

**FOR YOUR RECORDS**

2003 AMENDMENT TO THE  
DOWNTOWN URBAN RENEWAL PLAN  
HEARING

421464-18

Muscatine, Iowa

August 21, 2003

The City Council of the City of Muscatine, Iowa, met on August 21, 2003, at 7:00 o'clock,    p.m., at the City Hall Council Chamber in the City for the purpose of conducting 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: Jerry Root, Phil Fitzgerald, Anne Lesnet, Bill Trent and Scott Day

Absent: Jerry Lange and Gary Gray

The Council investigated and found that notice of the intention of the City Council to conduct a public hearing on an amendment to the urban renewal plan for the Downtown Urban Renewal Area had been published according to law and as directed by the 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 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.)

None

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

Council Member Phil Fitzgerald moved the adoption of a resolution entitled "A resolution to approve urban renewal plan amendment for the Downtown Urban Renewal Area", seconded by Council Member Anne Lesnet. After due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: Phil Fitzgerald, Anne Lesnet, Bill Trent, Scott Day and Jerry Root

Nays: None.

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

RESOLUTION NO. 88833-0803

A resolution to approve urban renewal plan amendment for the Downtown 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 rehabilitation, conservation, redevelopment, development or a combination thereof, 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, this Council created the Downtown Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, an amendment to the plan for the Urban Renewal Area has been prepared which would authorize the purchase of certain real property for use in carrying out certain urban renewal projects including harbor remediation and provision of parking and recreation facilities; and

WHEREAS, notice of a public hearing by the City Council of the City of Muscatine, Iowa, on the proposed urban renewal plan amendment for the Downtown Urban Renewal 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, copies of the urban renewal plan amendment, notice of public hearing and notice of a consultation meeting with respect to the urban renewal plan amendment were mailed to Muscatine County, Muscatine Community School District and the Muscatine Community College; the consultation meeting was held on the 1st day of August, 2003; 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. The amendment to the urban renewal plan for the Downtown Urban Renewal Area, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

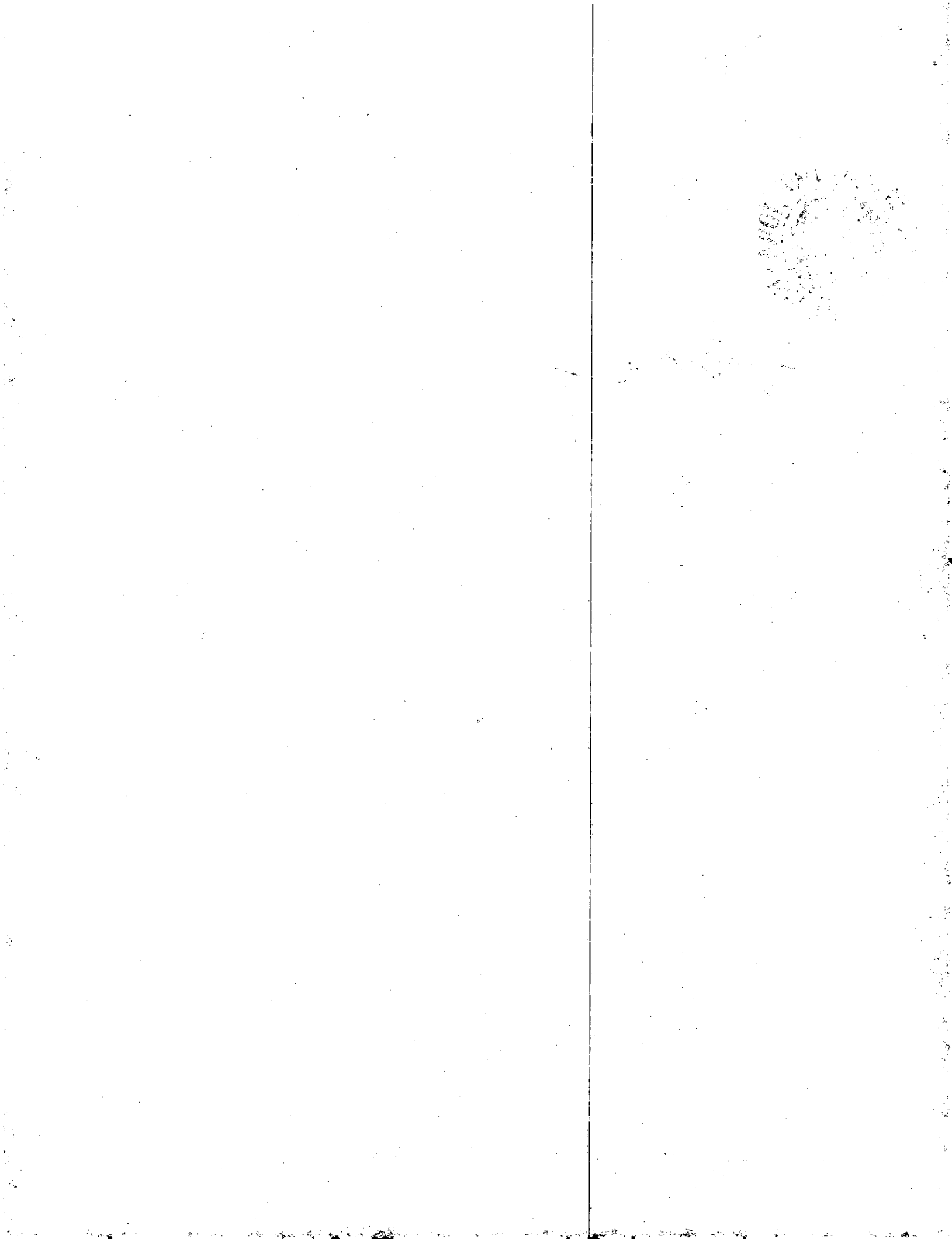
Passed and approved August 21, 2003.



