

CITY OF DEWITT, IOWA

URBAN RENEWAL PLAN AMENDMENT
DEWITT ECONOMIC DEVELOPMENT DISTRICT

February, 2018

The Urban Renewal Plan (the "Plan") for the DeWitt Economic Development District (the "Urban Renewal Area") is being amended for the purpose of (1) adding property to the Urban Renewal Area; and (2) identifying new urban renewal projects to be undertaken in the Urban Renewal Area.

1) Addition of Property. The real property (the "Property") legally described on Exhibit A hereto is, by virtue of this Amendment, being added as the February, 2018 Addition to the Urban Renewal Area. With the adoption of this Amendment, the City will designate the Property as an economic development area. The Property will become subject to the provisions of the Plan for the Urban Renewal Area.

2) 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: Public Works Building 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 Public Works Building Project will consist of the acquisition of to an existing building situated at 706 E Industrial Drive (the "Public Works Building Property") to serve as the location for the workshop of the Public Works Department. The Public Works Building Project will include the planning, design and construction of improvements to the existing building. The completed Public Works Building Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced public works facilities.

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

Description of Properties to be Acquired in Connection with Municipal Building Project: It is anticipated that the City will acquire the Public Works Building Property.

Description of Use of TIF: It is anticipated that the City will pay for a portion of the Public Works Building Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, 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 Public Works Building Project will not exceed \$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 Public Works Building Project and alternative development and funding options for the Public Works Building 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 new and improved public works facilities in the Urban Renewal Area. The City's ability to fulfill its role in the maintenance of public infrastructure and public property is diminished by inadequate, outdated and undersized administrative and facilities. There is no conceivable way for the City to outsource or privatize public services, and the use of the Public Works Building Property as the site for the Public Works Building Project is an optimal use for this land. The building situated on the Public Works Building Property is currently owned by the Dewitt Chamber and Development Company ("DCDC"). It is a spec building that has remained vacant for several years. If the City acquires the Public Works Building Property, DCDC will have the financial capability to build another speculative building that could draw a new commercial enterprise to the Urban Renewal Area.

B) **Alternate Financing Options:**

* 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 cannot access its General Fund reserves to aid in funding the Public Works Building 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 Public Works Building 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 Public Works Building 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 Public Works Building 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 Public Works Building Project.

B)

Name of Project: Joint Fitness and Recreational Center 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 Joint Fitness and Recreational Center Project (the "Fitness Center Project") will consist of the planning, designing and constructing a joint fitness and recreational center in cooperation with the Central DeWitt Community School District (the "School District") and situated in the Urban Renewal on certain real property owned by the School District (the "Fitness Center Property"). 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 Urban Renewal Area through the provision of recreational amenities.

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

Description of Use of TIF: It is anticipated that the City will pay for a portion of 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 \$5,000,000.

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: