

**Sycamore and First Avenue
Urban Renewal Plan
Amendment No. 2
City of Iowa City, IA**

**Original Plan Adopted 2000
Amendment No. 1 -- 2003**

Prepared by: Wendy Ford, 410 E. Washington St., Iowa City, IA 52240 (319) 356-5248

RESOLUTION NO. 14-301

RESOLUTION APPROVING AMENDMENT NO. 2 TO THE SYCAMORE AND FIRST AVENUE URBAN RENEWAL PLAN TO ADD A PROPOSED URBAN RENEWAL PROJECT.

WHEREAS, September 16, 2014, City Council adopted a resolution of necessity (Reso. No. 14-249) contemplating an amendment to the Sycamore and First Avenue Urban Renewal Plan to facilitate consideration of a new urban renewal project, said amendment being the second amendment thereto, and

WHEREAS, in addition to the projects in the Sycamore and First Avenue Urban Renewal Plan, as previously amended, proposed Urban Renewal Projects under this amendment include additional private development agreements for Core Sycamore Town Center, LLC, for the renovation and rehabilitation of portions of the mall, improved pedestrian access and certain hardscape and landscape improvements to the parking lot, and

WHEREAS, pursuant to Reso. No. 14-273, consultation with affected taxing entities was duly held and all required responses to the recommendations made by the affected taxing entities, have been timely made as set forth in the report of the Economic Development Coordinator filed herewith and incorporated herein by the reference, which report is in all respects approved; and

WHEREAS, pursuant to said Reso. No. 14-273, a public hearing was held after due and proper notice of said public hearing was given, as provided by law, by timely publication in the Press Citizen.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF IOWA CITY, IOWA:

Section 1. This Council finds that the Amendment No. 2 to the Sycamore and First Avenue Urban Renewal Plan conforms to the general plan for the development of the City as a whole; and.

Section 2. That the Amendment No. 2 is hereby approved and adopted as the "Amendment No. 2 to the Sycamore and First Avenue Urban Renewal Plan"; and the City Clerk is hereby directed to file a certified copy of said Amendment No. 2 with the proceedings of this meeting.

Section 3. That the Sycamore and First Avenue Urban Renewal Plan, as amended herein, shall be in full force and effect from the date of this resolution until the later of the date of termination set forth in the Plan, as amended, or the date on which payment of all obligations issued or advances made to carry out the purposes thereof shall be fully provided for. Said Amendment No. 2 shall be forthwith certified by the City Clerk, along with a copy of this Resolution, to the Recorder for Johnson County, Iowa, to be filed and recorded in the manner provided by law.

PASSED AND APPROVED this 21st day of October, 2014.

[Handwritten signature]

Mayor

ATTEST:

Marian K. Kaw

City Clerk

Approved By

Sara Greenwood Hektoen

City Attorney's Office 10/8/14

Resolution No. 14-301
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It was moved by Mims and seconded by Dickens the
Resolution be adopted, and upon roll call there were:

AYES:

NAYS:

ABSENT:

X
X

X
X
X

X

X

Botchway
Dickens
Dobyns
Hayek
Mims
Payne
Throgmorton

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SECTION 1- INTRODUCTION

The Sycamore and First Avenue Urban Renewal Plan ("Plan") for the Sycamore and First Avenue Urban Renewal Area ("Area") was originally adopted in 2000 to address vacancy rates in the Sycamore Mall and other properties and the general decline of the property values in the area. Amendment #1 was adopted in 2003 to add more area to the Plan. This Amendment #2 does not change the goals for the Area, but rather allows the City to support an economic development project at the Iowa City Marketplace, formerly known as the Sycamore Mall.

No land is being added to the Area by this Amendment #2. Except as modified by this Amendment, the provisions of the Sycamore and First Avenue Urban Renewal Plan, as amended, are hereby ratified, confirmed, and approved and shall remain in full force and effect. In case of any conflict or uncertainty, the terms of this Amendment shall control.

SECTION 2- URBAN RENEWAL GOALS AND OBJECTIVES

The goals of the plan remain unchanged: to formulate and execute a workable program using public and private resources to develop the Urban Renewal Project Area for retail, office, other commercial and industrial uses.

SECTION 3 - PROPOSED URBAN RENEWAL PROJECTS

Although certain project activities may occur over a period of years, in addition to the projects previously proposed in the Plan, as amended, the following proposed urban renewal projects are hereby added to the Plan:

Economic Development:

Project	Date	Estimated Cost	Rationale
A TIF rebate agreement with mall owner, CORE Sycamore Town Center, LLC to assist with the cost of renovations required for tenant improvements for new anchor tenants.	2014 – 2015	\$1,750,000	After the former anchor tenant was compelled to relocate, other mall tenants left, relocated or sold their businesses, creating a steep decline in property value and a high rate of vacancy. Securing new anchor tenants will help ensure the long-term viability of this development and increase the taxable valuation of the property.
\$1,750,000			

SECTION 4 - DEBT

1.	FY 2014 constitutional debt limit:	\$233,415,950
2.	Outstanding general obligation debt:	\$67,001,000
3.	Proposed amount of loans, advances, indebtedness or bonds to be incurred: The specific amount of debt to be incurred for the Proposed Urban Renewal Projects has not yet been determined. The Projects authorized in this Amendment are only proposed projects at this time. The City Council will consider each proposed project on a case-by-case basis to determine if it is consistent with the Plan and in the public's best interest. These proposed Projects, if approved, will commence and be concluded over a number of years. In no event will debt be incurred that would exceed the City's debt capacity. It is expected that such indebtedness, including interest thereon, 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 described above will be approximately as follows:	Not to exceed \$1,750,000

SECTION 5 – URBAN RENEWAL PLAN AMENDMENTS

If the City of Iowa City desires to amend this Plan, it may do so in conformance with applicable state and local laws.