*Richard W. Blair*  
Mayor

*[Signature]*  
City Clerk

(Attach copy of the urban renewal plan amendment to this resolution.)



## AMENDMENT NO. 1

### Amendment to the Downtown Urban Renewal Plan Approved by Resolution No. 85551-0794

The Urban Renewal Plan adopted July 21, 1994 provided a section (Section VI) for procedures to amend the document. Following this procedure and Chapter 403 of the Code of Iowa, the Urban Renewal Plan is hereby amended to include:

1. The addition of two new "Objectives" to the Plan on page 7.
  - To enhance and provide recreational facilities in the urban renewal area so as to promote an environment conducive to economic development.
  - To enhance and maintain the City's harbor and harbor-front real estate as assets for the promotion of economic development.
2. On Page 8 the inclusion of Subsection VA as follows:

#### VA. Acquisition of Real Property:

In the promotion of economic development, the City may undertake projects under this urban renewal plan to acquire real property in the urban renewal area through tax increment financing and/or any other lawful means at the disposal of the City.

The City intends to purchase the real property legally described as follows: Lots 1 through 10, Block 20 of the Original Town plat in the City of Muscatine, County of Muscatine, State of Iowa. The City intends to use such property for harbor remediation, the provision of additional parking facilities and for recreational purposes.

The consultation meeting, as required by the Code of Iowa Chapter 403 was conducted on August 1, 2003.

The public hearing on this amendment to the Downtown Urban Renewal Plan was conducted on August 21, 2003.

**City of Muscatine**  
**Debt Information for Urban Renewal Plan Amendments**  
**7/30/2003**

**Debt Limit Calculation:**

Actual Property Valuation 1-1-02	\$ 914,556,777
State Debt Limit (5%)	<u>0.05</u>
<b>Debt Limit</b>	<b><u>\$ 45,727,839</u></b>

**Current City of Muscatine Debt:**

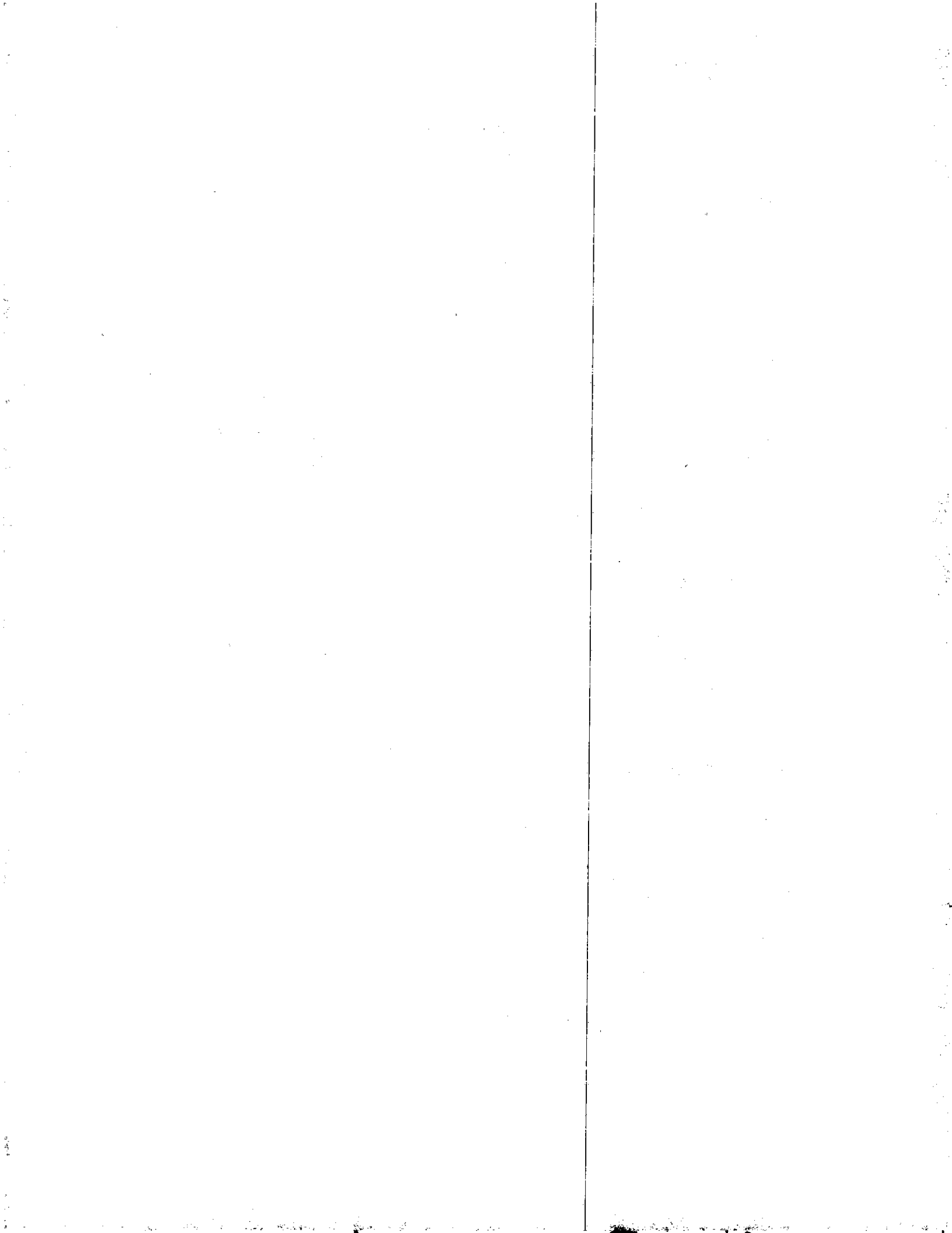
General Obligation Debt	\$ 17,910,000
Tax Increment Debt	<u>1,340,000</u>
<b>Total Current Debt</b>	<b>\$ 19,250,000</b>

