

**WAUKEE CENTRAL URBAN RENEWAL
PLAN**

for the

**WAUKEE CENTRAL
URBAN RENEWAL AREA**

WAUKEE, IOWA

October 2017

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**Urban Renewal Plan
Waukee Central Urban Renewal Area
City of Waukee, Iowa**

A. INTRODUCTION

This Waukee Central Urban Renewal Plan (“Plan” or “Urban Renewal Plan”) has been 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”) intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapter 403 and Chapter 15A of the Code of Iowa, as amended.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The Waukee Central Urban Renewal Area (“Area” or “Urban Renewal Area”) is described in Exhibit A and illustrated in Exhibit B.

The City reserves the right to modify the boundaries of the Area at some future date.

C. AREA DESIGNATION

With the adoption of this Plan, the City of Waukee designates this Waukee Central Urban Renewal Area as an economic development district that is appropriate for the promotion of new commercial and light industrial development.

D. BASE VALUE

If the Waukee Central Urban Renewal Area is legally established, a Tax Increment Financing (TIF) Ordinance is adopted and debt is certified prior to December 1, 2017, the taxable valuation within the area included in the TIF Ordinance as of January 1, 2016 will be considered the frozen “base value.” If debt is not certified until a later date or if a TIF ordinance is not adopted until later, the “base value” will be the assessed value of the taxable property within the TIF Ordinance area as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt on the Area.

E. DEVELOPMENT PLAN

Waukee has a general plan for the physical development of the City as a whole outlined in the Waukee Comprehensive Plan, adopted by the City on March 10, 2008, and last amended in September 2017. The goals and objectives of this Urban Renewal Plan, including the urban renewal projects, are in conformity with the City's Comprehensive Plan.

The Urban Renewal Area is currently zoned commercial. This Urban Renewal Plan does not in any way replace or modify 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 amended. As the Area develops, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

F. PLAN 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 Waukee Central Urban Renewal Area are as follows:

1. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.
2. To plan for and provide sufficient land for commercial and industrial development in a manner that is efficient from the standpoint of providing municipal services.
3. To provide for the installation of public works and facilities including, but not limited to, water, sanitary sewer and other public improvements, which contribute to the revitalization of the area and to the sound development of the entire City.
4. To encourage commercial and industrial growth and expansion through governmental policies which make it economically feasible to do business.

5. To provide a more marketable and attractive investment climate through the use of various federal, state and local incentives.
6. To stimulate, through public action and commitment, private investment in new and existing commercial and/or industrial development.
7. To improve the conditions and opportunities for economic development, both commercial and industrial.
8. To help develop a sound economic base that will serve as the foundation for future growth and development.
9. To improve recreational, tourism, cultural, and educational opportunities.
10. To enhance the Waukee community by fostering an entrepreneurial climate, diversifying the local economy, encouraging opportunities for new businesses, and supporting retention of existing businesses.

G. 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. New, rehabilitated, converted, or expanded industrial uses within the Area.
2. New, rehabilitated, converted, or expanded commercial uses within the Area.

General development activities by the City in the Waukee Central Urban Renewal Area 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 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.

H. PROPOSED PROJECTS

Although certain project activities may occur over a period of years, the Proposed Urban Renewal Projects under this Plan include:

1) Development Agreements:

(a) *Agreement with The Rose Companies and Deery, Deery & Deery, LLC.* The City anticipates entering into a Development Agreement (the "Agreement") with The Rose Companies (the "Developer") and Deery, Deery & Deery, LLC (the "Employer"). The Agreement would obligate the Developer to construct certain Public Improvements (as defined in the Agreement) on certain property with the Area ("Development Property"). The Agreement would further obligate the Developer to complete Minimum Improvements (as defined in the Agreement) on a portion of the Development Property, including construction of a new 38,975 square foot building and associated paved lot to be used for a car dealership with cost for construction estimated to be \$6,500,000.00. The Agreement would further obligate the Employer to employ employees at the Minimum Improvements. The Agreement would obligate the City to make five (5) annual payments of Economic Development Grants to Developer, each consisting of 100% of the Tax Increments pursuant to the Iowa Code Section 403.19 and generated by the construction of the Minimum Improvements, under the terms and following satisfaction of the conditions set forth in the Agreement, up to a cumulative total for all such payments to Developer not to exceed the lesser of the cost of the Public Improvements or \$910,000.

