

AMENDMENT NO. 5

to the

CITY OF MARSHALLTOWN URBAN RENEWAL AREA NO. 2 URBAN RENEWAL PLAN

for the

MARSHALLTOWN URBAN RENEWAL AREA NO. 2

City of Marshalltown, Iowa

Original Plan – May 1993

Amended and Restated Urban Renewal Plan – 2002

Amendment No. 2 – December 2013

Amendment No. 3 – January 2015

Amendment No. 4 – August 2015

Amendment No. 5 – May 2018

Local Government Professional Services, Inc.

DBA – Simmering-Cory

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MARSHALLTOWN URBAN RENEWAL AREA NO. 2
URBAN RENEWAL PLAN
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CITY OF MARSHALLTOWN, IOWA

The Marshalltown Urban Renewal Area No. 2 Urban Renewal Plan (the “Plan” or “Urban Renewal Plan”) for the Marshalltown Urban Renewal Area No. 2 (the “Area” or “Urban Renewal Area”), adopted in 1993 has been previously amended four times including the following amendments:

- Amendment No. 1 (2002). Amendment No. 1 amended and restated the Urban Renewal Plan No. 2 for the Marshalltown Urban Renewal Area No. 2.
- Amendment No. 2 (December 2013). Amendment No. 2 added a project, TIG Distributing, Inc., to the Urban Renewal Plan and removed a self-imposed expiration date.
- Amendment No. 3 (January 2015). Amendment No. 3 added a project, Menard, Inc., to the Urban Renewal Plan. The amendment also added land to the Urban Renewal Area.
- Amendment No. 4 (August 2015). Amendment No. 4 amended a previously authorized project for TIG Distributing, Inc., that was approved in Amendment No. 2 in December 2013.

Now the Marshalltown Urban Renewal Area No. 2 Urban Renewal Plan is being further amended for the purpose of identifying new urban renewal projects to be undertaken within the Urban Renewal Area by this Amendment No. 5 (“Amendment No. 5” or “Amendment”) in accordance with the provisions of Chapter 403 of the *Code of Iowa*.

Except as modified by this Amendment, the provisions of the Amended and Restated Urban Renewal Plan, as previously amended, are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided herein. In case of any conflict or uncertainty, the terms of this Amendment shall control.

AREA DESIGNATION

The Urban Renewal Area was originally designated as both an economic development area appropriate for the promotion of commercial and industrial development and an area in which blighted conditions exist that is appropriate for blight remediation activities. Amendment No. 1 confirmed the designation of economic development and the presence of blighting factors within the area. Amendments two through four did not make any changes to the Area designation.

This Amendment makes no change in the Area designation.

ELIGIBLE URBAN RENEWAL PROJECTS (AMENDMENT NO. 5)

1. Public Improvements:

Project	Estimated Date	Estimated Cost to be Funded by TIF Funds	Rationale
Economic Development Grant Program for Demolition and Redevelopment of Blighted Properties	2019 – 2025	\$300,000	The City plans to provide economic development grants to entities for the purpose of acquisition, demolition, and cleanup of dangerous and dilapidated properties that contribute to blighting conditions within the Area.
Security Camera Network	2018 – 2021	\$50,000	A contributing factor to the Area's blighting designation was increased crime and police calls for service. Installation of a security camera system network will aid in the prevention of crime and reduction of blighting influences. Reduction in crime may lead to increased property values and additional development within the Area.
Sidewalk and Trail Developments including the following locations: <ul style="list-style-type: none"> • 12th Avenue • 17th Avenue • Olive Street 	2018 – 2025	\$2,000,000	<p>A safe pedestrian transportation system is an important component to a successful economic environment and quality of life factor for communities.</p> <p>The City anticipates providing funding to improve pedestrian access within the Urban Renewal Area including sidewalks and trails that meet current ADA accessibility standards.</p> <p>Safe and accessible pedestrian paths, sidewalks and trails, can provide a low-cost and healthy transportation system for employees who work at commercial and industrial facilities within the Urban Renewal Area.</p>
Linn Creek Trail Overlay	2018 – 2022	\$250,000	<p>The existing Linn Creek Trail runs through the Urban Renewal Area and has deteriorated to a point that is causing safety concerns for pedestrian and bicycle traffic utilizing the trail. The City plans to rehabilitate the trail to ensure a safe travel way for users.</p> <p>Safe and accessible pedestrian paths, sidewalks and trails, can provide a low cost and healthy transportation system for employees who work at commercial and</p>

