

Northgate Corporate Park Urban Renewal Plan

First Amendment - January 4, 2005

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Introduction

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;
- 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 order to make development sites attractive to new and expanding firms, communities are more and more called upon to provide financial incentives and programs to make a development site and the area attractive to potential businesses. Other development sites in the area, which already cater to office, research, production, and assembly uses, make tax increment financing available to qualifying businesses that are looking at those development sites. The City has concluded it is in the interest of its citizens to encourage the development of an office and research development park in order to provide a competitive development site for office, research, production and/or assembly uses. To assist with ensuring that this type of development site is competitive, the City intends to make available the use of tax increment financing as a means to finance the construction of some of the necessary private and/or public infrastructure improvements within the Northgate Corporate Park Urban Renewal Plan Area, referred to hereafter in this Plan as the Urban Renewal Project Area. In addition, the City will make available the use of tax increment financing to provide direct grants, loans, or rebates for qualifying businesses planning to locate in 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 2003 Code of Iowa, as amended.

Urban Renewal Plan Objectives

The overall goal of the Northgate Corporate Park Urban Renewal Plan is to formulate and execute a workable program using public and private resources to develop the Urban Renewal Project Area for office, research, production and/or assembly uses. The following objectives have been established for the proposed Urban Renewal Project Area:

- To encourage and support development that will expand the taxable values of property within the Urban Renewal Project Area.
- To encourage the development of start-up firms, the expansion of existing businesses, and the attraction of new industries.
- To provide for the orderly physical and economic growth of the city.
- To enhance the availability of sites to accommodate the construction of new office, research, production and/or assembly buildings;
- To assist with the provision of infrastructure to enable competitive land prices and lease rates;
- To make public improvements as deemed necessary by the City to support new office, research, production and/or assembly development;
- To provide financial incentives and assistance to qualifying 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 Northgate Corporate Park Urban Renewal Plan Area are shown on Addendum No. 2 - Location Map: Northgate Corporate Park Urban Renewal Project Area. This area is approximately 93.94 acres.

Proposed Urban Renewal Actions

Proposed urban renewal actions will consist of private site improvements, public infrastructure improvements, and financial incentives to encourage office, research, production and/or assembly uses development.

Private Site Improvements

Site improvements may include, but are not limited to, design and construction of buildings, 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.

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, tax increment financing may be available for providing direct grants, loans, or rebates for those qualifying businesses engaged in office, research, production and/or assembly activities allowed in the Office Commercial (CO-1) Zone, Office and Research Park (ORP) or the Research Development Park (RDP) Zone. The funds from the direct grants, loans, or rebates may be used for, but are not limited to, financing the private site improvements listed above. Qualifying businesses shall be determined by the City Council.

Conformance with Land Use Policy and Zoning Ordinance

Comprehensive Plan

The Urban Renewal Project Area is part of the area at the I-80 interchange with Highway 1. The Iowa City Comprehensive Plan states that this area...

...provides one of the few opportunities for office research park development in Iowa City. National Computer Systems (within the North Corridor Planning District) and American College Testing (south of I-80 in the North Corridor Planning District) are successful examples of this type of development. With the tone set by these two companies and the advantages of interstate exposure, land around this interchange should continue to be preserved for office research park and research development park opportunities.

The designation of the Urban Renewal Project Area for office, research, production and/or assembly uses is consistent with the Iowa City Comprehensive Plan.

Current Zoning

The Project Area's present zoning designation of (CO-1) Office Commercial Zone and (ID-ORP) Interim Development-Office and Research Park is consistent with this Urban Renewal Plan.

Current and Proposed Land Uses

The Project Area is presently used for office, research and agriculture. One residential\acreage property is included in the Project Area that is currently zoned for Interim Development-Office and Research Park (ID-ORP). Potential land uses include office, research, production and/or assembly purposes.

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>6-30-04 Principal Outstanding</u>	<u>Notes</u>
1996	\$6,100,000	3.6%-5.5%	6/15	\$ 300,000	(1)
1997	\$5,200,000	4.5%-4.7%	6/07	\$1,525,000	
1997	\$5,540,000	4.875%-5.0%	6/17	\$3,875,000	(2)
1998	\$8,500,000	4.35%-4.75%	6/13	\$5,050,000	
1999	\$9,000,000	4.125%-4.75%	6/18	\$6,650,000	
2000	\$14,310,000	5.0%-5.5%	6/18	\$12,215,000	
2001	\$11,500,000	4.0%-4.9%	6/16	\$9,615,000	
2002	\$29,100,000	3.5%-5.0%	6/21	\$25,930,000	
2002	\$10,600,000	2.5%-4.0%	6/15	\$7,050,000	(3)
2003	\$5,570,000	2.5%-3.6%	6/14	\$5,570,000	
2004	\$7,305,000	4.0%-5.4%	6/23	<u>\$7,305,000</u>	(4)
	TOTAL			\$85,085,000	

(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.

(4) Tax Increment bonds are to be repaid through Tax Increment Financing revenue.

(5) 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	\$3,195,170,779
Legal Debt Limit of 5% of 1998 Assessed Actual Value	\$159,758,539
Debt Chargeable Against Limit	\$85,085,000
Legal Debt Limit Available	\$74,673,539

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. Given recent development projects requesting assistance in some form of property tax assistance and assuming all future projects within the Urban Renewal Area would qualify for assistance under the Urban Renewal Plan, the proposed amount of indebtedness to be incurred, including loans, advances, indebtedness, or bonds which qualify could equal as much as \$10.0 million over the 20 year period of the Urban Renewal Plan.