SECTION 6 - EFFECTIVE PERIOD

This Urban Renewal Plan Amendment #2 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document, the Urban Renewal Plan shall remain in effect until terminated by the City Council, and 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, will be consistent with Chapter 403 of the Iowa Code.

SECTION 7 - REPEALER

Any parts of the previous Plan, as previously amended, in conflict with this Amendment are hereby repealed.

SECTION 8 - SEVERABILITY CLAUSE

If any part of the Amendment is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted Plan

as a whole or the previous amendments to the Plan, or any part of the Plan not determined to be invalid or unconstitutional.

Amended
Sycamore and First Avenue
Urban Renewal Plan

The City Council of Iowa City, Iowa, met on May 6, 2003, and held a public hearing on the proposed Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan. The Council then deferred further action on the Plan until this time and place.

Council Member Vanderhoef then introduced the following Resolution entitled "RESOLUTION DETERMINING AN AREA OF THE CITY TO BE AN ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; AND ADOPTING AMENDMENT NO. 1 TO THE SYCAMORE AND FIRST AVENUE URBAN RENEWAL PLAN THEREFOR" and moved that the same be adopted. Council Member O'Donnell seconded the motion to adopt. The roll was called and the vote was,

AYES: Vanderhoef, Wilburn, Champion, Lehman, O'Donnell

Pfab

NAYS: Kanner

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTION NO. 03-157

RESOLUTION DETERMINING AN AREA OF THE CITY TO BE AN ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; AND ADOPTING AMENDMENT NO. 1 TO THE SYCAMORE AND FIRST AVENUE URBAN RENEWAL PLAN THEREFOR

WHEREAS, by Resolution No. 00-295, adopted August 15, 2000, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Sycamore and First Avenue Urban Renewal Plan (the "Plan") for the Sycamore and First Avenue Urban Renewal Plan Area (the "Sycamore and First Avenue Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Johnson County; and

WHEREAS, the Sycamore and First Avenue Urban Renewal Area includes and consists of:

Consisting of a tract of land described as follows:

Commencing at the Southeast corner of the Northeast quarter of Section 23, Township 79N, Range 6W, in accordance with the Records of the Johnson County Auditor's Office; thence West along the South line of the Northeast quarter of Section 23 to the Southwest corner of the Northeast quarter of Section 23; thence 33 feet to a point perpendicular on the Western Right-of-Way line of Sycamore Street, thence Northerly along said Right-of-Way line to the intersection of the Western Right-of-Way line of Sycamore Street and the Northern Right-of-Way line of U.S. Highway 6, which is the Point of Beginning.

Thence Northerly along the Western Right-of-Way line of Sycamore Street to the Southeastern corner of Johnson County Auditor's Parcel 10-14-386-003, thence 66 feet to a point perpendicular on the Eastern Right-of-Way line of Sycamore Street; thence Northerly along the Eastern Right-of-Way line of Sycamore Street to the Northwestern corner of Johnson County Auditor's Parcel 10-14-457-004; thence Easterly 147.61 feet to an angle point of said Parcel; thence Northeasterly 413.83 feet; thence Northerly 57.36 feet to the Southern Right-of-Way line of Lower Muscatine Road; thence Northwesterly along the Southern Right-of-Way line of Lower Muscatine Road to a point perpendicular 33 feet from the Western corner of Johnson County Auditor's Parcel 10-14-452-004; thence Northeasterly 256.82 feet to the Northern corner of said parcel; thence Southeasterly 40 feet to the Eastern corner of said parcel; thence Northeasterly along the property line of Johnson County Auditor's Parcel 10-14-452-002 to its Northern corner; thence Southeasterly 150 feet along the property line of said parcel to its Eastern corner; thence Southwesterly 224.9 feet to the intersection of said parcel's Southern corner and the Northern Right-of-Way line of Lower Muscatine Road.

Thence Southeasterly along the Northern Right-of-Way line of Lower Muscatine Road to the Northern Right-of-Way line of Mall Drive; thence

Northeasterly 1533.09 feet along the Northern Right-of-Way line of Mall Drive to the Southern Right-of-Way line of the Iowa Interstate Railroad; thence Southeasterly along said Right-of-Way line to its intersection with the Eastern line of Section 14.

