

RESOLUTION NO. 2012-34

A resolution to approve urban renewal plan amendment for the Consolidated Walcott 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 City Council by prior resolution established the Consolidated Walcott Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, an amendment (the "Amendment") to the plan for the Urban Renewal Area has been prepared which would facilitate the undertaking of a new urban renewal project consisting of constructing City Hall facilities and improving the grounds thereof; and

WHEREAS, notice of a public hearing by the City Council of the City of Walcott, Iowa, on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on October 1, 2012; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Scott County and the Davenport Community School District; the consultation meeting was held on the 17th day of September, 2012; 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 Walcott, Iowa, as follows:

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

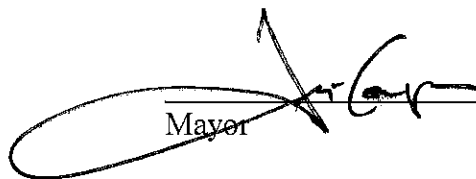
Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;


B. Proposed economic development under the Amendment 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 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved October 1, 2012.


Mayer

Attest:


City Clerk

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

CITY OF WALCOTT, IOWA

URBAN RENEWAL PLAN AMENDMENT
CONSOLIDATED WALCOTT URBAN RENEWAL AREA

October 1, 2012

The Urban Renewal Plan (the "Plan") for the Consolidated Walcott Urban Renewal Area (the "Area") is being amended for the purpose of identifying new urban renewal projects to be undertaken therein.

1) Identification of Project: By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following described project descriptions:

Name of Project: City Hall Project

Name of Urban Renewal Area: Consolidated Walcott Urban Renewal Area

Urban Renewal Area History: The original North Urban Renewal Area was established in 1993. The Property was added to this Area in 2005. In 2010, the City adopted a Restated Urban Renewal Plan for the governance of the Consolidated Walcott Urban Renewal Area.

Date of Council Approval of Project: October 1, 2012

Description of Private Development Project and Project Site: The City Hall Project (the "Project") will be constructed in the Urban Renewal Area. It is anticipated that the site of the Project will be situated at 1113 North Main Street (the "Property"). It is not anticipated that there will be private development directly involved with the Project, although it is expected that the completed Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced services and municipal facilities.

Description of Public Improvements: The Property was acquired by the City in 2011 for potential redevelopment after it had been abandoned by its previous owner. The Project will consist of the renovation of the vacant building on the Property for use as a new City Hall/Police Department facility. The Project will also include the construction of public sidewalk, parking, storm water drainage and other incidental utility improvements as needed to optimize the new functionality of the Property.

Description of Properties to be Acquired in Connection with Project: The City has acquired the Property for the carrying out of the Project.

Description of Use of TIF: The City intends to pay the costs of the Project in the amount of \$1,250,000. The City will likely issue bonded indebtedness to raise the capital for the construction of the Project. The City may also use internal advances of funds to cover certain Project costs. The City intends to, in part, use incremental property tax revenues derived from the Urban Renewal Area to pay a portion of the debt service on the City's bonds or notes and to repay any internal advances of funds made with respect to the Project.

2) Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the City has analyzed its proposed use of incremental property tax revenues for the funding of the Project and alternative development and funding options for the Project. The results of that analysis are summarized as follows:

A) Alternate Development Options: The City Council has determined that a need exists for the provision of new and improved administrative services facilities in the Urban Renewal Area. The City's ability fulfill its role in licensing, permitting, land use regulation, economic development and policy governance for activities and projects in the Urban Renewal Area is diminished by inadequate, outdated and undersized administrative facilities. There is no conceivable way for the City to outsource or privatize these types of public facilities, and the use of the Property as the site for the Project is an optimal use for this land. Promoting other types of development on the Property will not meet the public need being addressed by the Project. In addition, the Project is an immediate means for taking an abandoned property in the Urban Renewal Area, improving it, returning it to productive use and thereby reducing the risk of the spread of blighted conditions in the City.

B) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: The City will use a portion of its Local Option Sales and Services Tax revenues to pay costs associated with the sidewalk and storm water drainage needs for the Project.

* General Fund: The City is at its \$8.10 per thousand levy limit for the General Fund, and the annual proceeds from this levy are fully committed to maintain the operational integrity of the City. The City cannot access its General Fund reserves to aid in the Project funding without risking unsound fiscal practice.

* Capital Improvements Levy: The City does not have a Capital Improvements Levy available, and the imposition of such additional levy would require a successful referendum, which is not feasible at this time.

* Debt Service Levy: The City does not have authority to levy a debt service tax for general obligation indebtedness for the Project. It is not feasible for the City to acquire the authority, either through full referendum or reverse referendum, to issue general obligation indebtedness for the Project without the ability to assure the voting public that tax increment financing will be available to assist with the funding. The use of tax increment financing will lessen the burden on individual tax payers that would result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the City's successful economic development initiatives, like the sliding scale rebate program.

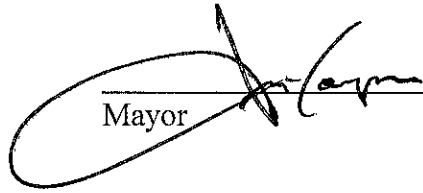
* Utility Surpluses: The City does not have identified surpluses in its sewer and water utility funds that could aid in the funding of the Project.

3) 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>\$6,520,290.60</u>
Outstanding general obligation debt of the City:	<u>\$1,980,000</u>
Proposed debt to be incurred in connection with projects	<u>\$1,250,000</u>


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Upon motion and vote, the meeting adjourned.



Mayor

Attest:



City Clerk