(b) *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 \$2,500,000.

2) Related Planning Costs:

Planning, engineering fees for planning work, and legal fees to support proposed urban renewal projects are estimated not to exceed \$50,000.

I. FINANCIAL DATA

1.	July 1, 2017, constitutional debt limit:	\$80,529,812
2.	Current outstanding general obligation debt:	\$61,424,472
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Proposed Urban Renewal Projects 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 Proposed Urban Renewal Projects as described above will be approximately:	\$3,460,000

J. AGREEMENT TO INCLUDE AGRICULTURAL LAND

Agricultural land owners affected by the Waukee Central Urban Renewal Area have entered into an agreement in which they have agreed to allow the City to include their real property defined as "Agricultural Land" in the Urban Renewal Area in accordance with Iowa Code Section 403.17(3). A copy of the agreement of each agricultural land owner within the Urban Renewal Area has signed is attached as Exhibit C. The original signed agreements are on file at the City Clerk's office.

K. 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 or economic development incentives 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 eligible 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.

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 urban renewal projects for commercial or industrial development or other urban renewal projects. 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 Areas. Alternatively, the City may determine to use available funds for making such loans or grants for urban renewal projects. In any event, the City may determine to use tax increment financing to reimburse the City for any obligations or advances.

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 within the Area or incentives for development consistent with this Plan. 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.

C. Other City Lawful Powers

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.

L. 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.

M. 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.

N. 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.

O. 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 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.

P. EFFECTIVE PERIOD

This Urban Renewal Plan 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.

With respect to the property included within the Waukee Central Urban Renewal Area, which is also 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 beginning with the first 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 revenues attributable to that property within a TIF ordinance of the Waukee Central Urban Renewal Area. The division of revenues shall continue on the Urban Renewal Area for the maximum period allowed by law.

It is also anticipated that separate TIF ordinances for separate parcel(s) may be adopted as development in the Area warrants. In this case, each separate TIF ordinance may have a separate base and separate sunset or expiration date.

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 Waukee Central Urban Renewal Area shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

Q. SEVERABILITY

If any part of the Plan is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the Plan as a whole, or any part of the Plan not determined to be invalid or unconstitutional.

EXHIBIT A

LEGAL DESCRIPTION OF AREA

The Waukee Central Urban Renewal Area is described as follows:

