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**Name of Project:** Municipal Fire Department Expansion Project

**Name of Urban Renewal Area:** DeWitt Economic Development District

**Date of Council Approval of Project:** February 19, 2018

**Description of Project and Project Site:** The Municipal Fire Department Expansion Project (the "Fire Department Project") will consist of remodeling and expanding the existing municipal fire department building situated at 711 10<sup>th</sup> Street (the "Fire Department Property"). The completed Fire Department Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced fire protection services and municipal facilities.

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

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

**Description of Use of TIF:** It is anticipated that the City will pay for a portion of the Fire Department 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 Fire Department Project will not exceed \$1,600,000.

**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 Fire Department Project and alternative development and funding options for the Fire Department 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 improved and expanded fire department facilities 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 The City's ability to fulfill its duty of fire protection in the Urban Renewal Area is diminished by inadequate, outdated and undersized fire department facilities. There is no conceivable way for the City to outsource or privatize its fire protection services, and the use of the Fire Department Property as the site for the Fire Department Project is an optimal use for this land. Promoting other types of development on the Fire Department Property to the exclusion of the Fire Department Project will not meet the public need being addressed by the Fire Department Project.

**B) Alternate Financing Options:**

\* The Local Option Sales and Services Tax Revenues are authorized to be used exclusively by the City 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 cannot access its General Fund reserves to aid in the Fire Department 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 Council has determined that the debt service levy rate should not be raised for the Fire Department 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 Fire Department 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 Fire Department Project.

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

\* Grant Proceeds: The City will apply for grants to fund a portion of the Fire Department Project.

**D)**

**Name of Project:** Frances Banta Waggoner Public Library Expansion Project

**Name of Urban Renewal Area:** DeWitt Economic Development District

**Date of Council Approval of Project:** February 19, 2018

**Description of Project and Project Site:** The Frances Banta Waggoner Public Library Expansion Project (the "Library Expansion Project") will consist of remodeling and expanding the existing library building situated at 505 10<sup>th</sup> Street (the "Library Property"). The completed Library Expansion 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.