Thence South along the Eastern line of Section 14 to its intersection with the Eastern Right-of-Way line of First Avenue; thence Southwesterly along said Right-of-Way line to the Western corner of Johnson County Auditor's Parcel 10-13-353-003; thence Easterly to the Eastern line of Section 14; thence South along the Eastern line of Section 14 to the Northwest corner of Johnson County Auditor's Parcel 10-13-353-002; thence Easterly 176 feet to the Eastern property line of said parcel; thence Southwesterly along the Eastern property line of Parcel 10-13-353-002 to its Southeast corner; thence Northwesterly to the Eastern line of Section 23; thence South along the Eastern line of Section 23 to the Southeast corner of the Johnson County Auditor's Parcel described as 10-23-103, 001 through 029, then Southwesterly 988.76 feet to the Northern Right-of-Way line of Lower Muscatine Road, crossing said Right-of-Way line to the intersecting point of the Southern Right-of-Way line of Lower Muscatine Road and the Northeastern corner of Johnson County Auditor's Parcel number 10-23-105-003; thence Southwesterly 157.9 feet to the Northern Right-of-Way line of U.S. Highway 6; thence Northwesterly 307.82 feet to the intersection of the Northern Right-of-Way line of U.S. Highway 6 and the Eastern Right-of-Way line of First Avenue; projecting across the First Avenue Right-of-Way along the Northern Right-of-Way line of U.S. Highway 6 to the intersection of the Western Right-of-Way line of First Avenue and the Northern Right-of-Way line of U.S. Highway 6; thence Westerly along the Northern Right-of-Way line of U.S. Highway 6 a distance of 1123.13 feet to its intersection with the Eastern Right-of-Way line of Sycamore Street, projecting across the Sycamore Street Right-of-Way along the Northern Right-of-Way of U.S. Highway 6 to the intersection of the Western Right-of-Way line of Sycamore Street and the Northern Right-of-Way line of U.S. Highway 6, to the Point of Beginning. Said parcel contains approximately 61 acres;

WHEREAS, a proposed Amendment No. 1 to the Plan has been prepared, which proposed Amendment is on file in the office of the City Clerk and which is incorporated herein by reference, the purpose of which is to set forth and include within the Plan additional land, as follows:

Commencing at the northeast corner of Mall Drive Subdivision, which is the point of beginning. Thence northwesterly along the southern boundary of the Iowa Interstate Railway, to the northeast corner of Lafferty subdivision. Thence

southerly along the eastern boundary of Lafferty Subdivision, to the centerline of Lower Muscatine Road. Thence southeasterly along said centerline of Lower Muscatine Road to a point on an extension of the westerly right-of-way of Sycamore Street. Thence southerly along said westerly right-of-way of Sycamore Street to the southeast corner of Johnson County Auditor Parcel #10-14-386-003; thence 66 feet to a point perpendicular on the eastern right-of-way line of Sycamore Street; thence northerly along the eastern right-of-way line of Sycamore Street to the northwestern corner of Johnson County Auditor's Parcel 10-14-457-004; thence easterly 147.61 feet to an angle point of said Parcel; thence northeasterly 413.83 feet, thence northerly 57.36 feet to the southern right-of-way line of Lower Muscatine Road; thence northwesterly along the southern right-of-way line of Lower Muscatine Road to a point perpendicular 33 feet from the western corner of a parcel formerly known as Johnson County Auditor's Parcel #10-14-452-004; thence northeasterly 223.82 feet to the northern corner of said parcel; thence southeasterly 40 feet to the eastern corner of said parcel; thence northeasterly along the property line of said parcel formerly known as Johnson County Parcel #10-14-452-002 to its northern corner; thence southeasterly 150 feet along the property line of said Parcel to its eastern corner; thence southwesterly 224.9 feet to the intersection of said Parcel's southern corner and the northern right-of-way line of Lower Muscatine Road. Thence southeasterly along the northern right-of-way line of Lower Muscatine Road to the northern right-of-way line of Mall Drive; thence northeasterly 1,533.09 feet along the northern right-of-way line of Mall Drive to the southern right-of-way line of the Iowa Interstate Railroad, which is the point of beginning.

Said parcel contains approximately 51 acres.

WHEREAS, it is desirable that these areas be redeveloped as part of the overall redevelopment area covered by said Plan;

WHEREAS, the Iowa statutes require the City Council to submit the proposed Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan to the Planning and Zoning Commission for review and recommendation as to its conformity with the general plan for development of the City as a whole, prior to City Council approval thereof; and

WHEREAS, adoption of Amendment No. 1 has been approved by the Planning and Zoning Commission for the City as being in conformity with the general plan for development of the City as a whole, as evidenced by its written report and recommendation filed herewith, which report and recommendation is hereby accepted, approved in all respects and incorporated herein by this reference; and

WHEREAS, by resolution adopted on March 11, 2003, this Council directed that a

consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan and the division of revenue described therein, and that notice of said consultation and a copy of the proposed Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan be sent to all affected taxing entities; and

WHEREAS, pursuant to such notice, the consultation was duly held as ordered by the City Council and all required responses to the recommendations made by the affected taxing entities, if any, have been timely made as set forth in the report of the Community and Economic Development Coordinator filed herewith and incorporated herein by this reference, which report is in all respects approved; and

WHEREAS, by said resolution this Council also set a public hearing on the adoption of Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan for this meeting of the Council, and due and proper notice of said public hearing was given, as provided by law, by timely publication in the "Press Citizen, which notice set forth the time and place for this hearing and the nature and purpose thereof; and

WHEREAS, in accordance with said notice, all persons or organizations desiring to be heard on said proposed Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan, both for and against, have been given an opportunity to be heard with respect thereto and due consideration has been given to all comments and views expressed to this Council in connection therewith and said public hearing has been closed.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF IOWA CITY, IOWA:

Section 1. That the findings and conclusions set forth or contained in the Plan and Amendment No. 1 thereto concerning the area of the City of Iowa City, Iowa described in the preamble hereof, be and the same are hereby ratified and confirmed in all respects as the findings of this Council for this area.

