

CITY OF MARSHALLTOWN, IOWA
URBAN RENEWAL PLAN AMENDMENT
MARSHALLTOWN URBAN RENEWAL AREA NO. 4

February, 2022

The Urban Renewal Plan (the “Plan”) for the Marshalltown Urban Renewal Area No. 4 (the “Urban Renewal Area”) is being amended for the purpose of identifying a new urban renewal project to be undertaken therein.

1) 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 description:

Name of Project: Willards-Hopkins Building Redevelopment Project

Name of Urban Renewal Area: Marshalltown Urban Renewal Area No. 4

Date of Council Approval of Project: February 28, 2022

Description of Program: Willard-Hopkins, L.L.C. (the “Developer”) proposes to undertake the redevelopment of the neighboring Willard and Hopkins Buildings situated at 32, 34 and 36 W. Main Street (the “Redevelopment Project”) in the Urban Renewal Area into a mixed-use building including commercial and multiresidential units (the “Building Restoration Project”).

The Willard and Hopkins Buildings suffered significant damage during the tornado of 2018 and the derecho of 2020. The Building Restoration Project will alleviate certain blighted conditions on the Redevelopment Property and facilitate economic development in the Urban Renewal Area.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate, and maintain the Building Restoration Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$8,000.

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

Description of Use of TIF for the Building Restoration Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed Building Restoration Project and to provide an economic development grant (the “Grant”) to the Company thereunder.

It is anticipated that the City will fund the Grant in an amount not to exceed \$750,000, through a series of disbursements (the “Grant Disbursements”). The Grant Disbursements will be financed (i) directly from incremental property tax revenues derived from the Urban Renewal Area; or (ii) with borrowed funds and/or an internal advance of City funds on-hand (the “Debt Obligations”). It is intended that any Debt Obligations entered into to fund the Grant will be repaid with incremental property tax revenues to be derived from the Urban Renewal Area.

It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Building Restoration Project, including the Grant and the Admin Fees will not exceed \$758,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Grant.

2) 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>86,547,701</u>
Outstanding general obligation debt of the City:	\$ <u> </u>
Proposed debt to be incurred in area to be added in connection with this February, 2022 Amendment*:	\$ <u>758,000</u>

*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.