

MUSCATINE 2010 INDUSTRIAL
URBAN RENEWAL AREA
DESIGNATION AND PLAN HEARING

421464-32

Muscatine, Iowa

January 21, 2010

The City Council of the City of Muscatine, Iowa, met on January 21, 2010, at 7:00 o'clock, p.m., at the City Hall Council Chambers, in the City for the purpose of conducting a public hearing on the designation of an urban renewal area and on a proposed urban renewal plan and project. The Mayor presided and the roll being called the following members of the city Council were present and absent:

Present: LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Roby, and Lange

Absent: None

The City Council investigated and found that notice of the intention of the Council to conduct a public hearing on the designation of the Muscatine 2010 Industrial Urban Renewal Area and on an urban renewal plan and project had been published according to law and as directed by the City Council and that this is the time and place at which the Council shall receive oral or written objections from any resident or property owner of the City. All written objections, statements, and evidence heretofore filed were reported to the City Council, and all oral objections, statements, and all other exhibits presented were considered.

The following named persons presented oral objections, statements, or evidence as summarized below; filed written objections or statements, copies of which are attached hereto; or presented other exhibits, copies of which are attached hereto:

(Here list all persons presenting written or oral statements or evidence and summarize each presentation.)

There being no further objections, comments, or evidence offered, the Mayor announced the hearing closed.

Council Member Shihadeh moved the adoption of a resolution entitled “A Resolution to Declare Necessity and Establish an Urban Renewal Area, Pursuant to Section 403.4 of the Code of Iowa and Approve Urban Renewal Plan and Project for the Muscatine 2010 Industrial Urban Renewal Area”, seconded by Council Member Natvig. After due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Roby, and Lange

Nays: None

Whereupon, the Mayor declared the resolution duly adopted and signed approval thereto.

RESOLUTION NO. 91117-0110

A Resolution to Declare Necessity and Establish an Urban Renewal Area, Pursuant to Section 403.4 of the Code of Iowa and Approve Urban Renewal Plan and Project for the Muscatine 2010 Industrial Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa, the “Urban Renewal Law”, a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the development of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, it has been proposed by the City Council (the “Council”) of the City of Muscatine, Iowa (the “City”) that the Muscatine 2010 Industrial Urban Renewal Area (the “Urban Renewal Area”) be established on certain real property (the “Property”) lying within the boundaries set out in Exhibit A to this Resolution; and

WHEREAS, the establishes the need to designate the Property as being appropriate for industrial development; and

WHEREAS, the proposal demonstrates that sufficient need exists to warrant finding the Property to be an economic development area; and

WHEREAS, notice of a public hearing by the City Council on the question of establishing the area identified above as an urban renewal area and on a proposed urban renewal plan and project for the area was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing; and

WHEREAS, the proposed urban renewal plan and project were submitted to and approved by the Planning and Zoning Commission of the City;

WHEREAS, copies of the urban renewal plan, notice of public hearing and notice of a consultation meeting with respect to the urban renewal plan were mailed to Muscatine County, Muscatine Community School District and the Muscatine Community College; the consultation meeting was held on the 5th day of January, 2010; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

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

Section 1. An economic development area as defined in Chapter 403 of the Code of Iowa is found to exist within the boundaries set out in Exhibit A.

Section 2. The area identified in Section 1 hereof is hereby declared to be an urban renewal area, in conformance with the requirements of Chapter 403 of the Code of Iowa, and is hereby designated the Muscatine 2010 Industrial Urban Renewal Area.

Section 3. The development of the Urban Renewal Area is necessary in the interest of the public health, safety or welfare of the residents of the City of Muscatine, Iowa.

Section 4. It is hereby determined by this City Council as follows:

A. The proposed urban renewal plan conforms to the general plan of the municipality as a whole;

B. Proposed industrial development in the urban renewal area is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 5. The urban renewal plan for the Muscatine 2010 Industrial Urban Renewal Area is made a part hereof and is hereby in all respects approved in the form presented to this City Council, and the proposed project for such area based upon such plan is hereby in all respects approved.

Section 6. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved January 21, 2010.



