

RESOLUTION NO.17-30

Resolution to Approve Urban Renewal Plan Amendment for the Lake Mills
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 of the City of Lake Mills, Iowa (the "City"), by prior resolution established the Lake Mills Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (i) using tax increment financing to pay the costs of the City's North 3rd Avenue & Winnebago Street Reconstruction Project; (ii) using tax increment financing to pay the costs of the City's East Main Street Resurfacing Project; (iii) using tax increment financing to pay the costs of constructing parking lot improvements at the Lake Mills Community Preschool and Daycare; (iv) using tax increment financing to pay the costs of constructing parking lot and roof improvements at the Winnebago Industries-North Plant Building; and it is now necessary that a date be set for a public hearing on the Amendment; and

WHEREAS, notice of a public hearing by the City Council 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 June 19, 2017; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Winnebago County and the Lake Mills Community School District; the consultation meeting was held on the 1st day of June, 2017; 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 Lake Mills, 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. The Projects proposed under the Amendment are 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 June 19, 2017.



Mayor

Attest:



City Clerk

CITY OF LAKE MILLS, IOWA

URBAN RENEWAL PLAN AMENDMENT
LAKE MILLS URBAN RENEWAL AREA

June, 2017

The Urban Renewal Plan (the “Plan”) for the Lake Mills Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purpose of identifying new urban renewal projects to be undertaken in the Urban Renewal Area.

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 projects:

A)

Name of Project: Lake Mills Community Preschool and Daycare Parking Lot Improvement Project (the “Daycare Parking Lot Project”)

Name of Urban Renewal Area: Lake Mills Urban Renewal Area

Date of Council Approval of Project: June 19, 2017

Description of Project and Project Site: The City will undertake the paving of the parking lot at the Lakes Mills Community Preschool and Daycare situated at 711 Highway 69 N in the City. The provision of safe and appealing preschool and daycare facilities is necessary for the commercial, industrial and residential growth and retention in the Urban Renewal Area.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Daycare Parking Lot Project.

Description of Properties to be Acquired in Connection with Project: The City will not acquire real property interests in the undertaking of the Daycare Parking Lot Project.

Description of Use of TIF: It is anticipated that the City will pay for the Daycare Parking Lot Project with either borrowed funds or the proceeds of an internal advance of City funds on-hand. In either case, the City’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Daycare Parking Lot Project will not exceed \$21,000.

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 Daycare Parking Lot Project and alternative development

and funding options for the Daycare Parking Lot Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The City Council has determined that the provision of superior daycare and preschool facilities is essential to the economic development of the City. Maintaining and enhancing the Lakes Mills Community Preschool and Daycare will positively impact commerce, growth and development in the Urban Renewal Area. There are no other development options feasible on the property on which the Lakes Mills Community Preschool and Daycare is currently located.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are unavailable to assist with the Daycare Parking Lot Project because such Revenues have been allocated to other projects in the City.

* 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 has very limited cash reserves in its General Fund and cannot access such reserves to pay the costs of the Daycare Parking Lot Project 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 Council has determined that the debt service levy rate should not be raised for the Daycare Parking Lot Project. The City will be required to raise the debt service levy for projects that do not qualify for tax increment financing. Raising the current debt service levy rate for the Daycare Parking Lot Project would result in an undue burden to the citizens of the City. 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 which are enhanced by the operations at the Lakes Mills Community Preschool and Daycare.

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

B)

Name of Project: Winnebago Industries-North Plant Improvement Project (the "Winnebago North Plant Improvement Project")

Name of Urban Renewal Area: Lake Mills Urban Renewal Area

Date of Council Approval of Project: June 19, 2017

Description of Project and Project Site: The City will undertake the repaving of the parking lot and certain repairs to the roof at the Winnebago Industries-North Plant Building (the “North Plant Building”) situated at 808 N. Lake Street in the Urban Renewal Area. The North Plant Building is owned by the City and leased to Winnebago Industries, Inc. (the “Company”) for use in its recreation vehicles manufacturing business operations. The provision of safe and functional facilities for use by the Company is necessary for the continued business operations of the Company in the Urban Renewal Area and will encourage job retention, growth and expansion by the Company in the Urban Renewal Area.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Winnebago North Plant Improvement Project.

