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www.cityofclive.com

DATE: April 21, 2015
TO: Board of Supervisors, Dallas and Polk Counties
Superintendent, Waukee and West Des Moines Community School
Districts
FROM: City Council
City of Clive, Iowa
RE: 2015 Urban Renewal Plan Amendment

The City of Clive is in the process of amending the urban renewal plan for the Clive Urban Renewal Area in order to describe the expenditure of incremental property tax revenues for a public project in the Urban Renewal Area. In accordance with Section 403.5 of the Code of Iowa, the City is sending you the enclosed copy of its urban renewal plan amendment and scheduling a meeting at which you will have the opportunity to discuss the amendment.

The meeting to discuss our urban renewal plan amendment has been set for April 29, 2015, at 10:00 a.m. at City Hall. State law gives you the right to make written recommendations concerning the urban renewal plan amendment no later than seven days following the date of the meeting.

The City Council will also hold a public hearing on the urban renewal plan amendment at 6:00 o'clock p.m. on May 14, 2015, and a copy of the notice of hearing is enclosed for your information.

Please call Matt McQuillen, Assistant City Manager, at 223-6220 if you have questions.

Enclosure

NOTICE OF PUBLIC HEARING ON PROPOSED 2015 AMENDMENT TO
URBAN RENEWAL PLAN FOR CLIVE URBAN RENEWAL AREA

Notice Is Hereby Given: That at 6:00 o'clock p.m., at the City Hall, Clive, Iowa, on the 14th day of May, 2015, the City Council of the City of Clive will hold a public hearing on the question of amending the urban renewal plan for the Clive Urban Renewal Area to describe the expenditure of not to exceed \$350,000 of incremental property tax revenues for a new project in the Urban Renewal Area related to the design, construction, equipping and furnishing of a Parks Maintenance Facility.

A copy of the amendment is on file for public inspection in the office of the City Clerk.

At that time, any interested person may file written objections or comments and may be heard with respect to the subject matter of the hearing.

Joyce Cortum
City Clerk

**2015 AMENDMENT
URBAN RENEWAL PLAN
CLIVE URBAN RENEWAL AREA
April, 2015**

The Urban Renewal Plan for the Clive Urban Renewal Area is being amended at this time in order to describe a new project that would be financed in part with incremental property tax revenues.

The City has funds available that could be used for the new project from proceeds of General Obligation Bonds that were originally issued to pay costs of major improvements to 86th Street. In order to use those proceeds, however, the original bond issuance resolution must be amended to include a description of the new project. The City has been devoting tax increment revenues generated within the Clive Urban Renewal Area to pay principal and interest on the outstanding Bonds. In order to make it possible to continue to use tax increment revenues to pay debt service on the portion of the Bonds that would finance the new project, the City must amend the urban renewal plan for the Clive Urban Renewal Area and describe the specific additional use of tax increment revenues.

The new project involves design, construction, equipping and furnishing of a Parks Maintenance Facility to be located in the Urban Renewal Area, at a total estimated cost of \$350,000.

In accordance with Section 403.5 of the Code of Iowa, whenever a city proposes to use incremental property taxes to finance all or any part of a public building, a city is required to perform an analysis of alternative development options and funding for such a project and provide reasons those options would be less feasible than the proposed use of incremental property tax revenues. In this situation, the City does not plan to incur additional debt, but intends to use available proceeds from bonds issued to finance the 86th Street project.

The following is a discussion of possible revenue sources that could be available to the City in order to finance part or all of the new project, as an alternative to using the available proceeds from the earlier General Obligation bond issue:

1. Federal grants and loans. The City is not aware of any possible Federal grants or loans for which it might be eligible.

2. General Fund. An increase in the City's General Fund levy in the amount of \$.30 per thousand dollars of taxable valuation would be necessary in order to pay the cost of the new project from this source. An increase of this magnitude is not a practical or feasible alternative to the use of the available bond proceeds.

3. Issuing new General Obligation Bonds or Notes payable from a debt service tax levy. In order to be able to put a debt service property tax levy in place, it would be necessary for the City to follow state statutory rules that require giving notice to voters of their right to file a petition with the City requesting that a referendum be held on the issuance of bonds or notes for the new project. If a referendum is requested, and if the necessary 60% favorable vote is not

obtained, it is not likely that the City would be able to finance the construction of the new project using this method. The City's plan to use available proceeds from an earlier bond issue is a more feasible approach than issuing new bonds and will save money for future property taxpayers in the City.

4. Local Option Sales Tax Revenues. Unlike most other cities in the State of Iowa, the City of Clive does not benefit from a local option sales tax, and proposals to impose such a tax in Polk County have been defeated by wide margins on several occasions. It is highly unlikely that this type of revenue source will become available to the City of Clive in the foreseeable future.

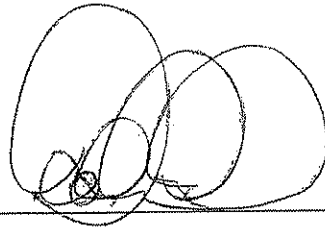
5. Tax Increment Financing. The use of available bond proceeds and the payment of debt service costs related to those proceeds from incremental property tax revenues that would be generated from increased property valuations within the Urban Renewal Area would be the most feasible option available to the City.

The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Outstanding general obligation debt of the City	\$37,135,000
Constitutional debt limit of the City:	\$96,500,000
Proposed amount of bond proceeds to be expended for the new project in the Urban Renewal Area:	\$350,000


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Upon motion and vote, the meeting adjourned.



Mayor

Attest:



City Clerk

STATE OF IOWA
CITY OF CLIVE

SS:

I, the undersigned, do hereby certify that I am the duly appointed, qualified and acting City Clerk of the City of Clive, 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 those 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 approving the 2015 Amendment to the urban renewal plan for the Clive Urban Renewal Area.

WITNESS MY HAND this 15 day of May, 2015.

George Cortum
City Clerk