Section 2. This Council further finds:

a. A feasible method exists for the location of families who will be displaced from the Sycamore and First Avenue Urban Renewal Area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families;

b. The Plan and Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan of the City of Iowa City, Iowa, conform to the general plan for the development of the City as a whole; and

c. As to those areas of open land included within the Sycamore and First Avenue Urban Renewal Area to be acquired by the City:

i. With reference to those portions thereof which are to be developed for residential uses, this City Council hereby determines that a shortage of housing of sound standards and design with decency, safety and sanitation exists within the City; that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality; and that one or more of the following conditions exist:

A. That the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas, including other portions of the urban renewal area.

B. That conditions of blight in the municipality and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime, so as to constitute a menace to the public health, safety, morals, or welfare.

C. That the provision of public improvements related to housing and residential development will encourage housing and residential development which is necessary to encourage the retention or relocation of industrial and commercial enterprises in this state and its municipalities.

D. The acquisition of the area is necessary to provide for the construction of housing for low and moderate income families.

ii. With reference to those portions thereof which are to be developed for non-residential uses, the City Council hereby determines that such non-residential uses are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

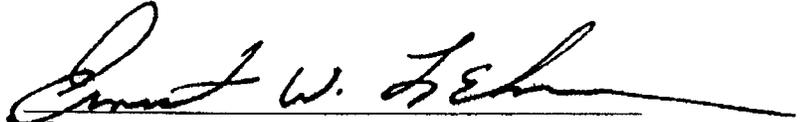
Section 3. That the Sycamore and First Avenue Urban Renewal Area is an economic development area within the meaning of Iowa Code Chapter 403; that such area is eligible for designation as an urban renewal area and otherwise meets all requisites under the provisions of Chapter 403 of the Code of Iowa, and that the rehabilitation, conservation, redevelopment, development, or a combination thereof, of such area is necessary in the interest of the public health, safety or welfare of the residents of this City.

Section 4. That Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan of the City of Iowa City, Iowa be and the same is hereby approved and adopted as "Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan for the City of Iowa City, Iowa"; Amendment No. 1 to the Sycamore and First Avenue Urban Renewal plan of the City of Iowa City, Iowa, is hereby in all respects approved; and the City Clerk is hereby directed to file a certified copy of said Amendment No. 1 with the proceedings of this meeting.

Section 5. That the Plan, as so amended, for the Sycamore and First Avenue Urban Renewal Area shall be in full force and effect from the date of this Resolution until the later of the date of termination set forth in the Plan as so amended, or the date on which payment of all obligations issued or advances made to carry out the purposes thereof shall be fully provided for. Said proposed Amendment No. 1 to the Sycamore and First Avenue Urban Renewal Plan shall be forthwith certified by the City Clerk, along with a copy of this Resolution, to the Recorder for Johnson County, Iowa, to be filed and recorded in the manner provided by law.

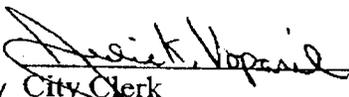
Section 6. That all other provisions of the Plan not affected or otherwise revised by the terms of Amendment No. 1 thereto, as well as Resolution No. 00-295 previously adopted by this City Council be and the same are hereby ratified, confirmed and approved in all respects.

PASSED AND APPROVED this 20th day of May, 2003.



Mayor

ATTEST:



Deputy City Clerk

DLILLEBO\365030\110714.060

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Addendum No. 1 - Legal Description

Addendum No. 2 – Sycamore and First Avenue Urban Renewal Project Area Map

Introduction

The Sycamore & First Avenue Urban Renewal Area was originally adopted August 2000 to address vacancy rates and the general decline of the property values in the area. The City of Iowa City carries on the original intent of the Urban Renewal Plan and will expand the district to address public infrastructure needs, encourage revitalization of the area and further develop industrial zoned properties within the Urban Renewal Area. The **Iowa City Comprehensive Plan – 1997** provides a vision for the economic well-being for the residents of Iowa City and outlines the goals the community must strive to achieve in order to attain its economic well-being vision.

The goals outlined in the Comprehensive Plan are:

- Diversify and increase the property tax base by (1) encouraging the retention and expansion of existing industry and (2) attracting industries that have growth potential and are compatible with existing businesses;
- Increase employment opportunities consistent with the available labor force;
- Provide and protect areas suitable for future industrial and commercial development;
- Cooperate with local and regional organizations to promote economic development within Iowa City;
- Make public and private infrastructure and site improvements as deemed necessary by the City to support new and expanded commercial or industrial development;
- Improve the environmental and economic health of the community through the efficient use of resources; and
- Consider financial incentives and programs to facilitate achieving the above goals.

In recent years, vacancy rates have increased in certain commercial areas of the community due to the proliferation of new commercial areas in the Iowa City retail trade area, but outside the Iowa City corporate limits. The Sycamore and First Avenue Urban Renewal Area (referred to hereafter in this Plan as the Urban Renewal Project Area) is one of those areas. Although improvement in the area has occurred since 2000, the continued application of the goals and incentives described herein is essential.

The Iowa City Comprehensive Plan calls for encouraging commercial activity to take place in existing core areas or neighborhood commercial centers and to discourage the proliferation of new major commercial areas. To assist with ensuring that this existing commercial area remains competitive with newer commercial areas in the metropolitan area, the City intends to make available the use of tax increment financing as a means to help finance the construction of some of the necessary private and/or public infrastructure improvements within the Sycamore and First Avenue Urban Renewal Plan Area. In addition, the City will make available the use of tax increment financing to provide rebates for qualifying businesses or development projects within the Urban Renewal Project Area.