Description of Properties to be Acquired in Connection with Project: The City will not acquire real property interests in the undertaking of the Winnebago North Plant Improvement Project.

Description of Use of TIF: It is anticipated that the City will pay for the Winnebago North Plant Improvement Project with either borrowed funds or the proceeds of an internal advance of City funds on-hand. In either case, the City’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Winnebago North Plant Improvement Project will not exceed \$78,000.

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 Winnebago North Plant Improvement Project and alternative development and funding options for the Winnebago North Plant Improvement Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The City Council has determined the provision of superior facilities for the Company is essential to the continued business operations of the Company in the Urban Renewal Area. Maintaining and enhancing the North Plant Building will positively impact job retention, growth and expansion by the Company in the Urban Renewal Area. There are no other development options feasible on the property on which the North Plant Building is currently located.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are unavailable to assist with the Winnebago North Plant Improvement Project because such Revenues have been allocated to other projects in the City.

* 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 has very limited cash reserves in its General Fund and cannot access such reserves to pay the costs of the Winnebago North Plant Improvement Project 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 Council has determined that the debt service levy rate should not be raised for the Winnebago North Plant Improvement Project. The City will be required to raise the debt service levy for projects that do not qualify for tax increment financing. Raising the current debt service levy rate for the Winnebago North Plant Improvement Project would result in an undue burden to the citizens of the City. 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 in the Urban Renewal Area, including possible future growth by the Company therein.

* **Utility Surpluses:** The City does not have identified surpluses in its sewer and/or water utility funds that could aid in the funding of the Winnebago North Plant Improvement Project

C)

Name of Project: East Main Street Resurfacing Project

Name of Urban Renewal Area: Lake Mills Urban Renewal Area

Date of Council Approval of Project: June 19, 2017

Description of Project and Project Site: The East Main Street Resurfacing Project will consist of street resurfacing and patching; alley resurfacing and patching; and the incidental utility, landscaping, site clearance and cleanup work related thereto on and along East Main Street from and including its intersection with Lake Street on the west and continuing east to and including its intersection with Franklin Street. The City will also undertake improvements to an existing alley extending off of Western Street and the existing WCTA Alley as part of the East Main Resurfacing Project. *This portion*

↳ Not in TIF District (will be pd out of Road Use.)

It is expected that the completed East Main Street Resurfacing Project will cause increased and improved ability of the City to provide adequate transportation infrastructure for the growth and retention of commercial enterprises in the City.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the East Main Street Resurfacing Project.

Description of Use of TIF for the Project: It is anticipated that the City will pay for the East Main Street Resurfacing Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City's obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the East Main Street Resurfacing Project will not exceed \$53,000.

D)

Name of Project: North 3rd Avenue & Winnebago Street Reconstruction Project

Name of Urban Renewal Area: Lake Mills Urban Renewal Area

Date of Council Approval of Project: June 19, 2017

Description of Project and Project Site: The North 3rd Avenue & Winnebago Street Reconstruction Project will consist of street reconstruction; construction of storm water drainage system improvements; construction of sanitary sewer and water system improvements; construction of sidewalk and curb and gutter improvements; and the incidental utility, landscaping, site clearance and cleanup work related thereto on and along the following segment of streets in the Urban Renewal Area:

South Winnebago Street Avenue from and including its intersection with 4th Avenue East on the north and continuing south to and including its intersection with the railroad tracks situated north of 10th Avenue East; and

North 3rd Avenue East from and including its intersection with Highway 69 North on the west and continuing east to and including its intersection with the Norwegian Family Monument.

It is expected that the completed North 3rd Avenue & Winnebago Street Reconstruction Project will cause increased and improved ability of the City to provide adequate transportation infrastructure for the growth and retention of commercial enterprises in the City.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the North 3rd Avenue & Winnebago Street Reconstruction Project .

Description of Use of TIF for the Project: It is anticipated that the City will pay for the North 3rd Avenue & Winnebago Street Reconstruction Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City's obligation will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the North 3rd Avenue & Winnebago Street Reconstruction Project will not exceed \$2,500,000.

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>\$5,355,098</u>
Outstanding general obligation debt of the City:	<u>\$ 285,000</u>
Proposed debt to be incurred in connection with June, 2017 Amendment*:	<u>\$2,652,000</u>

*Some or all of the debt incurred hereunder may be subject to annual appropriation by the City Council.