



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 1-29-21

City Council

STAFF

Nancy A. Lueck, Finance Director
Jodi Royal-Goodman, Community Development Director
Andrew Fangman, Assistant Community Development Director

SUBJECT

Ordinance on First Reading Establishing TIF Districts and Resolutions (3) Setting Public Hearings on Proposed Development Agreements

EXECUTIVE SUMMARY

After approval of the Urban Renewal Plan Amendments, there are several additional steps needed prior to approval of the Development Agreements for the three new housing-related projects. The Grandview Lofts Project is located within a current TIF district. New TIF districts, however, will need to be created by ordinance for the Colorado Lofts Project and the Steamboat Apartments development. Public hearings will need to be set and held on the proposed Development Agreements for the three projects. The following actions need to be considered by City Council at the February 4, 2021 meeting:

1. Ordinance on 1st reading establishing TIF districts for the Colorado Lofts project and the Steamboat Apartments project. The 2nd reading of this ordinance is proposed to be considered at the February 11 In Depth meeting and the 3rd and final reading at the February 18 meeting.
2. Resolution Setting Public Hearing for February 18, 2021 on the proposed development agreement with MVHA Partners (Miller-Valentine) which will provide TIF assistance to construct 51 units of senior housing on Grandview Avenue
3. Resolution Setting Public Hearing for February 18, 2021 on the proposed development agreement with MVHA Partners (Miller-Valentine) which will provide TIF assistance to construct 51 units of senior housing on Colorado Street
4. Resolution Setting Public Hearing for February 18, 2021 on the proposed development agreement with JNP Family 1, LP and Ales Foundation which will provide TIF assistance to construct 42 rental housing units on Steamboat Way for low and moderate income individuals and families.

STAFF RECOMMENDATION

Staff recommended approval of the ordinance on 1st reading establishing TIF districts and the three resolutions setting public hearings on the proposed development agreements.

BACKGROUND/DISCUSSION

By separate Council action at the February 4, 2021 meeting, the City Council will consider approval of the February, 2021 Urban Renewal Plan Amendments. The Plan Amendment includes six items:

1. The City's current Urban Renewal Area is the City boundaries at the time the Urban Renewal Area was last amended in November of 2018. This Urban Renewal Plan Amendment will amend the Urban Renewal Area to include property recently annexed into the City for the Colorado Senior Lofts project.
2. At the June 11, 2020 In Depth meeting, City Council reviewed a request to amend the development agreement with Hershey Property LLC and Bush Development LLC to increase the maximum amount of the rebate to an amount not to exceed \$700,000. At that meeting, City Council gave consensus approval of this request with the formal approval of an amended development agreement to be considered at a later date. The public hearing on this Development Agreement amendment will be separately scheduled for March.
3. The March 2018 Urban Renewal Plan Amendment included \$600,000 for the Small Business Forgivable Loan Program for FY 2019 through FY 2024. The original plan was that \$100,000 per year would be allocated for this program. The City used a portion of this allocation for the special "Economic Assistance for Muscatine Small Businesses" program for small business impacted by the COVID-19 public health crisis. The current Urban Renewal Plan amendment will restore the \$100,000 per year in annual funding for the regular Small Business Forgivable Loan program through FY 24.
4. There are three new housing-related development agreements in this Urban Renewal Plan Amendment including (1) MVHA Partners (Miller-Valentine) - TIF assistance to construct 51 units of senior housing on Grandview Avenue; (2) MVHA Partners (Miller-Valentine) - TIF assistance to construct 51 units of senior housing on Colorado Street; and (3) JNP Family 1, LP and Ales Foundation - TIF assistance to construct 42 units of rental housing units on Steamboat Way for low and moderate income individuals and families. City Council gave consensus approval of these projects at the February 20, 2020, meeting. All three of these projects were awarded the tax credits needed to move forward with these projects.

CITY FINANCIAL IMPACT

All of the above projects will be funded from future incremental property tax (TIF) funds, and as such, will have no impact on the current City budget. The Housing Demand Study completed in September of 2017, demonstrated a need for the conversion of a portion of the Hershey Building into downtown multi-residential units and the three additional multi-family housing projects.

