

**GATEWAY ECONOMIC
DEVELOPMENT URBAN
RENEWAL PLAN**

for the

**GATEWAY ECONOMIC
DEVELOPMENT
URBAN RENEWAL AREA**

AMENDMENT #2

WAUKEE, IOWA

**Original Plan – 2013
Amendment #1- 2014
Amendment #2 - 2015**

TABLE OF CONTENTS

<i>SECTION</i>	<i>PAGE</i>
A. INTRODUCTION	3
B. DESCRIPTION OF THE URBAN RENEWAL AREA	4
C. AREA DESIGNATION	4
D. HISTORY AND PURPOSE	4
E. BASE VALUE	6
F. DEVELOPMENT PLAN	6
G. AREA OBJECTIVES	7
H. TYPE OF RENEWAL ACTIVITIES	7
I. ELIGIBLE PROJECTS	9
J. FINANCIAL DATA	10
K. AGREEMENT TO INCLUDE AGRICULTURAL LAND	10
L. URBAN RENEWAL FINANCING	10
M. PROPERTY ACQUISITION/DISPOSITION	12
N. RELOCATION	12
O. STATE AND LOCAL REQUIREMENTS	12
P. SEVERABILITY	12
Q. URBAN RENEWAL PLAN AMENDMENTS	12
R. EFFECTIVE PERIOD	12
 <i>EXHIBITS</i>	
A. LEGAL DESCRIPTION OF AREA	
B. URBAN RENEWAL AREA MAP	
C. AGREEMENT TO INCLUDE AGRICULTURAL LAND	

**Urban Renewal Plan
Gateway Economic Development Urban Renewal Area
City of Waukee, Iowa**

A. INTRODUCTION

The Gateway Economic Development Urban Renewal Plan (“Plan” or “Urban Renewal Plan”) was developed to help local officials promote economic development in the City of Waukee. The primary goal of the Plan is to stimulate, through public involvement and commitment, private investment in new commercial and light industrial development. In order to achieve this objective, Waukee (the “City”) adopted the Plan in 2013. Pursuant to the Plan, the City has undertaken Urban Renewal activities pursuant to the powers granted to it under Chapter 403 and Chapter 15A of the Code of Iowa, as amended.

The Gateway Economic Development Urban Renewal Plan was amended in 2014 (Amendment #1). No real estate was added to the Area with Amendment #1. The plan is being further amended to add real estate to the Area to the extent described hereinafter and to add and/or confirm the list of proposed projects to be undertaken within the Gateway Economic Development Urban Renewal Area by this Amendment #2 (“Amendment #2” or “Amendment”).

This Amendment #2 repeats much of the original Plan adopted in 2013 for the reader's convenience. The material changes by this Amendment #2 are the following:

- The addition of the Area described as “Amendment #2 Area”;
- Section I. Eligible Projects is updated and revised, page 9 ;
- Section J. Financial Data is updated and revised, page 10 ;
- Section K. Update to Agricultural Land section, page 10:
- Exhibit A contains a legal description of the area being added “Amendment #2 Area”);
- Exhibit B contains a Map of the Gateway Economic Development Urban Renewal Area including Amendment #2 area.

Except as modified by this Amendment, the provisions of the original Gateway Economic Development Urban Renewal Plan are hereby ratified, confirmed, and

approved and shall remain in full force and effect as provided herein. In case of any conflict or uncertainty, the terms of this Amendment shall control.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The legal description of the property being added to the Gateway Economic Development Urban Renewal Area (called Amendment #2 Area”) is attached hereto as Exhibit “A”. A map of the Amendment #2 Area and including the entire Gateway Economic Development Urban Renewal Area, as amended, is attached hereto as Exhibit “B”.

C. AREA DESIGNATION

With the adoption of this Plan, the City of Waukee designated this Gateway Economic Development Urban Renewal Area as an economic development district that is appropriate for the promotion of new commercial and light industrial development. This designation continues in this Amendment.

D. HISTORY AND PURPOSE

The City’s first Urban Renewal Area was established in 1988. Over the years, as the City continued to grow and commercial development opportunities became available, the City created and amended several new urban renewal areas. In 2004, the City linked the various urban renewal areas that had been created in previous years.

In 2011, the City of Waukee approved a Unified Urban Renewal Plan and Amendment No. 1. The 2011 Unified Plan continued the City’s objective to consolidate and link the urban renewal areas in order to maximize the future expenditures of incremental property tax revenues necessary to promote economic development. Amendment Nos. 2, 3 4, 5 and 6 to the Unified Plan followed.