**Proposed New Debt:**

<b>Southend TIF Area (1):</b>	
Airport Terminal Project	\$ 900,000
Water Extension Project	1,100,000
<b>Downtown TIF Area (2):</b>	
Property Acquisition Project	<u>500,000</u>
<b>Total Proposed New Debt</b>	<b><u>2,500,000</u></b>
<b>Total Current and Proposed Debt</b>	<b><u>\$ 21,750,000</u></b>

Debt Margin	<b><u>\$ 23,977,839</u></b>
Percent of Debt Limit Used (Current and Proposed Debt)	47.6%

1. Preliminary Southend TIF debt of \$2,000,000 estimated to require a 16-18 year payback period.
2. Preliminary Downtown TIF additional debt of up to \$500,000 estimated to require an 8-10 year payback period.





CITY OF MUSCATINE

AMENDMENT TO SOUTHEND

URBAN RENEWAL PLAN

2003

## **I. INTRODUCTION:**

On August 18, 1994 the City Council passed an ordinance designating the Industrial Connector Urban Renewal Area for the purpose of encouraging economic development. A portion of the south-end of the City, generally bounded by the Highway 61 Bypass, the Industrial Connector Road, Oregon Street extended and a spur line railroad track is the area contained within this designation. The City intends to amend and expand the boundaries of this Urban Renewal Area to include the entire area within the City limits south of the existing designated area. Generally, the expanded area is bounded on the north by the Industrial Connector Road, on the east by the mainline railroad track of the Illinois, Iowa, Minnesota and Wisconsin Rail Link (IMRL) and on the south and west by the Corporate Limits of the City of Muscatine.

The purpose and goal of adopting this Urban Renewal Plan is to assist private and public investment in a focused area of the community. Recognizing that public improvements can stimulate private investment, the entire community's economic base can be strengthened through the establishment of this Urban Renewal area. Recently Highway 61S, was expanded to a four lane roadway and approximately 7 miles of sanitary sewer service was extended to this area of the City. These public improvements in conjunction with the Municipal Airport and mainline railroad track will foster the right climate for future economic development activity.

Chapter 403 of the Code of Iowa, entitled Urban Renewal Law, was amended by the Legislature to enable cities to designate urban renewal areas based on economic development considerations. This expanded a municipality's ability to alleviate conditions contributing to a declining tax base and unemployment through the incentives available to industrial, commercial and residential activities developing within urban renewal areas.

Under the provisions of Chapter 403 – Urban Renewal Law, the City of Muscatine will be able to formulate a public-private effort to create a climate conducive to reinvestment. This district will be designated an economic development area to revitalize commercial, industrial and residential land uses as well as the supporting public infrastructure.

Subsequent to the adoption of this Urban Renewal Plan, one significant provision available to the City is the use of tax increment financing (TIF) to assist in the implementation of projects. A TIF ordinance is adopted by city council action and this essentially freezes the real estate taxes on all real property within the boundaries of the TIF district. The City's intent is to have the TIF boundaries identical with the Urban Renewal area boundaries or a subset thereof. If the TIF district for the expanded Industrial Connector area is adopted prior to the end of 2003, the total taxable valuation as of January 1, 2002, is considered the "frozen base" level for real estate valuations. Real estate taxes at the time of the "frozen base" (1/1/02) continue to be paid throughout the duration of the TIF district and apportioned to the city, schools and county. However, added (incremental) value within the TIF district due to renovation or new construction is

allocated exclusively to the city, with exceptions for school, city and county debt service. This incremental revenue source can then be used to support public infrastructure projects that in-turn generate private investment.