ATTACHMENTS

1. Ordinance on 1st Reading Establishing Tax Increment Financing Districts
2. Resolutions (3) Setting Public Hearings for February 18, 2021 for the Colorado Lofts, Grandview Lofts, and Steamboat Apartments Development Agreements

MINUTES PROVIDING FOR FIRST
CONSIDERATION OF AN ORDINANCE
ESTABLISHING A TAX INCREMENT
FINANCING DISTRICT FOR THE
FEBRUARY, 2021 CONSOLIDATED
MUSCATINE URBAN RENEWAL AREA
ADDITION

421464-61

Muscatine, Iowa

February 4, 2021

The City Council of the City of Muscatine, Iowa, met on February 4, 2021, at 7:00 o'clock p.m. The City Council met electronically via GoToMeeting, which was accessible at the following:

<<https://global.gotomeeting.com/join/517956477>>

The City Council conducted this meeting electronically due to federal and state government recommendations in response to COVID-19 pandemic conditions. Electronic access information was included in the posted agenda of this public meeting.

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

Present: _____

Absent: _____.

Council Member _____ introduced an ordinance entitled "Ordinance No. _____. An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa."

It was moved by Council Member _____ and seconded by Council Member _____ that the ordinance be adopted. 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 motion duly carried and declared that the ordinance had been given its initial consideration.

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There being no further business to come before the meeting, it was upon motion adjourned.

Mayor

Attest:

City Clerk

ORDINANCE NO. 2021-0034

An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa

WHEREAS, the City Council of the City of Muscatine, Iowa (the “City”) previously enacted an ordinance entitled “An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the Consolidated Muscatine Urban Renewal Area, Pursuant to Section 403.19 of the Code of Iowa”; and

WHEREAS, pursuant to that ordinance, certain taxable property within the Consolidated Muscatine Urban Renewal Area in the City was designated a “tax increment district”; and

WHEREAS, the City Council now desires to establish a new “tax increment district” by designating the real property comprising the February, 2021 Consolidated Muscatine Urban Renewal Area Addition;

BE IT ENACTED by the Council of the City of Muscatine, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition of the City of Muscatine, Iowa, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Muscatine to finance projects in such area.

Section 2. Definitions. For use within the remainder of this ordinance the following terms shall have the following meanings:

“City” shall mean the City of Muscatine, Iowa.

“County” shall mean Muscatine County, Iowa.

“2021 Urban Renewal Area Addition” shall mean the February, 2021 Consolidated Muscatine Urban Renewal Area Addition of the City, the legal description of which is set out below, approved by the City Council by resolution adopted on February 4, 2021.

Certain real property situated in the City of Muscatine, Muscatine County, State of Iowa bearing Muscatine County Property Tax Parcel Identification Number 0822351012 and certain real property more particularly described as:

Commencing at the northeast corner of Lot 2 of Kleindolph Subdivision, as recorded in Plat Book 7, Page 62, Muscatine County Records’ Office; thence north to the northerly right of way line of Colorado Street; thence westerly along said right of way line to intersection with an extension of the westerly line of said Lot 2; thence southerly along the extension of the westerly line of said Lot to the

northwest corner of said Lot 2; thence southerly along the westerly line of said Lot to an intersection with the southerly line of said Lot 2; thence easterly along the southerly line of said Lot 2 to an intersection with the easterly line of said Lot; thence northerly along the easterly line of said Lot 2 to the point of beginning. All located in the Southwest $\frac{1}{4}$ of Section 30, Township 77 North, Range 1 West of the 5th principal meridian.

“Urban Renewal Area” shall mean the entirety of the Consolidated Muscatine Urban Renewal Area as amended from time to time.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the 2021 Urban Renewal Area Addition. After the effective date of this ordinance, the taxes levied on the taxable property in the 2021 Urban Renewal Area Addition each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the 2021 Urban Renewal Area Addition is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the 2021 Urban Renewal Area Addition, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the 2021 Urban Renewal Area Addition on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the 2021 Urban Renewal Area Addition to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area, and to provide assistance for low and moderate-income family housing as provided in Section 403.22, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Section 298.2 of the Code of Iowa, taxes for the instructional support program levy of a school district imposed pursuant to Section 257.19 of the Code of Iowa and taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the 2021 Urban Renewal Area Addition exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the 2021 Urban Renewal Area Addition shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in

the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the 2021 Urban Renewal Area Addition shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed and approved by the City Council of the City of Muscatine, Iowa, the 18th day of February, 2021.

