayor

Attest:

City Clerk

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

Notice Is Hereby Given: That at _____ o'clock __.m., at the _____, Muscatine, Iowa, on November 7, 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 (1) update the description of the Downtown Street Improvements Project; and (2) facilitate the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) providing tax increment financing support to Musco Sports Lighting, LLC in connection with the expansion of existing facilities located at 2107 Stewart Road in the Urban Renewal Area; and (b) using tax increment financing to pay the costs of the Small Business Forgivable Loan Program in Blighted Area of the City for Code Compliance and ADA Improvements. 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 Clerk

•••••

On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

PUBLICATION CERTIFICATE:

STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned, City Clerk of the aforementioned City do hereby certify that pursuant to the resolution of its City Council fixing a date of public hearing on a proposed urban renewal plan amendment, the notice, of which the printed slip attached to the publisher's affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City, and copies were sent to the county and school district.

WITNESS my hand this ___ day of _____, 2019.

City Clerk

(Attach here publisher's affidavit of publication of notice.)

(PLEASE NOTE: This certificate must not be dated until the publication has been made and you have reviewed it to be sure that the notice was published on the date indicated in the attached affidavit.)

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.

City Clerk

[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 November 7, 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