It is well documented that public investment, in such projects as streets, sewers, sidewalks, improved site access and recreational amenities, generate a climate for private investment. This results in a long-term increase in the tax base and economic foundation of the community.

## **II. OBJECTIVES:**

Long-range community planning goals and objectives are stated in the City's Comprehensive Plan that was officially adopted by the City Council of Muscatine on June 6, 2002. Other officially adopted planning documents, such as the five-year Capital Improvement Plan and the Community Development and Economic Strategic Plan, also indicate objectives consistent with the Comprehensive Plan. These objectives are consistent with the purpose of creating this expanded Industrial Connector Urban Renewal Area to include the entire area within the City Limits south of the Industrial Connector. In approving this expansion, the area's existing residential, commercial and industrial land uses will be served with an expanded public water distribution system. Muscatine Power and Water, a municipal utility, will install public water lines to serve these users and potential future customers as the area develops. This will improve the public health and safety of this area of the community as private wells have high nitrate levels and the area lacks hydrants for fire protection.

Further, with this expanded Urban Renewal Area, the City can implement plans for a new Municipal Airport Terminal building. The existing terminal structure is 30 years old and does not adequately serve the intensified level of activity at the airport. The Municipal Airport is a vital engine to the community's economic base and is pivotal in encouraging expansion of existing industrial and commercial businesses as well as in attracting new economic development to the area.

The above mentioned public improvement projects in the expanded Urban Renewal Area will be eligible for Tax Increment Financing (TIF) monies generated in the existing Industrial Connector Urban Renewal Area. Additionally, future development in the expanded or existing area would be eligible to enter into a TIF Agreement with the approval of City Council. This in turn could result in addition TIF monies of public improvements and encourage economic development activity in the community.

This plan will not cause the displacement or relocation of any businesses or residents from the area. Nor will it create any undue hardship for businesses or residents of the area.

### **III. PROPERTY DESCRIPTION OF EXPANDED SOUTH-END URBAN RENEWAL AREA.**

The expanded boundary of the South-End Urban Renewal Area includes the entire area within the City Limits adjacent and south of the Industrial Connector Urban Renewal area more specifically described as follows:

The point of beginning Township 76 North, Range 2 West to the south  $\frac{1}{4}$  corner of Section 9; thence west along the north line of Sections 16 and 17, Township 76 North, Range 2 West to the north  $\frac{1}{4}$  corner of Section 17; thence south to the center of Section 17; thence west to the west  $\frac{1}{4}$  corner of Section 17; thence south to the southwest corner of Section 17; thence west along the north line of Section 19 to the northwest corner of said Section 19; thence south to the southwest corner of the northwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$  of Section 19; thence west along the centerline of the north  $\frac{1}{2}$  of Section 24 to the northwest corner of southwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$  of Section 24; thence south along the west line of Sections 24 and 25 to the southwest corner of northwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$  of Section 25; thence east along the centerline of the north  $\frac{1}{2}$  of Sections 25 and 30 the centerline of the main track of the former Chicago, Rock Island, and Pacific Railroad; thence northeasterly along the centerline of said railroad to the south line of Section 9, Township 76 North, Range 2 West where it intersects with the existing Urban Renewal Area. (Note Exhibit A).

### **IV. LAND USES AND ZONING WITHIN THE URBAN RENEWAL AREA.**

The above-described real estate has developed with a wide array of uses including industrial, commercial, and residential. The City's only industrial park, Progress Park, is in this area as well as the Municipal Airport. Muscatine Power and Water wellheads are providing drinking water, distributed by the municipal utility, to a large portion of the city, although not to residential areas and the airport south of the well fields. This area also contains a significant number of acres devoted to agricultural production.

The predominate zoning for the area is classified as light and heavy industrial and agricultural districts. It should also be noted that Progress Park is designated as an Urban Revitalization District and properties are eligible for partial real estate tax exemptions. A parcel within this Urban Revitalization District may utilize either a partial tax exemption or a TIF incentive but not both. The City's Comprehensive Plan and Zoning District Map are reflective of most of the site specific-existing land uses and the probable patterns of future development.

With the adoption of this Urban Renewal Plan and subsequent approval of TIF agreements for future development, no significant land uses changes are anticipated in the pattern of existing development. It is anticipated that the intensity of industrial, commercial and residential development will increase. This is especially evident with Highway 61 becoming a four-lane roadway, the installation of sanitary sewer and the future installation of water mains for drinking water and fire protection. In this sense the Urban Renewal area is consistent with the City's Comprehensive Plan and any future zoning changes should also be compatible with the expansion of existing land uses.

## **V. URBAN RENEWAL PLAN GENERAL SCOPE OF ACTIVITIES.**

The City's intent to remedy barriers to development and foster economic growth in the adoption of this Urban Renewal Plan are:

- To create a climate conducive to expansion of economic development activities which will result in a stronger economic base and more job opportunities. This includes, but is not limited to, projects involving industrial, commercial, agricultural and tourism related activities.
- To adopt a tax increment ordinance for the expanded area which will then result in a source of revenue to implement public improvements and other economic development projects.
- To provide the necessary public infrastructure type improvements that will support and enhance development opportunities in these areas. The expansion of the public water distribution system and new airport terminal will be significant projects toward this end.
- To continue to assess the needs in this area for specific site improvements including but not limited to access roads, parking distribution, grading and related site preparation work, utility extensions, community facilities and related activities.