Attest:

[Signature]

City Clerk

[Signature]

Mayor

EXHIBIT A

Legal Description

Muscatine 2010 Industrial Urban Renewal Area

Certain real property situated in the City of Muscatine, County of Muscatine, State of Iowa more particularly described as follows:

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 25 AND IN THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 77 NORTH, RANGE 2 WEST OF THE 5TH P.M., IN THE CITY OF MUSCATINE, MUSCATINE COUNTY, IOWA. BEGINNING AT THE SOUTHEAST CORNER OF SECTION 26; THENCE NORTH 89°34'42" WEST 382.70 FEET; THENCE NORTH 00°33'24" EAST 160.00 FEET; THENCE NORTH 89°34'42" WEST 240.55 FEET TO THE EASTERLY RIGHT OF WAY OF ISETT AVENUE; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING COURSES: NORTH 17°04'52" WEST 711.99 FEET TO THE BEGINNING OF A 607.50 FOOT RADIUS CURVE CONCAVE EASTERLY WHOSE 431.76 FOOT CHORD BEARS NORTH 03°44'05" EAST; THENCE NORTHEASTERLY AN ARC DISTANCE OF 441.41 FEET; THENCE NORTH 24°36'18" EAST 512.25 FEET; THENCE NORTH 16°13'04" EAST 235.74 FEET TO THE SOUTHERLY RIGHT OF WAY OF CLAY STREET; THENCE NORTH 74°24'37" EAST 513.06 FEET ALONG SAID RIGHT OF WAY TO THE BEGINNING OF A 5729.65 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY WHOSE 1126.17 FOOT CHORD BEARS SOUTH 15°34'56" EAST; THENCE SOUTHEASTERLY AN ARC DISTANCE OF 1127.99 FEET; THENCE NORTH 89°33'05" WEST 53.77 FEET TO THE BEGINNING OF A 5779.65 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY WHOSE 460.68 FOOT CHORD BEARS SOUTH 23°18'33" EAST; THENCE SOUTHEASTERLY AN ARC DISTANCE OF 460.80 FEET; THENCE SOUTH 59°12'08" WEST 223.46 FEET TO THE BEGINNING OF A 1959.88 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY WHOSE 49.02 FOOT CHORD BEARS NORTH 38°50'18" WEST; THENCE NORTHWESTERLY AN ARC DISTANCE OF 49.02 FEET; THENCE SOUTH 50°26'43" WEST 35.00 FEET TO THE BEGINNING OF A 1924.88 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY WHOSE 585.72 FOOT CHORD BEARS SOUTH 30°48'28" EAST; THENCE SOUTHEASTERLY AN ARC DISTANCE OF 588.01 FEET; THENCE NORTH 89°36'49" WEST TO THE POINT OF BEGINNING, CONTAINING 42.261 ACRES AND IS SUBJECT TO EASEMENTS OF RECORD.

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Upon motion and vote, the meeting adjourned.



Richard W. Brew

Mayor

Attest:
[Signature]

City Clerk

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, do hereby certify that I am the duly appointed, qualified and acting City Clerk of the City aforementioned, and 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 designating an urban renewal area and approving the urban renewal plan and project for the Muscatine 2010 Industrial Urban Renewal Area in the City of Muscatine, Iowa.

WITNESS MY HAND and the seal of the City hereto affixed this 21st day of January, 2010.





City Clerk

(Please attach to this certificate a copy of the minutes or a resolution of the Planning and Zoning Commission showing the action taken by that Commission with respect to the urban renewal plan.)

DRAFT

MINUTES
January 11, 2010 – 5:30 p.m.
Planning and Zoning Commission
Muscatine City Hall
City Council Chambers

Present: Chairperson John Sayles, George Fisher, Allen Harvey, and Gina Kutsch.

Excused: David Colton, Larry Koehrsen, and Dawnese Openshaw.

Staff: Steven Boka, Director of Planning, Zoning & Building Safety
Stephanie Oien, Office Coordinator, Planning, Zoning & Building Safety

Chairperson Sayles opened the meeting at 5:30 p.m.

Minutes: The minutes of the December 8, 2009, regular meeting were approved on a motion by Commissioner Fisher; second by Commissioner Kutsch. All ayes, motion carried.