			industrial facilities within the Urban Renewal Area.
Park Improvements	2019 – 2026	\$300,000	<p>Parks are an important part of quality of life which may attract families and employees to neighborhoods. The City is proposing to enhance two parks within the Urban Renewal Area to ensure adequate safety for residents and visitors. The parks include Peterson Park and Optimist Park.</p> <p>Potential improvements include security lighting, connections to pedestrian pathways (trails and sidewalks), and updating park equipment to meet current safety standards.</p>
Beer Garden Road Development – Approximately 1,300 Feet of New Road	2019 – 2022	\$4,000,000	Development of a new road on the west side of the proposed new industrial park. The City anticipates the need to develop a new road on the west side of the proposed new industrial park to facilitate traffic flow to existing and new businesses developed in the area. Development of the road may also open up additional land for new development.
Marshalltown Industrial Park Development – 18 th Avenue	2019 – 2025	\$2,000,000	The City is actively marketing a 25-acre area as a potential new industrial park. Depending on interest in the site the potential is for five, five-acre sites. With development of the site the City anticipates the need for infrastructure improvements which may include streets, water, sanitary sewer, sidewalks, street lighting, and storm water facilities.
Storm Water System Improvements on 8 th Avenue, Main Street, and Nevada Street	2019 – 2025	\$2,000,000	Lack of an adequate storm water system can lead to blight conditions and lack of development. Parts of the Urban Renewal Area have no storm water system or a very limited system. The City anticipates a need to install new storm water facilities within this area as development and redevelopment occur.
Development of a New Street Connecting Street between S. 12 th Avenue and S. 18 th Avenue	2019-2025	\$1,000,000	To encourage development within the Area the City anticipates a need to develop a connecting street, yet unnamed, between S. 12 th Avenue and S. 18 th Avenue. The development would consist of the purchase of land for the road as well as the construction of the new road. The addition of a connecting road will open up potential for new economic development and facilitate better traffic flow within the Area.

NOTE: It may be that the above costs will be reduced by the application of state and/or federal grants or programs; cost-sharing agreements with other entities; or other available sources of funds.

2. Tax Rebate Program: The City anticipates that there will be a need to provide incentives to developers within the Urban Renewal Area, in the form of tax increment rebates to incentivize economic development and remediation of blight within the Urban Renewal Area.

The following general program guidelines and benefits will be based on the following, subject to review by the City Council:

- Projects must be located within the Urban Renewal Area.
- Prior to providing any rebate under this program the City will hold a public hearing(s) as required by Iowa Law and will approve a Development Agreement outlining details specific to the development and any rebates to be approved.
- Priority for agreements will be given to projects that result in the creation of new jobs and/or new taxable value for the City of Marshalltown.
- Rebates provided will be subject to annual appropriation by the City Council.
- Projects should not create an unfair advantage over similar businesses within the Urban Renewal Area as determined by the City Council.
- Projects will not be participating or taking advantage of other City incentives including, but not limited to, Urban Revitalization (tax abatement) or other tax exemption programs.
- Rebate agreements will not be approved for amounts less than \$10,000 nor more than \$1,000,000.
- Rebate agreements will not exceed a maximum of ten years.
- The City does not anticipate more than ten development agreements to be approved under this program without reauthorization.

3. Planning, Engineering Fees (for Urban Renewal Plans), Attorney Fees, Administrative, and Other Related Costs to Support Urban Renewal Projects and Planning:

Project	Estimated Date	Estimated Cost to be Funded by TIF Funds
Fees & Costs	Undetermined	Not to Exceed \$25,000 Annually

FINANCIAL INFORMATION

1.	July 1, 2017 Constitutional Debt Limit:	\$68,225,606
2.	Outstanding General Obligation Debt:	\$33,349,985
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects (Amendment No. 5) has not yet been determined. This document is for planning purposes only. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness, including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area, as amended. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects (Amendment No. 5) as described above will be approximately as stated in the next column:	<p>\$11,900,000 plus up to \$25,000 annually for planning expenses and up to \$10,000,000 in the City's Tax Rebate Program for economic development and blight remediation projects subject to annual appropriation by the City Council.</p> <p>This does not include financing costs related to debt issuance, which may be incurred over the life of the Area.</p>

EFFECTIVE PERIOD

This Amendment No. 5 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document, the Urban Renewal Plan shall remain in effect until terminated by the City Council, and the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the *Code of Iowa*, will be consistent with Chapter 403 of the *Code of Iowa*. The division of revenues shall continue on the Area for the maximum period allowed by law.

At the time the original Urban Renewal Area was adopted in 1993, the plan was designated as a mixed economic development and blighted area and therefore the Area is not subject to the statutorily required expiration on the ability to collect incremental taxes set out in the *Code of Iowa* section 403.17(10). Amendment No. 2, adopted in 2013, removed a self-imposed expiration date and clarified that the division of revenue in the Area is not subject to any sunset. This Amendment No. 5 makes no change to the effective period of the Area.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness or bonds which qualify for payment from the division of revenue provided in Section 403.19 of the *Code of Iowa*) by the City for activities carried out under the Urban Renewal Area shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

REPEALER

Any parts of the Plan, as previously amended, in conflict with this Amendment are hereby repealed.

SEVERABILITY CLAUSE

If any part of this Amendment No. 5 is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted Plan as a whole or the previous amendments to the Plan, or any part of the Plan not determined to be invalid or unconstitutional.