The City of Waukee has received approval for a new interchange off Interstate 80. Work on the connecting corridor (Grand Prairie Parkway) to the new interchange began in the fall of 2013 with the interchange work beginning in October 2014.

When the interchange and connecting corridor are completed, it will open up over 1,000 acres of available land for development. Through planning studies that have been completed, it is estimated that, over time, this new development area can support up to 7,000 additional residential units and 8.8 million square feet of commercial and office development. This development potential equates to an additional 15,000 residents and between 20,000 and 25,000 new jobs.

The Gateway Economic Development Area was established to include all of the existing undeveloped property within the proposed corridor as well as the existing right-of-way for those corridor improvements which will be completed over the next several years.

In 2013, when the Gateway Economic Development Urban Renewal Plan was adopted, the majority of the area to be included in the new Gateway development corridor was a part of the Unified Urban Renewal Area but had remained undeveloped due to lack of public infrastructure. Simultaneously with the adoption of the Gateway Economic Development Area, the City amended its Unified Urban Renewal Area, described above, to reflect changes in that Area's uses and development opportunities.

With the construction of the new interchange, Waukee will be provided with a direct access to Interstate 80. This new interstate connection will provide new and unique opportunities to the community, including:

- Development potential for highway service businesses which primarily rely on the traveler as a market.
- Attractive access for companies in need of the interstate corridor such as those that are transportation based, market oriented, or distribution related.
- Convenient traffic access which translates into reduced travel time for commuters.
- Large lot tracts of developable land appropriate for companies in need of minimal congestion, convenience to suburban workforce, and new appropriately-sized infrastructure.
- Potential to recruit big box retailers who draw from a more regional customer base and who rely on the ease of access made available by locating near the Interstate.

In order to accommodate this new development, it is estimated that various infrastructure and development projects will cost in the range of \$70 - \$80 million [increased from \$45 - \$50 million estimate in the Original Plan] and will be completed over the next several years. In addition to incremental taxes, the City intends to apply for available federal and state dollars as a funding resource.

The City's plan in 2013 was that as the City begins to invest millions of dollars in infrastructure to support this new corridor, City officials believed it was necessary to remove from the Unified Urban Renewal Area those parcels which are undeveloped to date and to re-establish those areas as a new and separate Urban Renewal Area.

The Gateway Economic Development Urban Renewal Area will allow the City to plan for, execute and pay for the costs of the necessary public infrastructure to

service new development and will allow the City the ability to maximize future expenditures of incremental property tax revenues to promote economic development within the new connecting corridor.

E. BASE VALUE

If the Gateway Economic Development Urban Renewal Area is legally established and debt is certified prior to December 1, 2013, the taxable valuation within the district as of January 1, 2012, will be considered the “base valuation.” If debt is not certified until a later date, the “base value” will be the assessed value of the taxable property in the Urban Renewal Area as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt. As of the adoption of Amendment #2, the City has not yet certified any indebtedness pursuant to Iowa Code Section 403.19. Accordingly, no frozen base value has been established for any part of this Area.

It is anticipated that a number of TIF ordinances will be adopted for various parcels within the Urban Renewal Area, corresponding to the completion of new development projects.

F. DEVELOPMENT PLAN

Waukees has a general plan for physical development of the City outlined in the Waukees Comprehensive Land Use Plan, adopted in 2008. This Urban Renewal Plan, as amended by Amendment #2, is in conformity with the 2008 Comprehensive Plan and the land use policy and priorities that were adopted as part of the planning process. Specific objectives identified in the Comprehensive Plan include, but are not limited to, a connected citizenry involving the creation of strong civic gathering places; a successful and economically viable downtown; business environments that define the future through innovation and creativity; and mixed-use and neighborhood integrated commercial developments which maintain a strong retail base and are designed to be sustainable.

The Gateway Economic Development Urban Renewal Area is primarily zoned agricultural, commercial, and commercial office. A small portion of the Area is zoned Multi-Family Residential and Townhomes.

This Urban Renewal Plan does not change or in any way replace the City’s current land use planning or zoning regulation process.

The need for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area is set forth in this Plan. As the Area develops, the need for public

infrastructure extensions and upgrades will be evaluated and planned for by the City.