The above Urban Renewal Plan's general scope of activities are consistent with the City's previous community planning efforts and are mutually compatible with long-range community goals.

## **VI. PUBLIC/PRIVATE PROJECTS IN TIF DISTRICTS.**

Under the provisions of Chapter 403, of the Code of Iowa, the City will consider projects involving private development. The powers of the City in accordance with the Code of Iowa will be carried out with respect to the specific needs of the project. Private developers shall file specific proposals for consideration with the City, if compatible with City goals and policy, assurances for implementation will be requested for review. Pending City Council approval, a Development Agreement will be executed between the City and private developer to implement the project.

## **VII. URBAN RENEWAL PLAN AMENDMENTS.**

This Urban Renewal Plan may be amended to change the boundaries of the project areas to modify or expand goals, objectives and types of renewal activities or for any other purposes consistent with Chapter 403 of the Code of Iowa, following a public hearing and adoption of an amendment procedure by city council.

### **VIII. EFFECTIVE DATES.**

This Urban Renewal Plan shall remain in effect from the date of the authorizing resolution approved by city council and until such time as terminated by city council action.

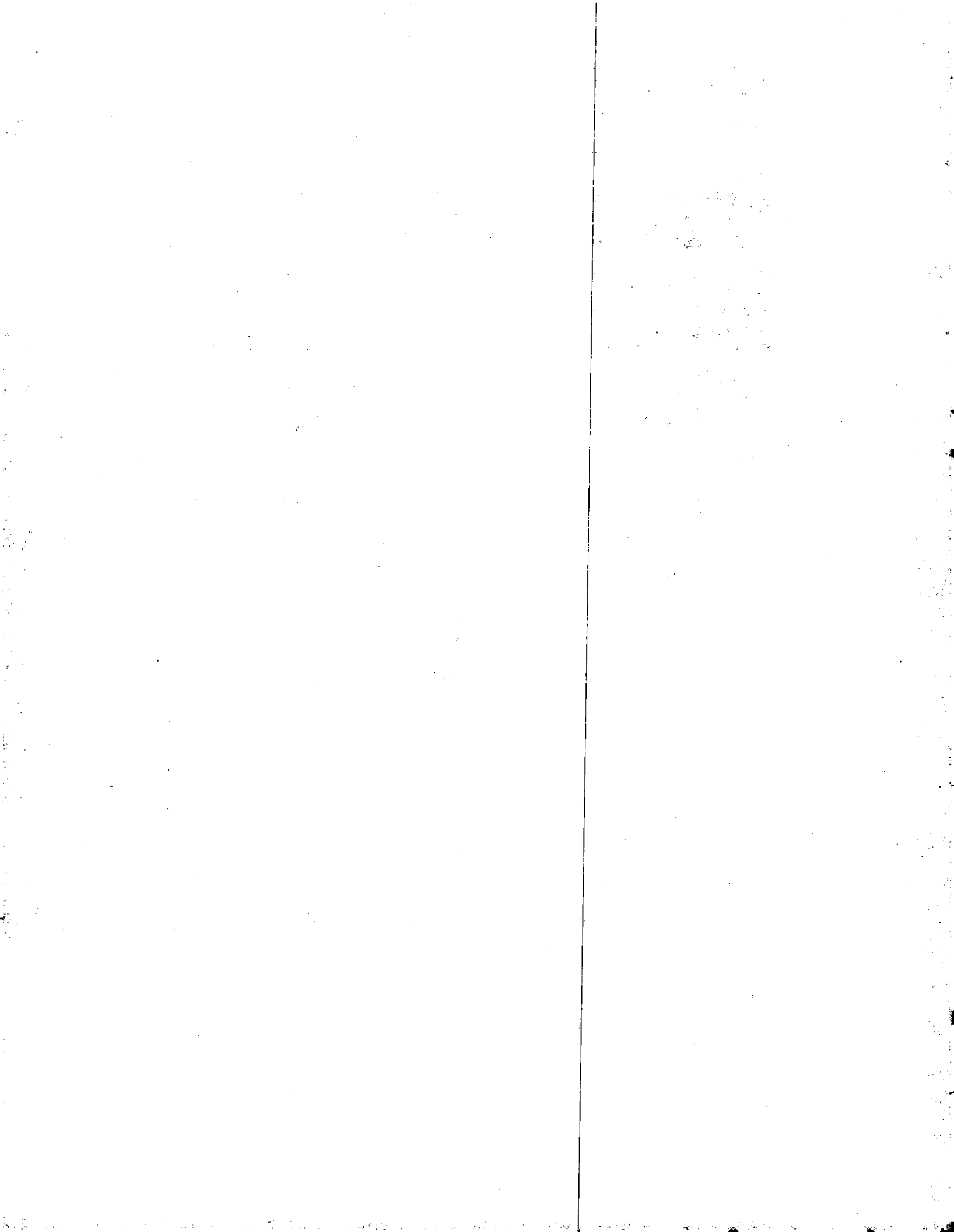
### **IX. PLAN SUMMARY.**

Economic development potential is significantly expanded with the consolidation of the existing Urban Renewal Area and the establishment and designation of this Urban Renewal Area (See Exhibit B). Water distribution throughout south Muscatine and the associated pressure for fire hydrants and sprinkler systems will enhance public health and safety. The new municipal airport terminal will be conducive to today's air transportation needs of corporate travel strengthen Muscatine's position when assisting local industry to expand or in recruiting new prospects to the community.

