

CITY OF MUSCATINE, IOWA

URBAN RENEWAL PLAN AMENDMENT  
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA

October, 2018

The Urban Renewal Plan (the "Plan") for the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") is being amended for the purposes of (1) adding property to the Urban Renewal Area; and (2) identifying a new urban renewal project to be undertaken in the Urban Renewal Area.

**1) Addition of Property.** The real property (the "Property") described on Exhibit A hereto is, by virtue of this Amendment, being added as the October, 2018 Addition to the Urban Renewal Area. With the adoption of this Amendment, the City will designate the Property as an economic development area. The Property will become subject to the provisions of the Plan for the Urban Renewal Area. It is anticipated that the City will adopt an ordinance providing for the division of property tax revenues, as set forth in Section 403.19 of the Code of Iowa, with respect to a portion of the Property.

**2) Identification of Projects.** By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project descriptions:

**Name of Project:** NPSW Enterprises, LLC Residential Subdivision Development Project

**Name of Urban Renewal Area:** Consolidated Muscatine Urban Renewal Area

**Date of Council Approval of Project:** November 1, 2018

**Description of the Project and Project Site:** NPSW Enterprises, LLC (the "Developer") has proposed to undertake the construction of sixty-two (62) market-rate single-family homes, including the corresponding construction of public infrastructure (the "Infrastructure Project") on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Number 0833200042 (the "Development Property"). It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the Infrastructure Project.

The addition of new housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

**Description of Use of TIF:** The City intends to enter into an economic development agreement (the "Agreement") with the Developer with respect to the Infrastructure Project and to provide annual appropriation economic development payments (the "Payments") to the Developer thereunder. The Payments, in an amount not to exceed \$850,000, will be

funded with incremental property tax revenues to be derived from the Development Property.

The costs incurred by the City in providing tax increment financing assistance to Developer will include legal and administrative fees (the “Admin Costs”) in the estimated amount of \$10,000.

It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Infrastructure Project including the Payments, the Admin Costs and the LMI Set Aside (as described below) will not exceed \$1,363,000.

**LMI Set Aside:** Pursuant to the provisions of Section 403.22 of the Code of Iowa, the City will provide low and moderate income family housing assistance in its area of operation in an amount not less than 39.91% of the incremental property tax revenues to be paid to the Developer under the Development Agreement.

**6) Required Financial Information.** The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$67,407,175</u>
Outstanding general obligation debt of the City:	<u>\$</u>
Proposed debt to be incurred under the October, 2018	
Amendment*:	<u>\$ 850,000</u> (Payments)
	<u>\$ 10,000</u> (Admin Costs)
	<u>\$ 503,000</u> LMI Amount)
	<u>\$1,363,000</u> (Total)

\*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

**EXHIBIT A**  
Legal Description  
Expanded Consolidated Muscatine Urban Renewal Area  
(October, 2018 Addition)

All of the real property situated within the incorporated limits of the City of Muscatine, Muscatine County, State of Iowa, as of October 1, 2018.