G. AREA OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for new commercial and light industrial development within the district. More specific objectives for development within the Gateway Economic Development Urban Renewal Area are as follows:

1. To stimulate through public action and commitment, private investment in new commercial and light industrial development.
2. To plan for and provide sufficient land for commercial and light industrial development in a manner that is efficient from the standpoint of providing municipal services.
3. To provide for the installation of public infrastructure and other public facilities which contribute to the sound development in the Area.
4. To provide a more marketable and attractive investment climate.
5. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

H. TYPE OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage the development of the Area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, Code of Iowa including, but not limited to, tax increment financing. Activities may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure, including but not limited to streets, storm water drainage, sanitary sewer, water, sidewalks, street lights, parks and open spaces, recreational trails or facilities, landscaping, public utilities or other related facilities in connection with urban renewal projects.

3. To provide for the construction of urban renewal projects or specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To make loans, forgivable loans, tax rebate payments or other types of economic development grants or incentives to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.
5. To use tax increment financing to facilitate urban renewal projects, including but not limited to, actions to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
6. To borrow money and to provide security therefor.
7. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific urban renewal projects.
8. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear, or prepare the property for redevelopment.
9. To dispose of property so acquired.
10. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Waukee and the State of Iowa.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the Code of Iowa in furtherance of the objectives of this Urban Renewal Plan.

I. ELIGIBLE PROJECTS (updated by Amendment #2)

There have been no prior projects to date where debt has been certified within the Gateway Economic Development Urban Renewal Area. Although certain project activities may occur over a period of years, the Eligible Urban Renewal Projects under this Plan include:

1) **Public Improvements:**

Project	Estimated Date	Estimated Cost	Rationale
Grand Prairie Parkway (Interstate 80 to University) Streetscape Enhancements – landscaping, trails, underpass enhancements, signage	2016-2019	\$2,000,000 - \$4,000,000	Commercial Corridor Roadway Expansion
Alice’s Road Expansion Phase 1 (University to Olson)	2016- 2019	\$6,500,000 - \$8,000,000	Commercial Corridor Roadway Expansion
Alice’s Road Expansion Phase 2 (Olson to Hickman)	2016- 2019	\$7,500,000 - \$9,000,000	Commercial Corridor Roadway Expansion
TOTAL		\$16,000,000- \$ 21,000,000	Note: This total does not include financing costs related to debt issuance.

Note: It may be that the above costs will be reduced by the application of state and /or federal grants or programs; cost-sharing agreements with other entities; or other available sources of funds.

2) **Development Agreements:**

Future Development Agreements: The City expects to consider requests for Development Agreements for projects that are consistent with this Plan, in the City’s sole discretion. Such Agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider incentives as authorized by this Plan, including but not limited to land, loans, grants, rebates, public infrastructure assistance and other incentives. The costs of such Development Agreements will not exceed \$8,000,000 - \$10,000,000.

3) **Related Planning Costs:**

Planning, engineering fees for planning work, and legal fees to support proposed urban renewal projects are estimated not to exceed \$2,000,000.

J. FINANCIAL DATA

1.	July 1, 2015, constitutional debt limit:	\$64,438,160
2.	Current outstanding general obligation debt:	\$46,927,654
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects (Amendment #2) has not yet been determined. This document is for planning purposes. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. In no event will the City’s constitutional debt limit be exceeded. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City’s best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness, including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects as described above will be approximately:	\$26,000,000 - \$33,000,000

K. AGREEMENT TO INCLUDE AGRICULTURAL LAND

Because some of the area being added to the Gateway Economic Development Urban Renewal Area contains land that is defined as “agricultural land” by Iowa Code Section 403.17(3), the City and property owner have entered into an agreement in which the property owner agrees to allow the City to include real property defined as “Agricultural Land” in the Urban Renewal Area. A form of the agreement is attached as Exhibit C. The original signed agreements are on file at the City Clerk’s office. Amendment #2 does include the addition of land to the Area, however the land being added does not meet the requirements for “Agricultural Land”. Therefore, no Exhibit C is attached to this Amendment.

L. URBAN RENEWAL FINANCING

The City of Waukee intends to utilize various financing tools such as those described below to successfully undertake the proposed urban renewal actions. The City of Waukee has the statutory authority to use a variety of tools to finance physical improvements within the Area. These include:

A. Tax Increment Financing.

Under Section 403.19 of the Iowa Code, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements associated with redevelopment projects. Upon creation of a tax increment district within the Area, by ordinance, the assessment base is frozen and the amount of tax revenue available from taxes paid on the difference between the frozen base and the increased value, if any, is segregated into a separate fund for the use by the City to pay costs of the proposed urban renewal projects. The increased taxes generated by any new development, above the base value, are distributed to the taxing entities, if not requested by the City and in any event upon the expiration of the tax increment district.

