

IV. URBAN RENEWAL PROJECTS AND ACTIVITIES

The following types of activities are examples of the specific actions which may be undertaken by the City within the Urban Renewal Area:

1. Preparation of plans related to the development and implementation of the Urban Renewal Area and specific urban renewal projects.
2. Construction of public improvements and facilities, including streets, public utilities or other facilities in connection with an urban renewal project.
3. Construction of buildings or specific site improvements such as grading and site preparation activities, access roads and parking, railroad spurs, fencing, utility connections, and related activities.
4. Acquisition, preparation and disposition of property for development and/or redevelopment.
5. Making available, as appropriate, financing for development projects, including conventional municipal borrowing and tax increment financing resulting from increased property values in the Urban Renewal Area.
6. Pursuant to state law, provision of direct financial assistance, including grants, loans and tax increment rebate agreements, to private persons engaged in economic development, in such form and subject to such conditions as may be determined by the City Council.

V. SPECIFIC URBAN RENEWAL PROJECTS

The City has determined to undertake the following initiatives in the Urban Renewal Area as economic development urban renewal project:

A.

Name of Project: Community Center Renovation Project

Date of Council Approval of the Project: November 15, 2021

Description of the Project: The City will undertake the renovation (the “Community Center Project”) of the Leon Community Center situated at 203 NE 2nd Street (the “Community Center Property”) in the Urban Renewal Area. The Community Center Project will include HVAC, flooring, bathroom and other improvements.

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 Community Center Project.

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

It is anticipated that the City will pay for the Community Center Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City's obligations (the "Obligations") will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Community Center Project will not exceed \$150,000 plus any interest expense incurred by the City on the Obligations.

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

A) Alternate Development Options: The City Council has determined that provision of superior recreational facilities are essential to the economic development of the City. The improvement of the existing Community Center to its highest and best use is more cost effective than the construction of a new Community Center. There are no other development options feasible on the property on which the Community Center is currently located.

B) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues are unavailable to assist with the Community Center 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 funding the Community 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.

* General Obligation Bonds/Debt Service Levy: The City does not intend to issue general obligation bonds to pay the costs of constructing the Community Center Project. Rather the City will utilize internal advances of City funds on hand to pay for a portion of the costs of the Community Center Project, and such Advances will be repaid with incremental property tax revenues derived from the Urban Renewal Area.