

CITY OF CENTER POINT, IOWA

URBAN RENEWAL PLAN AMENDMENT
CENTER POINT URBAN RENEWAL AREA

March, 2018

The Urban Renewal Plan (the “Plan”) for the Center Point Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purposes of identifying new urban renewal projects 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 descriptions:

A)

Name of Project: Center Point City Hall Renovation Project (the “City Hall Project”)

Name of Urban Renewal Area: Center Point Urban Renewal Area

Date of Council Approval of City Hall Project: March 13, 2018

Description of the City Hall Project: The City will undertake the construction of renovations and improvements to the Center Point City Hall and parking lot located at 200 Franklin Street in the Urban Renewal Area, including reroofing the building and addressing storm water management issues. It is anticipated that the completed City Hall Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced municipal services and facilities.

Description of Public Infrastructure: It is not anticipated that the City will undertake additional public infrastructure improvements in connection with the City Hall Project.

Description of Properties to be Acquired in Connection with Fitness Center Project: It is not anticipated that the City will acquire real property in connection with the City Hall Project.

Description of Use of TIF: It is anticipated that the City will pay for the City Hall Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, a portion of the City’s obligations incurred will be repaid with incremental property tax revenues. It is anticipated that the City’s use of incremental property tax revenues for the City Hall Project will not exceed \$200,000. It is anticipated that the total costs of the City Hall Project will be \$760,000.

1) **Alternate Development Options:** The City Council has determined that a need exists for the provision of improved administrative services facilities. The City’s ability to

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development and policy governance for activities and projects in the Urban Renewal Area is diminished by inadequate, outdated and undersized administrative facilities. The improvement of the existing City Hall to its highest and best use is more cost effective than the construction of a new City Hall. There are no other development options feasible on the property on which the City Hall is currently located.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues will be used to pay a portion of the costs of the City Hall 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 City Hall Project funding without risking unsound fiscal practice.

* Capital Improvements Levy: Revenues from the City's Capital Improvements Levy are not available because such revenues have been dedicated to fund waterworks system improvements in the City.

* Debt Service Levy: It is not feasible for the City to issue general obligation indebtedness for the City Hall Project without the ability to assure the taxpayers of the City that tax increment financing will be available to assist with a portion of the financing for the City Hall Project. 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 Area.

* 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 City Hall Project.

B)

Name of Project: Center Point Fire Station Project (the "Fire Station Project")

Name of Urban Renewal Area: Center Point Urban Renewal Area

Date of Council Approval of City Hall Project: March 13, 2018

Description of the City Hall Project: The City will undertake the construction of a new municipal fire station on a portion of the property located at 200 Franklin Street in the Urban Renewal Area. It is anticipated that the completed Fire Station Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced municipal services and facilities.

Description of Properties to be Acquired in Connection with the Fire Station Project: The City will not acquire any additional street right-of-way or easements to undertake the Fire Station Project.

Description of Use of TIF: It is anticipated that the City will pay for the Fire Station Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, a portion of the City's obligations incurred will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the Fire Station Project will not exceed \$200,000.

A) Alternate Development Options: The City Council has determined that a need exists for the provision of a new and improved fire station and enhanced fire protection services in the Urban Renewal Area. The City's ability to fulfill its duty of fire protection in the Urban Renewal Area is diminished by inadequate, outdated and undersized fire station facilities. There is no conceivable way for the City to outsource or privatize its fire protection services, and the use of the property situated at 200 Franklin Street as the site for the Fire Station Project is an optimal use for this land. Promoting other types of development on the Property to the exclusion of the Fire Station Project will not meet the public need being addressed by the Fire Station Project.

B) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are unavailable to assist with the 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 cannot access its General Fund reserves to aid in the Fire Station 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 Fire Station 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 Fire Station 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 in the Area.

* 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 Fire Station Project.

* Other Proceeds: The City has undertaken fundraising initiatives to help pay for the costs of the Fire Station Project.

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>\$7,647,508</u>
Outstanding general obligation debt of the City:	<u>\$</u>
Proposed maximum indebtedness to be incurred in connection with this March, 2018 Amendment*:	<u>\$400,000**</u>

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

** Plus any interest expense incurred by the City on any borrowing undertaken for the funding of the City Hall Project and/or the Fire Station Project.