B. General Obligation Bonds.

Under Division III of Chapter 384 and Chapter 403 of the Iowa Code, the City has the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements and urban renewal projects within the Area. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City of Waukee. It may be the City will elect to abate some or all of the debt service on these bonds with incremental taxes from this Area.

The City may also determine to use tax increment financing to provide incentives such as cash grants, loans, tax rebates or other incentives to developers in connection with the urban renewal projects identified in this Plan related to commercial or light industrial development. In addition, the City may determine to issue general obligation bonds, tax increment revenue bonds or such other obligations, or loan agreements for the purpose of making loans or grants of public funds to private businesses located in the Area. Alternatively, the City may determine to use available funds for making such loans or grants or other incentives related to urban renewal projects.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the Code of Iowa in furtherance of the objectives of this Urban Renewal Plan.

M. PROPERTY ACQUISITION/DISPOSITION

If property acquisition/disposition becomes necessary to accomplish the objectives of the Plan, urban renewal powers will be carried out, without limitation, in accordance with the State of Iowa Urban Renewal Law.

N. RELOCATION

The City does not expect there to be any relocation required of residents or businesses as part of the Proposed Urban Renewal Projects; however, if any relocation is necessary, the City will follow all applicable relocation requirements.

O. STATE AND LOCAL REQUIREMENTS

All provisions necessary to conform to state and local laws will be complied with by the City and the developer in implementing this Urban Renewal Plan and its supporting documents.

P. SEVERABILITY

In the event one or more provisions contained in the Urban Renewal Plan, as amended, shall be held for any reason to be invalid, illegal, unauthorized or unenforceable in any respect, such invalidity, illegality, unauthorized or enforceability shall not affect any other provision of this Urban Renewal Plan, and this Urban Renewal Plan shall be construed and implemented as if such provisions had never been contained herein.

Q. URBAN RENEWAL PLAN AMENDMENTS

This Urban Renewal Area Plan may be amended from time to time for a number of reasons, including but not limited to, change in the Area, to add or change land use controls and regulations, to add or modify urban renewal projects, to modify goals or types of renewal activities, or to amend property acquisition and disposition provisions. The City Council may amend this Plan pursuant to appropriate procedures under Iowa Code Chapter 403.

R. EFFECTIVE PERIOD

This Gateway Economic Development Urban Renewal Plan Amendment #2 will become effective upon its adoption by the City Council and will remain in effect as a Plan until it is repealed by the City Council. During the life of this Plan, the City Council may designate all or any portion of the property covered by this Plan as a “tax increment area.” With respect to any property covered by this Plan

which is included in an ordinance which designates that property as a tax increment area, the use of incremental property tax revenues, or the “division of revenue,” as those words are used in Chapter 403 of the Code of Iowa, is limited to twenty (20) years from the calendar year following the calendar year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the incremental property tax revenue attributable to the Area within the ordinance. The division of revenues shall continue on the Urban Renewal Area, for the maximum period allowed by law.

It is anticipated that separate TIF ordinances for separate parcel(s) may be adopted as development in the Area warrants.

- For TIF ordinances on the Area, the frozen base for the parcels within a TIF ordinance is set as of January 1 of the calendar year before the debt is first certified on the parcel(s) within the TIF ordinance.
- Each TIF ordinance could have separate expiration dates depending on when the TIF ordinance is adopted. Per law, the collection of tax increment from the parcel(s) within the TIF ordinance will be limited to no more than 20 years.
- For example, if one of the TIF ordinances on an Area parcel(s) is both adopted and first certified in 2015, then the frozen base of the parcel(s) within the TIF ordinance is established as of 1/1/2014 and the fiscal year 2035-2036 is the last year (expiration date) that Tax Increment can be collected on property within that particular TIF ordinance.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness or bonds which qualify for payment from the division of revenue provided in Section 403.19 of the Code of Iowa) by the City for activities carried out under the Gateway Economic Development Urban Renewal Plan shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

