Clive

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Parks & Recreation
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Fax 515-457-3092
Aquatic Center
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Fire Administration
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Police Administration
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www.cityofclive.com

DATE: June 11, 2013

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: 2013 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 three public projects in the Urban Renewal Area and also to remove the expiration date from the Country Club West portion of 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 June 25, 2013, at 10:00 a.m. at the 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 7:00 p.m. on July 18, 2013, and a copy of the notice of hearing is enclosed for your information.

Please call Pam Blessman, City Clerk, at 223-6220 if you have questions.

Enclosure

#44

Distinct by Nature

NOTICE OF PUBLIC HEARING ON PROPOSED 2013 AMENDMENT TO URBAN RENEWAL PLAN FOR CLIVE URBAN RENEWAL AREA

Notice Is Hereby Given: That at 7:00 o'clock p.m., at the City Hall, Clive, Iowa, on the 18th day of July, 2013, 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 incremental property tax revenues for three public projects in the Urban Renewal Area and also to remove the expiration date from the Country Club West portion of the Urban Renewal Area.

The public projects to be paid from incremental property tax revenues include replacement of the roof at the Public Works Facility and renovations to house staff; planning related to future construction of a Town Center and a new government center facility and design, construction and equipping Police/City Hall/Library facilities in the Town Center area.

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 matters of the hearing.

Pamela Blessman
City Clerk

2013 AMENDMENT
URBAN RENEWAL PLAN
CLIVE URBAN RENEWAL AREA
July, 2013

The Urban Renewal Plan for the Clive Urban Renewal Area is being amended at this time in order to describe new projects that would be financed in part with incremental property tax revenues and to remove the expiration date from the portion of the Clive Urban Renewal Area known as Country Club West.

The City has funds available from proceeds of General Obligation Bonds that were issued to pay costs of major improvements to 86th Street that could be used for the new projects. In order to use those proceeds, however, the original bond issuance resolutions must be amended to include a description of the new projects. 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 projects, the City must amend the urban renewal plan for the Clive Urban Renewal Area and describe the specific uses of tax increment revenues.

The first new project involves replacement of the roof at the Public Works Facility and renovations to that facility to house staff, at a total estimated cost of $500,000.

The second new project involves planning related to future construction of what is known as a Town Center facility and planning related to a new government center facility to house police and city hall staff, at a total estimated cost of $200,000.

The third new project involves design, construction and associated equipment and furnishings for Police, City Hall & Library facilities in the town center area, at a total estimated cost of $2 million.

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 issue additional debt, but intends to use available proceeds from bond issues related to 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 Projects, as an alternative to using the available proceeds from the earlier General Obligation bond issues:

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. The City is limited by State law to a levy for its General Fund in the amount of $8.10 per one thousand dollars of taxable valuation, and the City is at a level of $7.16 per one thousand dollars of taxable valuation. An increase in the General Fund levy in the amount of $2.40 per thousand dollars of taxable valuation would be necessary if the Projects were to be financed from this source. This increase would not be legally possible, because it would exceed the statutory limit for the General Fund levy.

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 Projects. 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 Projects using this method. The City's plan to use available proceeds from earlier bond issues 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 is the most feasible option available to the City.

Iowa law provides that urban renewal areas created prior to January 1, 1995, may have unlimited durations. The Country Club West portion of the Clive Urban Renewal Area was established in 1991, and, at that time, the City Council set an expiration date for that Area of 2016. The City Council has determined that it is necessary at this time to remove that expiration date. Accordingly, this 2013 Amendment to the urban renewal plan for the Clive Urban Renewal Area amends the original action taken in 1991 to delete any reference to an expiration date for the Country Club West portion of the Clive Urban Renewal Area.

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	$ 63,100,000
Constitutional debt limit of the City:	$ 96,686,160
Proposed amount of bond proceeds to be expended for new projects in Urban Renewal Area:	$2,700,000