

City's total commitment of incremental property tax revenues with respect to the Project will not exceed \$125,000.

B)

Name of Project: Brookline Subdivision Low and Moderate Income Housing Development Project (the "LMI Housing Project")

Name of Urban Renewal Area: DeWitt Economic Development District

Year of Establishment of Urban Renewal Area: 1990

Date of Council Approval of Project: December 2, 2013

Description of the LMI Housing Project and Project Site: Brookline Apartments, LLC (the "Developer") has proposed to undertake the development of affordable senior housing units on property (the "Brookline Property") situated in the Brookline Subdivision lying south of 8th Street and west of 14th Avenue in the western portion of the City, including the construction of corresponding street, curb and gutter, sanitary sewer and water system improvements, and storm water drainage improvements. The addition of new affordable senior housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

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

Description of Use of TIF: The City intends to enter into a development agreement with the Developer with respect to the LMI Housing Project and to provide annual appropriation economic development payments (the "Payments") thereunder funded with incremental property tax revenues to be derived from the Brookline Property. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the LMI Housing Project will not exceed \$1,500,000.

C)

Name of Project: 2014 DeWitt Fitness Center Improvement Project (the "Fitness Center Project")

Name of Urban Renewal Area: DeWitt Economic Development District

Year of Establishment of Urban Renewal Area: 1990

Date of Council Approval of Project: January 20, 2014

Description of the Fitness Center Project and Project Site: The Fitness Center Project will consist of the expansion and renovation of the DeWitt Fitness Center situated at 900 14th Street in the Area. The City has found that provision of superior recreational

facilities is necessary for the enhancement and maintenance of economic development in the community, and the City is hereby authorized to use its urban renewal powers to complete the Fitness Center Project. It is anticipated that the completed Fitness Center Project will have a positive impact on commerce in the Area through the provision of recreational amenities.

Description of Use of TIF: It is anticipated that the City will pay for the Fitness Center 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. It is anticipated that the City's use of incremental property tax revenues for the Fitness Center Project will not exceed \$225,000.

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 Fitness Center Project and alternative development and funding options for the Fitness Center Project. The results of that analysis are summarized as follows:

1) **Alternate Development Options:** The City Council has determined the provision of superior recreational facilities are essential to the economic development of the City. Maintaining and enhancing the DeWitt Fitness Center will positively impact commerce, growth and development in Area. The improvement of the existing the DeWitt Fitness Center to its highest and best use is more cost effective than constructing a new DeWitt Fitness Center. There are no other development options feasible on the property on which the DeWitt Fitness Center is currently located.

2) **Alternate Financing Options:**

* **Local Option Sales and Services Tax Revenues:** The Local Option Sales and Services Tax Revenues are authorized to be used exclusively by the City for street improvements (40%) and property tax relief (60%). The City has exclusively dedicated the portion of local option taxes available for property tax relief to supporting the City's general fund.

* **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 Fitness Center 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 Fitness Center Project. The City has a significant debt service levy in place because the City has issued general obligation debt that cannot be repaid from alternative sources. The City Council may need to raise the debt service

levy in the future for other upcoming projects in the City for which tax increment financing is not available. Raising the current debt service levy rate for the Fitness Center 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 provision of improved recreational facilities.

* **Fitness Center Revenues:** The City does not have revenues available from the DeWitt Fitness Center to aid in the funding of the Fitness Center Project. The DeWitt Fitness Center operates in months to years under deficit conditions. The City subsidizes the DeWitt Fitness Center Revenue Fund with proceeds from the general fund.

* **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 Fitness Center Project.

D)

Name of Project: 2014-2016 Skeffington Memorial Trail Extension and Bridge Replacement Project (Phase 3) (the "Trail Project")

Name of Urban Renewal Area: DeWitt Economic Development District

Year of Establishment of Urban Renewal Area: 1990

Date of Council Approval of Project: January 20, 2014

Description of Trail Project: The Trail Project will include the planning, designing and the construction of an extension to the Skeffington Memorial Trail situated in the Area beginning at Well No. 7 at Westbrook City Park and extending east to the dead end of 5th Street. It is expected that the completed Trail Project will enhance the quality of life in the City thereby resulting in residential and commercial growth in the Area.

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

Description of Use of TIF: It is anticipated that the City will pay for the Trail 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. It is anticipated that the City's use of incremental property tax revenues for the Trail Project will not exceed \$750,000.