To achieve the primary objectives of this Plan, the City of Iowa City shall undertake the urban renewal actions as specified in this Urban Renewal Plan, pursuant to the powers granted to it under Chapter 403 of the 2001 Code of Iowa, as amended.

Urban Renewal Plan Objectives

The overall goal of the Sycamore and First Avenue Urban Renewal Plan is to formulate and execute a workable program using public and private resources to develop the Urban Renewal Project Area for retail, office, other commercial and industrial uses. The following objectives have been established for the proposed Urban Renewal Project Area:

- To encourage the revitalization of commercial activity in the Urban Renewal Project Area, in particular the revitalization of retail, theaters, restaurants, and business and personal service establishments.
- To expand the taxable values of property within the Urban Renewal Project Area.
- To provide for the orderly physical and economic growth of the city.
- To make public improvements as deemed necessary by the City to support commercial and industrial activity within the Urban Renewal Project Area.
- To provide financial incentives and assistance to qualifying development projects and businesses.

Description of Urban Renewal Area

The legal description of this proposed Urban Renewal Project Area is included in the Plan as Addendum No. 1 - Legal Description.

The location and general boundaries of the Sycamore and First Avenue Urban Renewal Plan Area are shown on Addendum No. 2 - Location Map: 2003 Amendment to the Sycamore and First Avenue Urban Renewal Project Area. This area is approximately 112 acres.

Proposed Urban Renewal Actions

Proposed urban renewal actions will consist of private site improvements, public infrastructure improvements, and financial incentives to encourage office, retail, other commercial and industrial developments.

Private Site Improvements

Site improvements may include, but are not limited to, design and construction of buildings and building additions, grading for building construction and amenities; adequate paving and parking; adequate landscaping; and on-site utilities. Tax increment financing may be used by qualifying businesses to finance these private site improvements. Qualifying businesses must meet the requirements of the *Financial Incentives* section in order to use tax increment financing for private site improvements.

Public Infrastructure Improvements

Public infrastructure improvements may include, but are not limited to, stormwater management facilities, public streets and sidewalks, sanitary sewers, storm sewers, and open space improvements. Tax increment financing may be available to finance the construction of these improvements, in whole or in part, at the City Council's discretion.

Financial Incentives

At the City Council's discretion and as permitted by *Iowa Code*, Chapter 403.19, tax increment financing may be available for providing direct grants, forgivable loans, or property tax rebates for qualifying businesses in the Urban Renewal Area. TIF rebates may be used for, but are not limited to, financing the private site improvements listed above. Qualifying businesses and development projects shall be determined by the City Council on a case by case basis. The Council's determination shall be based upon the financial assistance guidelines outlined in Addendum A of the "Economic Development Policies, Strategies, and Actions for the City of Iowa City" and on additional performance criteria the Council finds appropriate on a case by case basis. These performance criteria may include, but are not limited to, how a project revitalizes retail establishments, theaters, restaurants, business and personal service establishments and industrial properties in the Urban Renewal Project Area, the extent of a project's physical improvements, timeliness of project's completion, and financial considerations of a project. In addition, the City Council will consider the overall economic condition of the urban renewal area commensurate with the impact of the proposed project and the risks associated with projects on a case by case basis.

Conformance with Land Use Policy and Zoning Ordinance

Comprehensive Plan

The Urban Renewal Project Area is located in the area designated by the Iowa City Comprehensive Plan as the Southeast Planning District. The Iowa City Comprehensive Plan designates the Urban Renewal Project Area as appropriate for General Commercial and Industrial uses.

Current Zoning

The Project Area's present zoning designations CC-2, CO1, P, and I1 are consistent with this Urban Renewal Plan and with the Iowa City Comprehensive Plan.

Current and Proposed Land Uses

The current land uses consist of commercial, industrial, public and commercial residential uses. The proposed land uses include retail, office, industrial, and other commercial and residential uses permitted in the Community Commercial Zone.

Relocation of Families

Though the Sycamore and First Avenue Urban Renewal Plan does not anticipate the need to relocate families, in the event that such needs arise the City has considered provisions for the relocation of persons, including families, business concerns and others who could be displaced as a result of improvements to be made in the designated Urban Renewal Project Area. Upon such consideration, the following shall be provided under the Sycamore and First Avenue Urban Renewal Plan:

Benefits

Upon the City's verification of a property owner's eligibility for tax increment financing, qualified tenants in the designated Urban Renewal Project Area shall be compensated by the property owner for one month's rent and for actual reasonable moving and related expenses, where said displacement was due to action on the part of the property owner to qualify for said tax increment financing.

Eligibility

"Qualified tenant" means the legal displaced occupant of a residential dwelling unit which is located within the designated Urban Renewal Project Area where the person or family has occupied the same dwelling unit continuously for twelve months prior to the City making tax increment financing available to a project within the Urban Renewal Project Area. There are no relocation provisions made for displacement from commercial units.

Actual Reasonable Moving and Related Expenses

A qualified tenant of a dwelling is entitled to actual reasonable expenses for:

- a. Transportation of the displaced person and personal property from the displacement site to the replacement site. Transportation costs for a distance beyond twenty-five miles are not eligible.
- b. Packing, crating, unpacking and uncrating of personal property.
- c. Disconnecting, dismantling, removing, reassembling and reinstalling relocated household appliances and other personal property.
- d. Discontinuing, transferring or reconnecting utility services, including cable television.

Least Costly Approach

The amount of compensation for an eligible expense shall not exceed the least costly method of accomplishing the objective of the compensation without causing undue hardship to the displaced tenant and/or landlord.