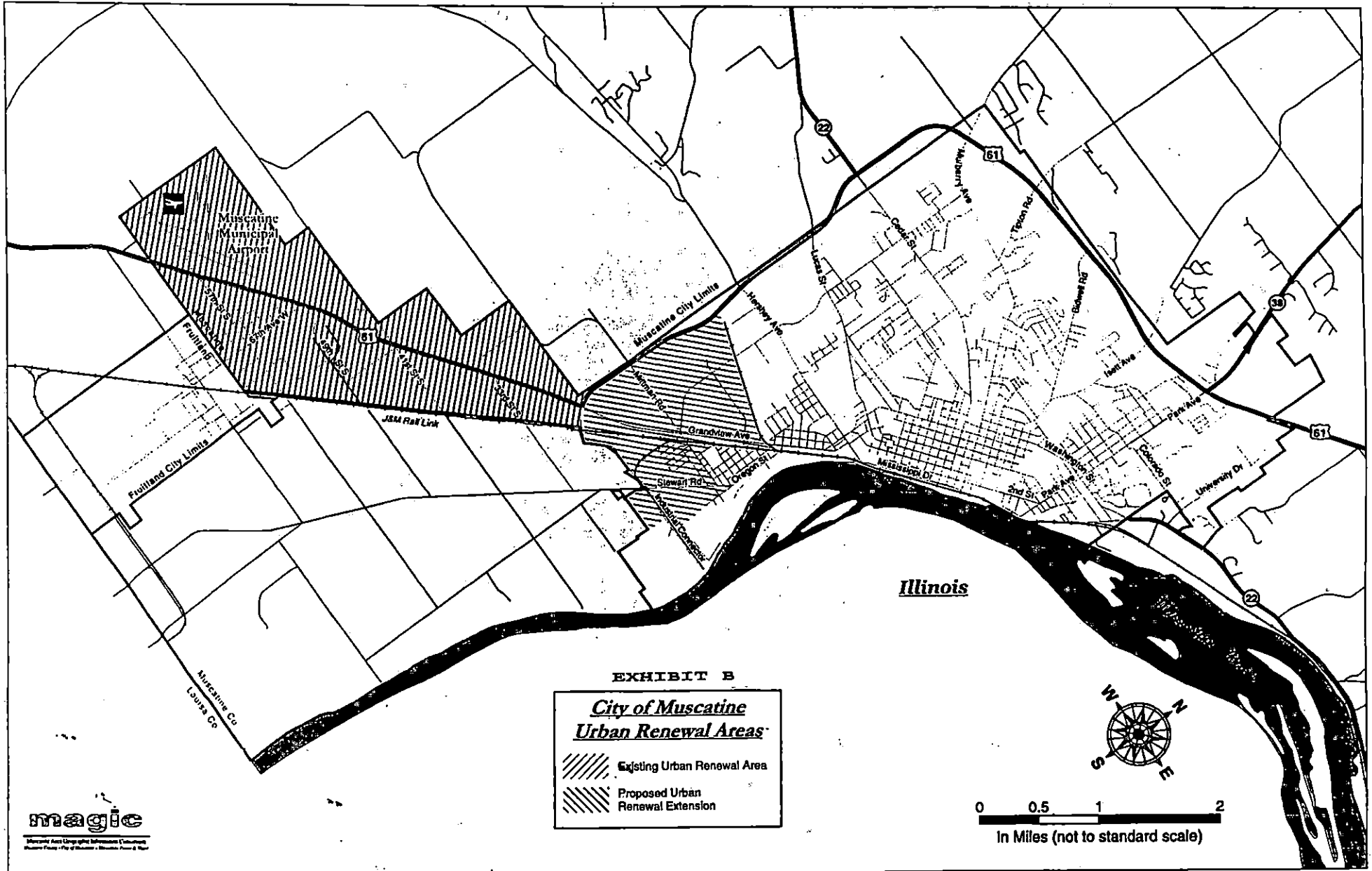
## EXHIBIT A

### Property Description Expanded Urban Renewal Area

The point of beginning Township 76 North, Range 2 West to the south  $\frac{1}{4}$  corner of Section 9; thence west along the north line of Sections 16 and 17, Township 76 North, Range 2 West to the north  $\frac{1}{4}$  corner of Section 17; thence south to the center of Section 17; thence west to the west  $\frac{1}{4}$  corner of Section 17; thence south to the southwest corner of Section 17; thence west along the north line of Section 19 to the northwest corner of said Section 19; thence south to the southwest corner of the northwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$  of Section 19; thence west along the centerline of the north  $\frac{1}{2}$  of Section 24 to the northwest corner of southwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$  of Section 24; thence south along the west line of Sections 24 and 25 to the southwest corner of northwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$  of Section 25; thence east along the centerline of the north  $\frac{1}{2}$  of Sections 25 and 30 the centerline of the main track of the former Chicago, Rock Island, and Pacific Railroad; thence northeasterly along the centerline of said railroad to the south line of Section 9, Township 76 North, Range 2 West where it intersects with the existing Urban Renewal Area.