PARCEL 17-140 AS DESCRIBED WITHIN THE PLAT OF SURVEY RECORDED IN
BOOK 2016 PAGE 24530, DALLAS COUNTY, IOWA 50263

INCLUDES PARCEL #1232200005

EXHIBIT B

MAP OF WAUKEE CENTRAL URBAN RENEWAL AREA

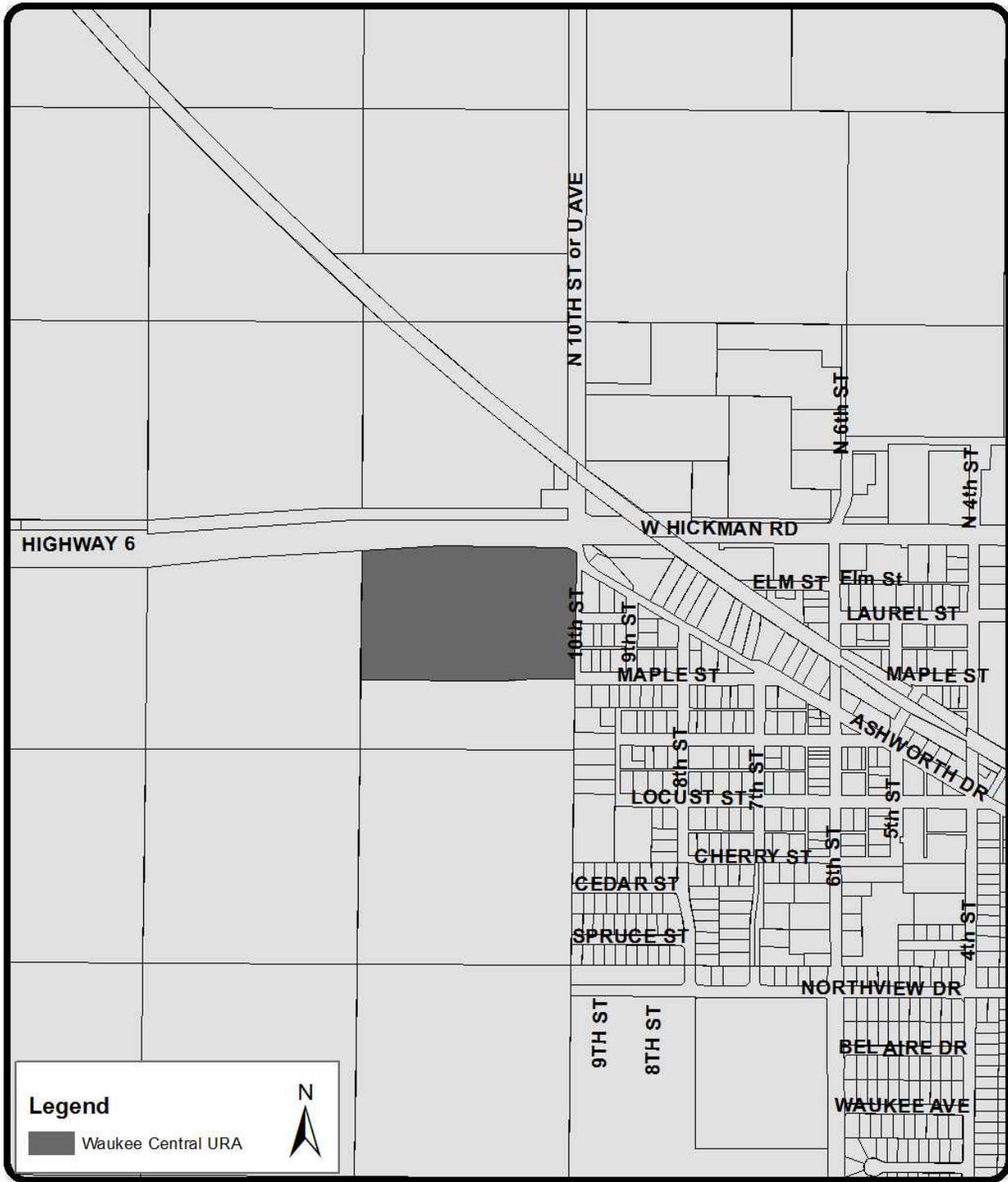


EXHIBIT C

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE WAUKEE CENTRAL URBAN RENEWAL AREA

WHEREAS, the City of Waukee, Iowa, (the "City") has proposed the Waukee Central Urban Renewal Plan ("Plan") for the Waukee Central Urban Renewal Area (the "Urban Renewal Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of the Area will include certain property designated in the Waukee Central Urban Renewal Plan ("Property"); and

WHEREAS, Section 403.17(10) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that the portion of the Property owned by the Agricultural Land Owner below meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain Property within the proposed Urban Renewal Area and agrees that the City of Waukee, Iowa, may include such Property within the Urban Renewal Area.

2. The Agricultural Land Owner further authorizes the governing body of the City of Waukee, Iowa, to pass any resolution or ordinance necessary to designate said Property as part of the Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this ____ day of _____, 2017.

~~DEERY, DEERY & DEERY, LLC~~, Agricultural Land Owner's Name:

Agricultural Land Owner's Name: _____

~~Brad Deery, Manager~~
Signature: _____

Signature: _____

Date: 9-27-17

Date: _____

Witness: Kathy Bray

Witness: _____

Approved by the Waukee City Council on the ____ day of _____, 2017.

Mayor

Attest: City Clerk