Current Debt and Proposed Indebtedness

List of Current General Obligation Debt

General Obligation Debt by Issue

<u>Issue Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>2-28-03 Principal Outstanding</u>	<u>Notes</u>
1996	6,100,000	3.6%-5.5%	6/15	4,475,000	(1)
1997	5,200,000	4.5%-4.7%	6/07	2,050,000	
1997	5,540,000	4.875%-5.0%	6/17	4,150,000	(2)
1998	8,500,000	4.35%-4.75%	6/13	5,625,000	
1999	9,000,000	4.125%-4.75%	6/18	7,125,000	
2000	14,310,000	5.0%-5.5%	6/18	12,795,000	
2001	11,500,000	4.0%-4.9%	6/16	10,315,000	
2002	29,100,000	3.5%-5.0%	6/21	27,580,000	
2002	10,600,000	2.5%-4.0%	6/15	<u>8,885,000</u>	(3)
Total Outstanding Debt through 2/28/03				<u>\$83,000,000</u>	

(1) 75.41% abated by water revenues.

(2) 100% abated by water revenues.

(3) Abatement estimates are as follows: 11.96% sewer, 13.12% parking, and 52.58% water revenues.

Current Constitutional Debt Limit of the City of Iowa City

The Constitution of the State of Iowa, Article XI, Section 3, provides as follows:

"Indebtedness of political or municipal corporations. No county, or other political or municipal corporation shall be allowed to become indebted in any manner, or for any purpose, to an amount, in the aggregate, exceeding five per centum on the value of taxable property within such county or corporation-to be ascertained by the last State and County tax lists, previous to the incurring of such indebtedness."

Debt Limit Computation

Total Assessed Actual Valuation	\$2,909,644,383
Legal Debt Limit of 5% of 2001 Assessed Actual Value	\$145,482,219
Debt Chargeable Against Limit	\$83,000,000
Legal Debt Limit Available	\$62,482,219

Proposed Amount of Indebtedness:

Through the actions of this urban renewal plan, the City of Iowa City proposes to potentially incur indebtedness for public infrastructure improvements, private site improvements, and financial incentives to qualifying businesses. Given the uncertainty of the needs of future business development projects within the Urban Renewal Area, the proposed amount of indebtedness is difficult to determine at this time. The proposed amount of indebtedness to be incurred under this Urban Renewal Plan, including loans, advances, indebtedness, or bonds which qualify, could equal approximately \$5.0 million over the 20-year period of the Urban Renewal Plan.

Other Provisions Necessary to Meet State and Local Requirements

Chapter 403 of the 2001 Code of Iowa, as amended, authorizes cities to exercise urban renewal powers and certain other powers for the development of economic development areas. Certain provisions must be fulfilled to exercise these powers. These provisions and the method(s) by which the City of Iowa City proposes to fulfill these provisions (shown with an *) are detailed below.

Provision: A Resolution of necessity finding that a slum, blighted, and/or an economic development area exists in the community and that designation of this area as a proposed Urban Renewal Project Area is appropriate.

- * A Resolution of Necessity was adopted by the City Council on March 11, 2003. This Resolution of Necessity declares the area encompassed by this Urban Renewal Plan is appropriate for development in conformance with the City's zoning and comprehensive plan; however, due to certain circumstances, appropriate economic development of office, research, production and/or assembly park uses has not occurred on the vacant and under-utilized property which exists in the proposed Urban Renewal Project Area.

Provision: A Resolution of Necessity which determines that the proposed Urban Renewal Project Area is in need of economic development because certain conditions exist which effectively hinder development.

- * A Resolution of Necessity designating the area as meeting the criteria detailed by Chapter 403, Code of Iowa (2001), was adopted by the City Council on March 11, 2003

Provision: A general plan for the development of the municipality has been adopted.

- * The City of Iowa City adopted the Iowa City Comprehensive Plan – 1997 on December 1997

Provision: The Planning and Zoning Commission has made and forwarded its recommendation(s) to the City Council as to the conformity of this Urban Renewal Plan with the Iowa City Comprehensive Plan – 1997

- * The Planning and Zoning Commission recommendation was forwarded to the City Council on April 28, 2003

Provision A designated representative of the municipality shall hold a consultation with designated representatives of the affected taxing districts after notice is given by regular mail and prior to the public hearing on the plan.

- * The consultation with representatives from the affected taxing districts was held on April 17, 2003. The notice was mailed by regular mail on April 8, 2003.

Provision Representatives of the affected taxing districts may make written

recommendations for modification to the proposed division of revenue no later than seven days following the date of the consultation. The representative of the municipality shall, no later than seven days prior to the public hearing on the urban renewal plan, submit a written response to the affected taxing entity addressing the affected taxing districts' recommendations to the proposed division of revenue.

- * Comments were not received from the affected taxing districts by April 24, 2003, which was seven days following the date of the consultation.

Provision: A public hearing on the Urban Renewal Plan is held after official publication of the public notice.

- * The public hearing on the Urban Renewal Plan document pursuant to state law was held on May 6, 2003. The public notice was published April 16, 2003, in the Press Citizen, a newspaper having a general circulation in Iowa City.

Provision: Approval of the Urban Renewal Plan by the local public agency after finding that:

(a) A feasible method exists for relocating families.

(b) The Urban Renewal Plan conforms to the general plan known as the Iowa City Comprehensive Plan – 1997.