EXHIBIT A

LEGAL DESCRIPTION OF AREA

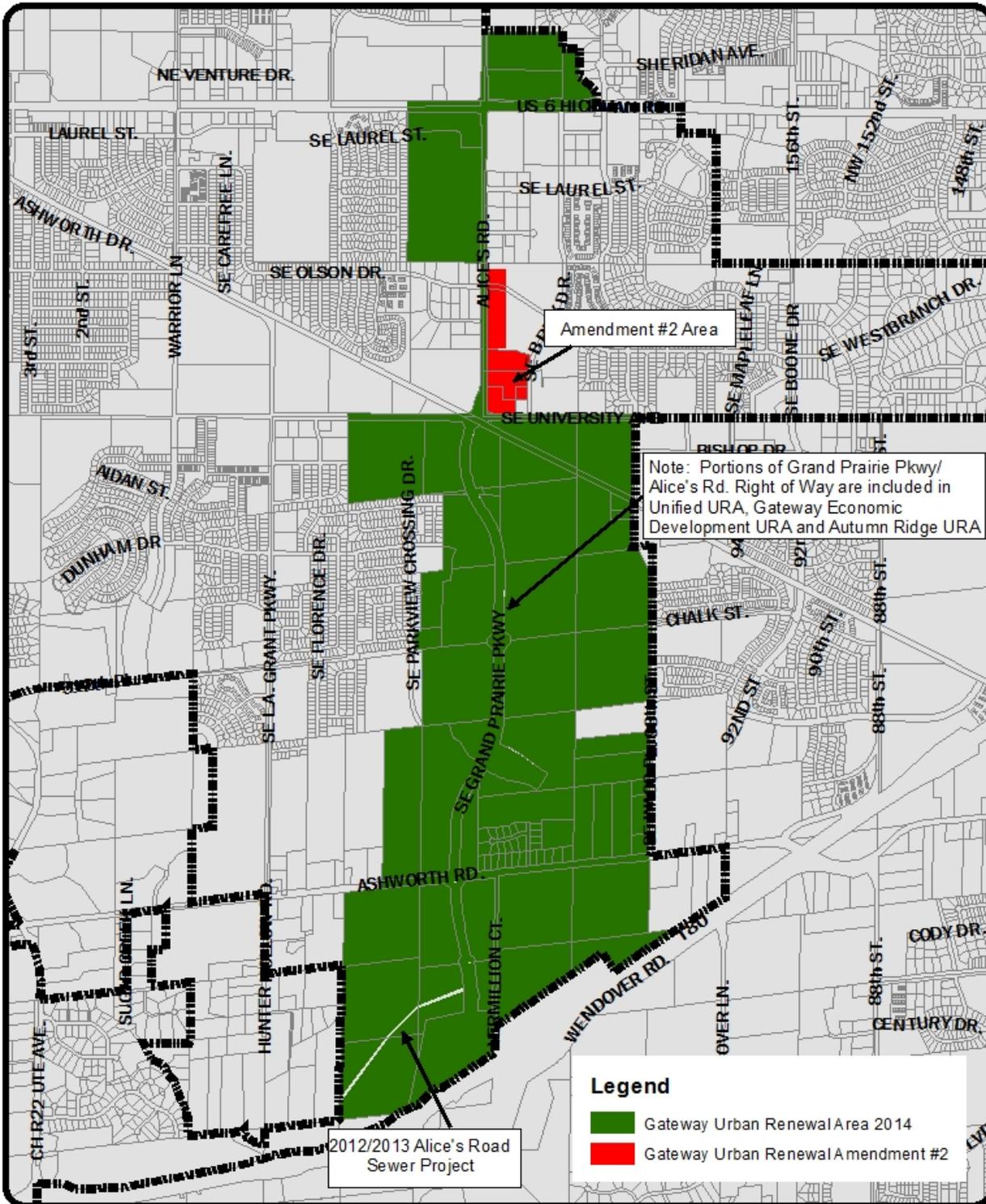
Amendment #2 Area – Property to be Added to Urban Renewal Plan

Lots 1 through 5 of Williams Pointe Plat 15, an Official Plat, City of Waukee, Iowa (Parcel # 12-35-351-002, 12-35-351-004 and 12-35-351-001); and

Parcel AA of Lot 2 of Williams Point Plat 7, an Official Plat, City of Waukee, Iowa (Parcel # 12-35-302-005); and

Lots 1 through 3 of Autumn Ridge Plat 1, an Official Plat, City of Waukee, Iowa and the adjacent SE Olson Drive right of way (Parcel # 12-35-305-002, 12-35-306-001 and 12-35-306-002)

Exhibit B
Map of Gateway Economic Development
Urban Renewal Area
 (showing original area and Amendment #2 area)



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