Other Provisions Necessary to Meet State and Local Requirements

Chapter 403 of the 2003 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 January 4, 2005. 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 (2003), was adopted by the City Council on January 4, 2005.

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 in 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 December 2, 2004.

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 December 8, 2004. The notice was mailed by regular mail on November 29, 2004.

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 December 15, 2004, which was seven days following the date of the consultation.
- * On December 22, 2004, at least seven days prior to the public hearing on the urban renewal plan, the representative of the municipality did not submit a written response on to the affected taxing entity addressing the affected taxing districts' recommendations to the proposed division of revenue.

Provision: A public hearing on the 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 January 4, 2005. The public notice was published December 16, 2004, 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.

- * The plan includes a feasible method for relocating families.

On January 4, 2005, 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:

Lots 1-20 Highlander Development, First Addition, Iowa City, Iowa

Weiler Parcel

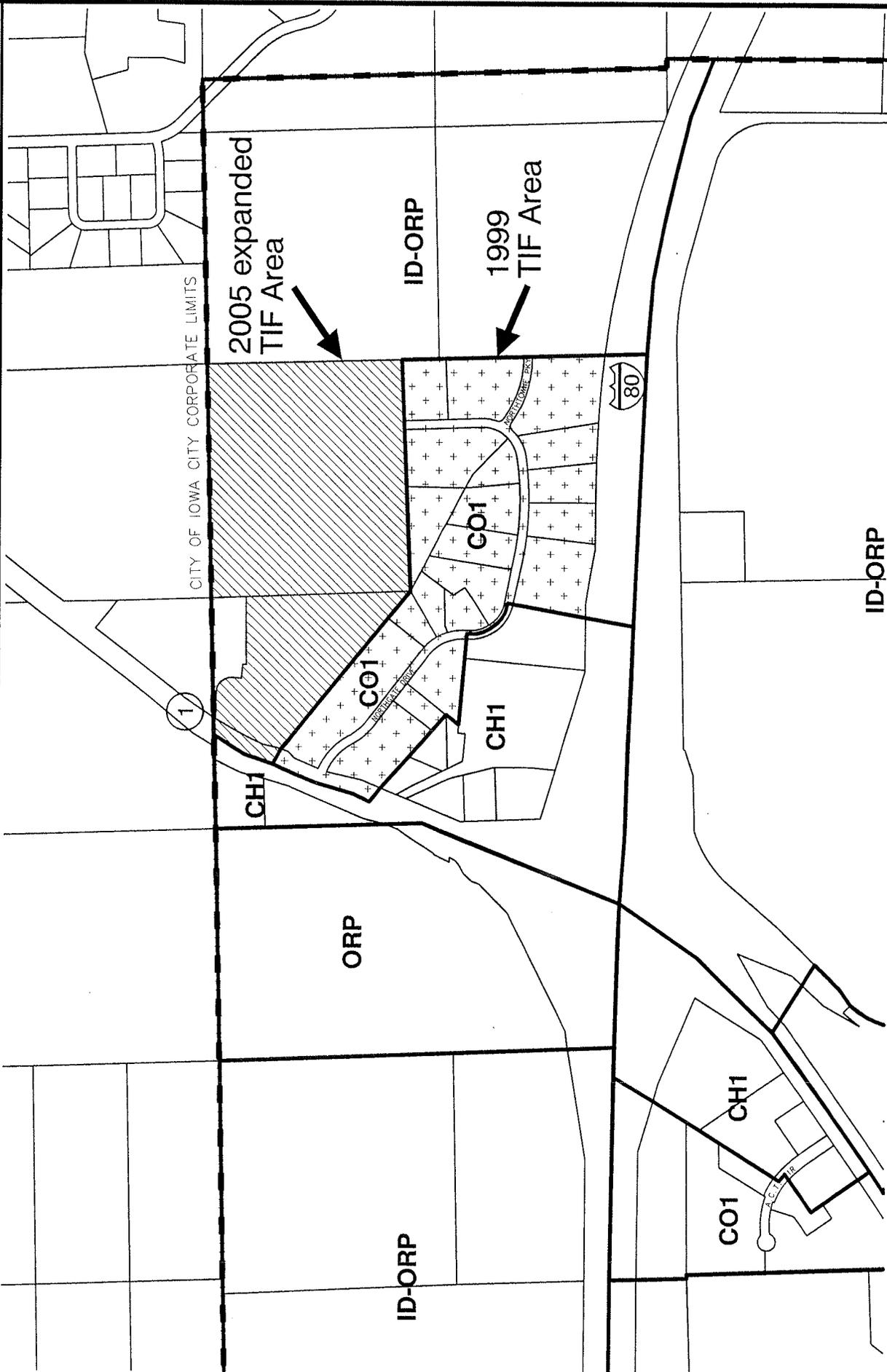
Auditor's parcel B as described on plat of survey recorded in Book 34, Page 191, Plat Records of Johnson County, Iowa, being a portion of the northeast quarter of the southwest quarter of Section 36, Township 80 North, Range 6 West of the 5th P.M.; subject to easements and restrictions of record.

Jones\Southgate Development Company Parcel

That portion of the northwest quarter of the southeast quarter of Section 36, Township 80 North, Range 6 West of the 5th P.M., excepting therefrom that portion platted as Highlander Development First Addition, Iowa City, Iowa, according to the plat thereof recorded in Plat Book 25, Page 52, Plat Records of Johnson County, Iowa, subject to easements and restrictions of record.



CITY OF IOWA CITY



ADDENDUM 2: Location Map Northgate Corporate Park, Urban Renewal Project Area