Other Business:

Urban Renewal Plan – Heinz USA – 1357 Issett Avenue. Boka informed the Commission that state law requires a number of functions to take place prior to an Urban Renewal Plan being established for Heinz USA. One of the functions includes a presentation to the Planning and Zoning Commission to make sure members agree that the plan is in line with the adopted Comprehensive Plan. Another step includes a public hearing, which will be held on January 21. Also, members of the taxing bodies were informed last week about the proposed plan. Boka explained that the Muscatine facility was established in 1893 and was the first facility to be built outside of Pittsburgh. There are currently 672 employees. The City assisted with a previous expansion in 1997. Heinz is located within an existing Revitalization Zone and, as such, is eligible for tax abatement. However, City Council agreed to create an Urban Renewal District and Tax Increment Financing District (TIF) to encompass the Heinz campus, if requested. This approach is consistent with the adopted Comprehensive Plan for the City. Commissioner Harvey questioned why Exhibit A was missing from the description of the Urban Renewal Area provided. Boka explained it was the legal description for the property. Chairperson Sayles asked if there was a map to be included. Boka replied that there was only a meets and bounds description available. Commissioner Fisher asked if the description for the Urban Renewal District would expand at a later date. Boka stated that an expansion had been discussed to cover City projects, possibly Clay Street. However, the Clay Street project was included in the expansion of a TIF district from Park Avenue. Boka noted that an Urban Renewal District must be created and then the City and Heinz could proceed to negotiate a TIF agreement. He stated that the baseline for the TIF would be January 1, 2009, prior to construction. Fisher motioned to approve the request submitted citing that the proposed Urban Renewal Plan was consistent with the adopted Comprehensive Plan. Second by Kutsch. All ayes, motion carried.

DRAFT

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Adjourned.

Respectfully Submitted,

Steven Boka, Secretary
Director of Planning, Zoning & Building Safety

ATTEST:

John Sayles, Chairperson
Planning & Zoning Commission

CITY OF MUSCATINE, IOWA
URBAN RENEWAL PLAN
MUSCATINE 2010 INDUSTRIAL URBAN RENEWAL AREA

January 2010

I. INTRODUCTION

Chapter 403 of the Code of Iowa authorizes cities to establish areas within their boundaries known as “urban renewal areas,” and to exercise special powers within these areas. Urban renewal powers were initially provided to cities in order that conditions of deterioration within cities might be brought under control. Gradually, urban renewal has been found to be a useful tool, as well, for economic development in previously undeveloped areas and for retention of enterprises and jobs in other areas.

In order to facilitate the use of urban renewal for economic development, in 1985, the Iowa General Assembly amended Chapter 403 to authorize City Councils to create “economic development” areas. An economic development urban renewal area may be any area of a city which has been designated by the City Council as an area which is appropriate for commercial, industrial and/or residential housing enterprises and in which the city seeks to encourage further development.

As an additional expression of the role for local governments in private economic development, the General Assembly also enacted Chapter 15A of the Code of Iowa, which declares that economic development is a “public purpose” and authorizes local governments to make grants, loans, guarantees, tax incentives and other financial assistance to private enterprise. The statute defines “economic development” as including public investment involving the creation of new jobs and income or the retention of existing jobs and income that would otherwise be lost.

The process by which an economic development urban renewal area may be created begins with a finding by the City Council that such an area needs to be established within the City. An urban renewal plan is then prepared for the area, which must be consistent with the City’s existing comprehensive or general plan. All other affected taxing entities must be notified and given an opportunity to comment on the plan. The City Council must hold a public hearing on the urban renewal plan, following which, the Council may approve the plan.

This document is intended to serve as the Urban Renewal Plan for the City of Muscatine’s (the “City”) Muscatine 2010 Industrial Urban Renewal Area (the “Urban Renewal Area”) and will guide the City in promoting economic development through the encouragement of commercial enterprises in such area as detailed herein. This document is an Urban Renewal Plan within the meaning of Chapter 403 of the Code of Iowa and sets out proposed projects and activities within the Urban Renewal Area.

II. DESCRIPTION OF URBAN RENEWAL AREA

A description of all property that has been included within the Urban Renewal Area is attached hereto as Exhibit A.