- * On May 20, 2003, the City Council of the City of Iowa City by resolution has found this Urban Renewal Plan to be in conformance with the Iowa City Comprehensive Plan – 1997, the adopted general plan for the municipality.

Procedures for Changes in Approved Plan

If the City of Iowa City desires to amend this Urban Renewal Plan, it may do so after providing public notice, holding a public hearing on the proposed change, and undertaking other required actions in conformance with applicable state and local laws.

Addendum No. 1 - Legal Description of the Proposed Urban Renewal Project Area

Consisting of a tract of land described as follows:

Commencing at the Southeast corner of the Northeast quarter of Section 23, Township 79N, Range 6W, in accordance with the Records of the Johnson County Auditor's Office; thence West along the South line of the Northeast quarter of Section 23 to the Southwest corner of the Northeast quarter of Section 23; thence 33 feet to a point perpendicular on the Western Right-of-Way line of Sycamore Street, thence Northerly along said Right-of-Way line to the intersection of the Western Right-of-Way line of Sycamore Street and the Northern Right-of-Way line of U.S. Highway 6, which is the Point of Beginning.

Thence Northerly along the Western Right-of-Way line of Sycamore Street to the Southeastern corner of Johnson County Auditor's Parcel 10-14-386-003, thence 66 feet to a point perpendicular on the Eastern Right-of-Way line of Sycamore Street; thence Northerly along the Eastern Right-of-Way line of Sycamore Street to the Northwestern corner of Johnson County Auditor's Parcel 10-14-457-004; thence Easterly 147.61 feet to an angle point of said Parcel; thence Northeasterly 413.83 feet; thence Northerly 57.36 feet to the Southern Right-of-Way line of Lower Muscatine Road; thence Northwesterly along the Southern Right-of-Way line of Lower Muscatine Road to a point perpendicular 33 feet from the Western corner of Johnson County Auditor's Parcel 10-14-452-004; thence Northeasterly 256.82 feet to the Northern corner of said parcel; thence Southeasterly 40 feet to the Eastern corner of said parcel; thence Northeasterly along the property line of Johnson County Auditor's Parcel 10-14-452-002 to its Northern corner; thence Southeasterly 150 feet along the property line of said parcel to its Eastern corner; thence Southwesterly 224.9 feet to the intersection of said parcel's Southern corner and the Northern Right-of-Way line of Lower Muscatine Road.

Thence Southeasterly along the Northern Right-of-Way line of Lower Muscatine Road to the Northern Right-of-Way line of Mall Drive; thence Northeasterly 1533.09 feet along the Northern Right-of-Way line of Mall Drive to the Southern Right-of-Way line of the Iowa Interstate Railroad; thence Southeasterly along said Right-of-Way line to its intersection with the Eastern line of Section 14.