Mayor

Attest:

City Clerk

First Consideration: February 4, 2021

Second Consideration: February 11, 2021

MINUTES PROVIDING FOR SECOND
CONSIDERATION OF AN ORDINANCE
ESTABLISHING A TAX INCREMENT
FINANCING DISTRICT FOR THE
FEBRUARY, 2021 CONSOLIDATED
MUSCATINE URBAN RENEWAL AREA
ADDITION

421464-61

(Second Consideration)

Muscatine, Iowa

February 11, 2021

The City Council of the City of Muscatine, Iowa, met at _____ o'clock __.m. on February 11, 2021. The City Council met electronically via GoToMeeting, which was accessible at the following:

[Insert electronic access information]

The City Council conducted this meeting electronically due to federal and state government recommendations in response to COVID-19 pandemic conditions. Electronic access information was included in the posted agenda of this public meeting.

The Mayor presided and the roll being called, the following members of the Council were present and absent:

Present: _____

Absent: _____.

The Mayor announced that, on February 4, 2021, the Council had given its initial consideration and had adopted an ordinance entitled "Ordinance No. _____. An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa."

It was moved by Council Member _____ and seconded by Council Member _____ that the aforementioned ordinance be given its second consideration and that it be adopted. 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 motion duly carried and declared that said ordinance had been given its second consideration.

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There being no further business to come before the meeting, it was upon motion adjourned.

Mayor

Attest:

City Clerk

MINUTES PROVIDING FOR FINAL
CONSIDERATION AND ADOPTION OF
AN ORDINANCE ESTABLISHING A
TAX INCREMENT FINANCING
DISTRICT FOR THE FEBRUARY, 2021
CONSOLIDATED MUSCATINE URBAN
RENEWAL AREA ADDITION

421464-61

(Final Consideration and Adoption)

Muscatine, Iowa

February 18, 2021

The City Council of the City of Muscatine, Iowa, met on February 18, 2021, at _____ o'clock __.m. The City Council met electronically via GoToMeeting, which was accessible at the following:

[Insert electronic access information]

The City Council conducted this meeting electronically due to federal and state government recommendations in response to COVID-19 pandemic conditions. Electronic access information was included in the posted agenda of this public meeting.

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

Present: _____

Absent: _____.

The Mayor announced that, on February 4, 2021, and on February 11, 2021, the City Council had given initial and second consideration, respectively, and had adopted an ordinance entitled "Ordinance No. _____. An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa."

It was moved by Council Member _____ and seconded by Council Member _____ that the aforementioned ordinance be given its final consideration and that it be adopted. 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 motion duly carried and declared that said ordinance had been given its final consideration and has been adopted.

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There being no further business to come before the meeting, it was upon motion adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA

SS:

COUNTY OF MUSCATINE

I, the undersigned, County Auditor of Muscatine County, in the State of Iowa, do hereby certify that on the ____ day of _____, 2021, the City Clerk of the City of Muscatine, Iowa, filed in my office a copy of an ordinance of such City shown to have been adopted by the City Council and approved by the Mayor thereof on the ____ day of _____, 2021, entitled: "Ordinance No. _____. An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa," and that I have duly placed a copy of the ordinance on file in my records.

WITNESS MY HAND this ____ day of _____, 2021.

County Auditor

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the City of Muscatine, State of Iowa, do hereby certify that I caused to be published "Ordinance No. _____. An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa," of which the printed slip attached to the publisher's original affidavit hereto attached is a true and complete copy, on the date and in the newspaper specified in such affidavit, and that such newspaper has a general circulation in said City.

WITNESS MY HAND this ____ day of _____, 2021.

City Clerk

(Attach hereto publisher's affidavit of publication with clipping of ordinance as published.)

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the City of Muscatine, State of Iowa, do hereby certify that the attached is a true, correct and complete copy of all the records of the City Council of such City relating to the adoption of an ordinance entitled "Ordinance No. _____. An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the February, 2021 Consolidated Muscatine Urban Renewal Area Addition, Pursuant to Section 403.19 of the Code of Iowa."

WITNESS MY HAND this ____ day of _____, 2021.

City Clerk