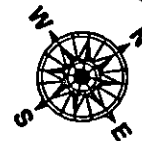




**EXHIBIT B**

***City of Muscatine  
Urban Renewal Areas***

-  Existing Urban Renewal Area
-  Proposed Urban Renewal Extension



0 0.5 1 2  
In Miles (not to standard scale)

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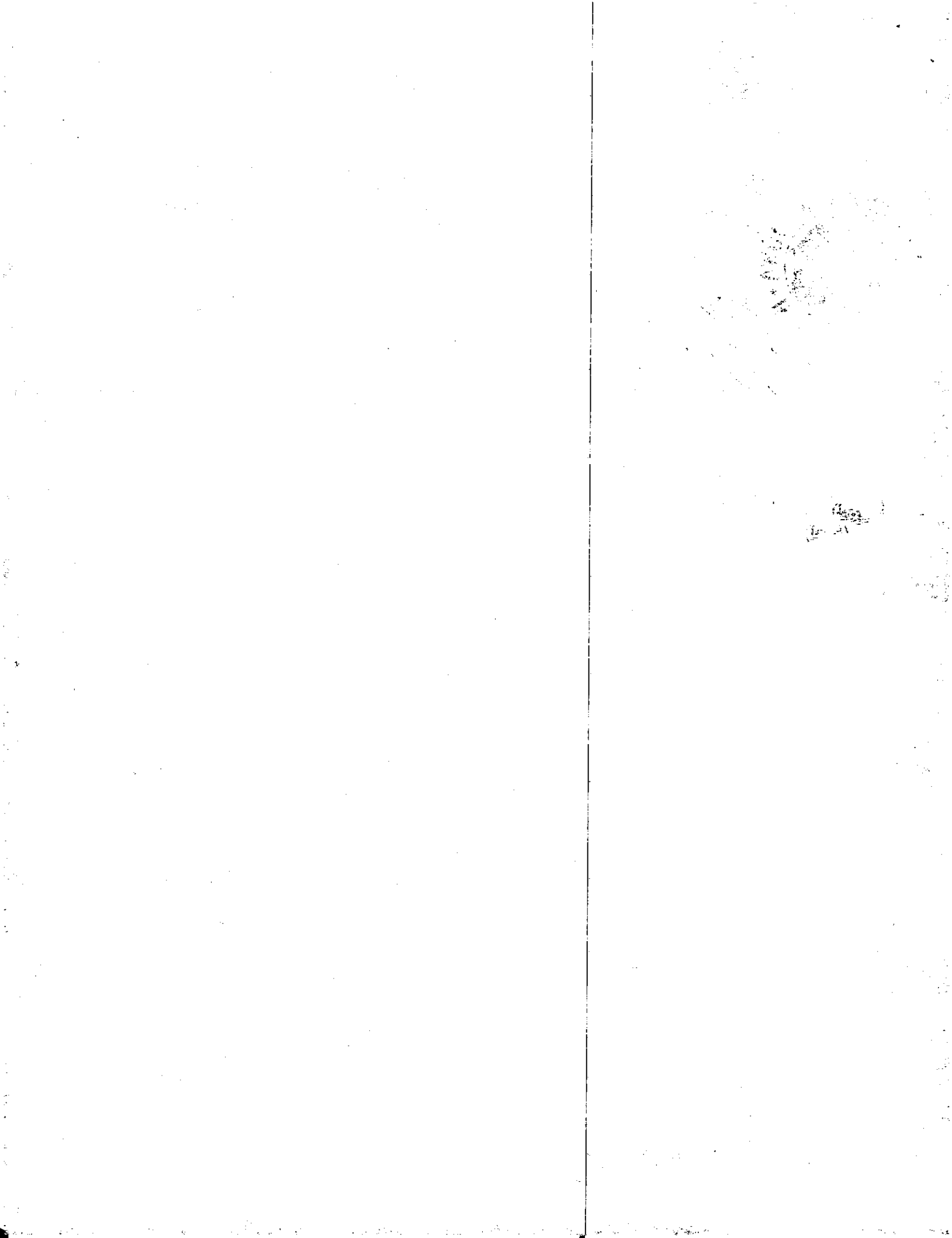
Upon motion and vote, the meeting adjourned.