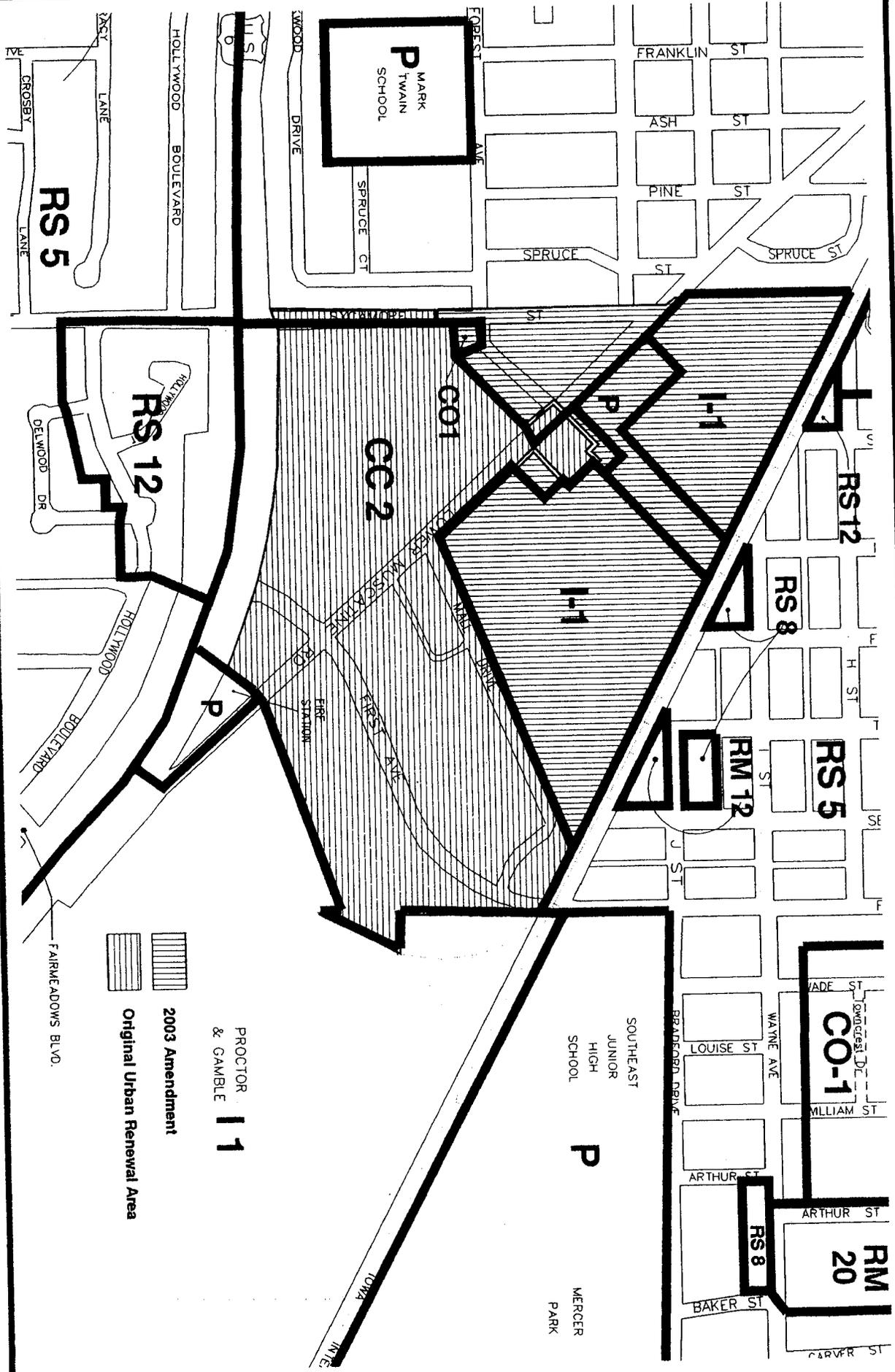
Thence South along the Eastern line of Section 14 to its intersection with the Eastern Right-of-Way line of First Avenue; thence Southwesterly along said Right-of-Way line to the Western corner of Johnson County Auditor's Parcel 10-13-353-003; thence Easterly to the Eastern line of Section 14; thence South along the Eastern line of Section 14 to the Northwest corner of Johnson County Auditor's Parcel 10-13-353-002; thence Easterly 176 feet to the Eastern property line of said parcel; thence Southwesterly along the Eastern property line of Parcel 10-13-353-002 to its Southeast corner; thence Northwesterly to the Eastern line of Section 23; thence South along the Eastern line of Section 23 to the Southeast corner of the Johnson County Auditor's Parcel described as 10-23-103, 001 through 029, then Southwesterly 988.76 feet to the Northern Right-of-Way line of Lower Muscatine Road, crossing said Right-of-Way line to the intersecting point of the Southern Right-of-Way line of Lower Muscatine Road and the Northeastern corner of Johnson County Auditor's Parcel number 10-23-105-003; thence Southwesterly 157.9 feet to the Northern Right-of-Way line of U.S. Highway 6; thence Northwesterly 307.82 feet to the intersection of the Northern Right-of-Way line of U.S. Highway 6 and the Eastern Right-of-Way line of First Avenue; projecting across the First Avenue Right-of-Way along the Northern Right-of-Way line of U.S. Highway 6 to the intersection of the Western Right-of-Way line of First Avenue and the Northern Right-of-Way line of U.S. Highway 6; thence Westerly along the Northern Right-of-Way line of U.S. Highway 6 a distance of 1123.13 feet to its intersection with the Eastern Right-of-Way line of Sycamore Street, projecting across the Sycamore Street Right-of-Way along the Northern Right-of-Way of U.S. Highway 6 to the intersection of the Western Right-of-Way line of Sycamore Street and the Northern Right-of-Way line of U.S. Highway 6, to the Point of Beginning.
Said parcel contains approximately 61 acres.

And including a tract of land described as follows (2003 Amendment):

Commencing at the northeast corner of Mall Drive Subdivision, which is the point of beginning. Thence northwesterly along the southern boundary of the Iowa Interstate Railway, to the northeast corner of Lafferty subdivision. Thence southerly along the eastern boundary of Lafferty Subdivision, to the centerline of Lower Muscatine Road. Thence southeasterly along said centerline of Lower Muscatine Road to a point on an extension of the westerly right-of-way of Sycamore Street. Thence southerly along said westerly right-of-way of Sycamore Street to the southeast corner of Johnson County Auditor Parcel #10-14-386-003; thence 66 feet to a point perpendicular on the eastern right-of-way line of Sycamore Street; thence northerly along the eastern right-of-way line of Sycamore Street to the northwestern corner of Johnson County Auditor's Parcel 10-14-457-004; thence easterly 147.61 feet to an angle point of said Parcel; thence northeasterly 413.83 feet, thence northerly 57.36 feet to the southern right-of-way line of Lower Muscatine Road; thence northwesterly along the southern right-of-way line of Lower Muscatine Road to a point perpendicular 33 feet from the western corner of a parcel formerly known as Johnson County Auditor's Parcel #10-14-452-004; thence northeasterly 223.82 feet to the northern corner of said parcel; thence southeasterly 40 feet to the eastern corner of said parcel; thence northeasterly along the property line of said parcel formerly known as Johnson County Parcel #10-14-452-002 to its northern corner; thence southeasterly 150 feet along the property line of said Parcel to its eastern corner; thence southwestly 224.9 feet to the intersection of said Parcel's southern corner and the northern right-of-way line of Lower Muscatine Road. Thence southeasterly along the northern right-of-way line of Lower Muscatine Road to the northern right-of-way line of Mall Drive; thence northeasterly 1,533.09 feet along the northern right-of-way line of Mall Drive to the southern right-of-way line of the Iowa Interstate Railroad, which is the point of beginning.

Said parcel contains approximately 51 acres.

CITY OF IOWA CITY



PROCTOR & GAMBLE I-1

2003 Amendment

Original Urban Renewal Area

2003 Amendment to the Sycamore/First Ave. Urban Renewal Area