III. URBAN RENEWAL OBJECTIVES

The primary objectives for the development of the Urban Renewal Area are:

1. To contribute to a diversified, well-balanced local economy by creating job opportunities and strengthening the property tax base.
2. To assist in providing land and resources for new and expanded industrial development in a manner that is efficient from the standpoint of providing municipal services.
3. To stimulate through public action and commitment, private investment in commercial development, and to encourage commercial job retention, growth and expansion through the use of various federal, state and local incentives.
4. To provide municipal infrastructure, services and facilities that enhance possibilities for economic development and community attractiveness to private enterprise.

III. URBAN RENEWAL PROJECTS AND ACTIVITIES

The following types of activities are examples of the specific actions which may be undertaken by the City within the Urban Renewal Area:

1. Preparation of plans related to the development and implementation of the Urban Renewal Area and specific urban renewal projects.
2. Construction of public improvements and facilities, including streets, public utilities or other facilities in connection with an urban renewal project.
3. Construction of buildings or specific site improvements such as grading and site preparation activities, access roads and parking, railroad spurs, fencing, utility connections, and related activities.
4. Acquisition, preparation and disposition of property for development and/or redevelopment.
5. Making available, as appropriate, financing for development projects, including conventional municipal borrowing and tax increment financing resulting from increased property values in the Urban Renewal Area.
6. Pursuant to state law, provision of direct financial assistance, including grants, loans and tax increment rebate agreements, to private persons engaged in economic development, in such form and subject to such conditions as may be determined by the City Council.

The initial purpose of this Urban Renewal Plan is to facilitate the use of tax increment financed incentives in support of industrial growth and development in the Urban Renewal Area.

IV. LAND USE PLAN AND PROPOSED DEVELOPMENT

The City has adopted a Comprehensive Land Use Plan which guides the establishment of commercial land uses throughout the incorporated area. Land use in the Urban Renewal Area will be carried out in a manner that will maintain consistency with the Comprehensive Land Use Plan.

V. TAX INCREMENT FINANCING

In order to assist in the development or retention of private enterprises, the City may be requested to acquire land, construct public improvements or provide economic development loans, grants or other tax incentives for the benefit of private enterprises in order to enhance the value of property in the Urban Renewal Area. As part of the Urban Renewal Area, the City has adopted an ordinance to create a tax increment district (the "TIF District"), within which the property taxes eventually paid relative to new private development may be used to pay costs of urban renewal projects for these types of activities, including reimbursing the City for advances made, paying debt service on loan obligations issued by the City and funding economic development payments under development contracts. The use of these tax revenues is known as tax increment financing ("TIF").

Depending upon the date upon which the TIF District is legally established and the date on which debt is initially certified within the TIF District, an original taxable valuation is established for the property within the TIF District, which is known as the "base valuation." The "base valuation" is the assessed value of the taxable property in the TIF District as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt payable from TIF revenues to be generated within that TIF District. When the value of the property inside the TIF District increases by virtue of new construction or any other reason, the difference between the base valuation and the new property value is the "tax increment" or "incremental value."

Procedurally, after tax increment debt has been incurred for the financing of improvements within the TIF District or for the payment of economic development incentives to private entities, property taxes levied by all local jurisdictions (city, county, school, area college) against the incremental value, with the exception of taxes levied to repay current or future debt incurred by local jurisdictions and the school district physical plant and equipment levy, are allocated by state law to the City's tax increment fund rather than to each local jurisdiction. These new tax dollars are then used to pay principal and interest on any tax increment debt incurred or to pay the costs of projects in the Urban Renewal Area.

VI. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and will remain in effect until it is repealed by the City Council. The collection of incremental property taxes in the Urban Renewal Area will continue for the maximum number of years

authorized by Chapter 403 of the Code of Iowa, unless otherwise determined by action of the City Council.

For economic development-based urban renewal areas established after January 1, 1995, Chapter 403 states that incremental property taxes may be collected within a TIF District for a period not to exceed twenty years.

VII. PLAN AMENDMENTS

This Urban Renewal Plan may be amended in accordance with the procedures set forth in Chapter 403 of the Code of Iowa to, for example, change the project boundaries, modify urban renewal objectives or activities, or to carry out any other purposes consistent with Chapter 403 of the Code of Iowa.

VIII. FINANCIAL INFORMATION

CITY DEBT INFORMATION

1. Current constitutional debt limit	\$ <u>58,031,331</u>
2. Outstanding general obligation debt:	\$ <u>15,170,000</u>
3. Proposed amount of debt to be incurred:	\$ _____