City Clerk

*[Handwritten signature in blue ink]*

*Richard W. Bism*  
Mayor




STATE OF IOWA  
COUNTY OF MUSCATINE  
CITY OF MUSCATINE

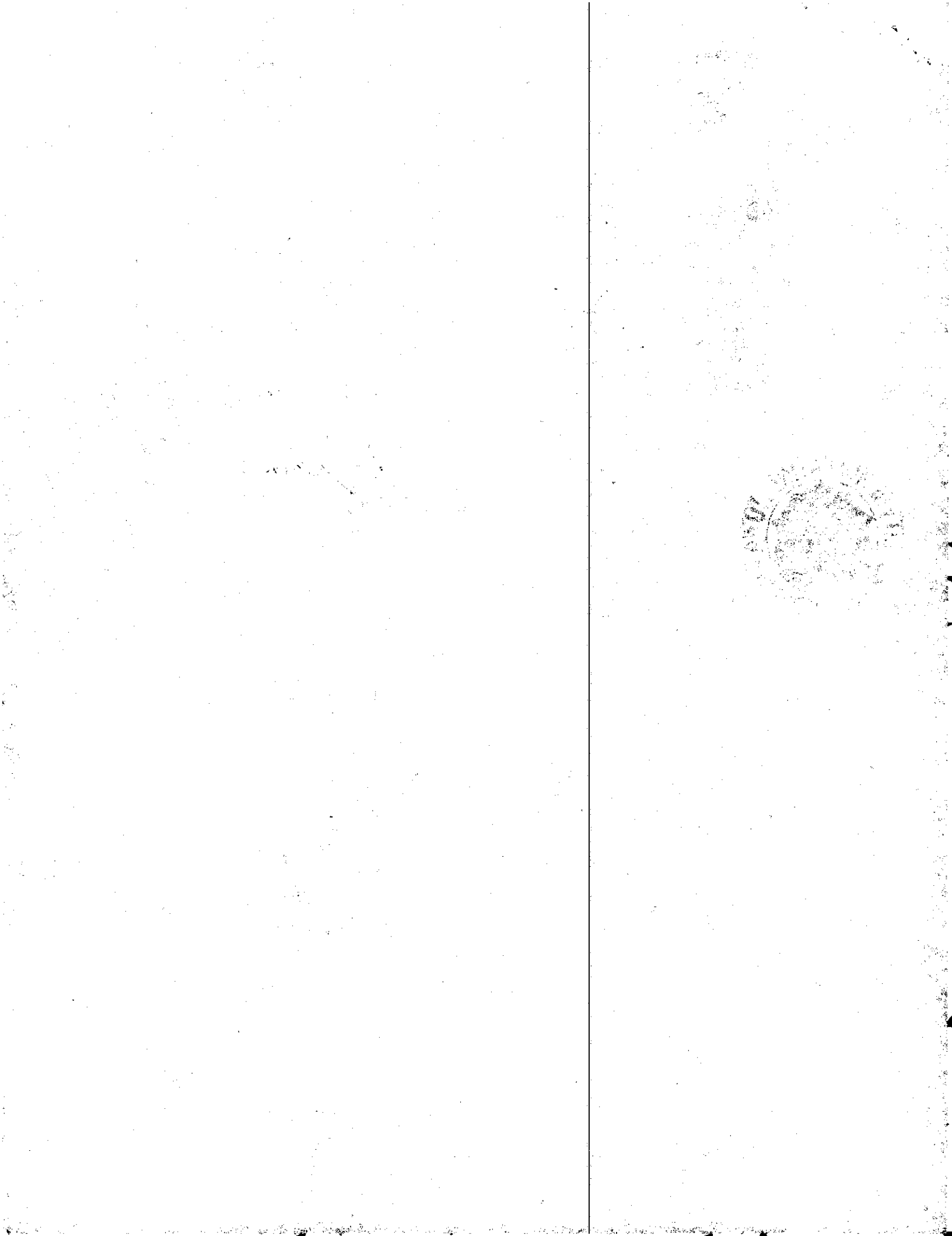
SS:

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 Council preliminary to and in connection with approving the urban renewal plan amendment for the Downtown Urban Renewal Area in the City of Muscatine, Iowa.

WITNESS MY HAND and the seal of the City hereto affixed this 22nd day of August, 2003.



  
\_\_\_\_\_  
City Clerk



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August 20, 2003

David Casstevens  
Director of Administrative Services  
City Hall  
215 Sycamore  
Muscatine, IA 52761-3840

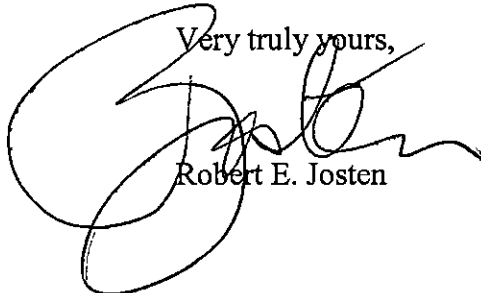
Re: 2003 Amendment to the Downtown Urban Renewal Area  
Our File No. 421464-18

Dear Dave:

Enclosed are proceedings covering the Council's action in holding a public hearing and adopting a resolution to approve the 2003 Amendment to the plan for the Downtown Urban Renewal Area.

We will appreciate receiving executed copies of these proceedings as soon as they are available. Please call John Danos or me if you have any questions.

Very truly yours,



Robert E. Josten

REJ:jpd  
Muscatine/421464-18/UR Hrg  
Enclosures

cc: Kevin Whitaker  
A.J. Johnson