

Urban Renewal Plan for Scott-Six Urban Renewal Area

Amendment No. 1 - July 2011

Original - 1997

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Section 1: Introduction

The original Scott-Six Urban Renewal Plan ("Plan") for the Scott-Six Urban Renewal Area was adopted in 1997 and contained approximately 152 acres. The purpose of this Amendment No. 1 ("Amendment") is to:

- add approximately 188 acres of property to the Scott-Six Urban Renewal Area;
- confirm and update the objectives and urban renewal activities;
- describe additional proposed urban renewal projects; and
- make other changes as desired by the City.

The primary goal of the Plan, as amended, is to stimulate, through public involvement and commitment, private investment in new industrial development for the original Scott-Six Urban Renewal Area and the Amendment No. 1 area (collectively "Area" or "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. These goals include:

- Increase the amount of land available for industry and commerce to expand and develop;
- Increase employment opportunities for the local work force; and
- Nurture existing businesses in the city by encouraging their retention and expansion, and by attracting compatible new industries.

To help the City of Iowa City ("City") achieve these goals, the Comprehensive Plan states that the City may provide financial incentives as a catalyst for private enterprise. The Southeast District Plan, a component of the Comprehensive Plan adopted in 2011, identifies BDI, Scott Six and the recently annexed land to the east of Scott Six (the Amendment No. 1 area) as ideal areas for expansion of Iowa City's industrial base. The District Plan identifies these areas as uniquely suited for industrial activity, as they contain level, well-drained land and are proximate to services, utilities, highways and the Iowa Interstate Railroad. The District Plan refers to the recently annexed land east of Scott Six in particular as an important part of the district's objective to "take steps to make additional land available for future industrial development."

The City has concluded it is in the interest of its citizens to encourage the expansion and continued development of the Scott Six industrial park in order to provide land at a price affordable to industrial development. To ensure that the price of land is affordable, the City intends to make available the use of tax increment financing as a means to finance the construction of some of the necessary infrastructure improvements within the 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 Area.

To achieve the primary objectives of the Plan, as amended, the City of Iowa City shall undertake the urban renewal activities as specified in this Urban Renewal Plan, pursuant to the powers granted to it under Chapters 15, 15A and 403 of the 2011 Code of Iowa, as amended.

Except as in conflict with or modified by this Amendment, the provisions of the original 1997 Plan, as amended, remain in full force and effect.

Section 2: District Designation

With the adoption of this plan, Iowa City will continue to designate this Urban Renewal Area as an economic development district that is appropriate for industrial development. The Urban Renewal Area does not contain any residential uses.

Section 3: Base Value

The Original Area will retain its existing base value. The adoption of Amendment No. 1 will have no effect on the tax increment ordinance that has been adopted for the Original urban renewal area.

If Amendment No. 1 is adopted and a Tax Increment Ordinance is adopted and made effective by December 31, 2011, the area added as a result of this Amendment No. 1 will have a base value at the January 1, 2010 level.

Section 4: Urban Renewal Plan Objectives

The overall goal of the Scott-Six Urban Renewal Plan is to formulate and execute a workable program using public and private resources to develop the Urban Renewal Project Area for industrial development. The following objectives are being continued from the Original Urban Renewal Project Area and expanded for the Area, as amended:

- 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, especially in the area of renewable energy;
- To provide for the orderly physical and economic growth of the city;
- To enhance the availability of sites to accommodate the construction of new industrial 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 industrial development;
- To provide financial incentives and assistance to qualifying businesses;
- To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base;
- To plan for and provide sufficient land for industrial development;
- To provide other support as allowed under Iowa Code Chapters 15, 15A and 403.

Section 5: Description of Urban Renewal Area

The legal description of this proposed Urban Renewal Plan Area attached hereto as Addendum No. 1- Legal Description.

The location and general boundaries of the Scott-Six Urban Renewal Plan Area are shown on Addendum No. 2 - Scott-Six Urban Renewal Area Map. This area is approximately 340 acres.

Section 6: Proposed Urban Renewal Activities

The following urban renewal activities are being continued from the Original Urban Renewal Project Area and expanded for the Area, as amended, to encourage industrial development throughout the entire Urban Renewal Area.

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. To acquire land and 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.
3. To arrange for or cause to be provided the construction or repair of public infrastructure, including but not limited to, streets, water, storm sewer, sanitary sewer, public utilities, sidewalks, street lights, public parks and open spaces, bike trails, landscaping or other related facilities and activities in connection with urban renewal projects.
4. To borrow money and to provide security therefor.
5. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific urban renewal projects.
6. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear or prepare the property for redevelopment, or to dispose of property.
7. 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 Iowa City and the State of Iowa.
8. 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.
9. Public Infrastructure Improvements: Public infrastructure improvements may include, but are not limited to, storm water management facilities, public streets and sidewalks, sanitary sewers, storm sewers, and open space improvements such as wetland mitigation. Public infrastructure improvements shall include electric and rail infrastructure, and improvements to the adjacent portion of 420th Street. Tax increment financing shall be available to finance the construction of these improvements, in whole or in part, at the City Council's discretion.
10. Financial Incentives: To meet the objectives of this Urban Renewal Plan Amendment and to encourage private investment in and the development of the Area, the City may determine to provide financial assistance to qualified private businesses through the making of loans, rebates or grants under all applicable provisions of the Iowa Code, including but not limited to Chapter 15 and 15A, and through the use of tax increment financing under Chapter 403 of the Code of Iowa.

- a. Loan, Rebates or Grants. The making of loans or grants of public funds to private businesses within the project area may be deemed necessary or appropriate for economic development purposes and to aid in the planning, undertaking and carrying out of urban renewal project activities authorized under this Urban Renewal Plan and the Code of Iowa. Accordingly, in furtherance of the objectives of this Urban Renewal Plan, 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 Urban Renewal Area. Alternatively, the City may determine to use available funds for making such loans or grants.
- b. Tax Increment Financing. The City may utilize tax increment financing as a means to help pay for the costs associated with acquisition and the development of the project area, as well as utilizing such financing to achieve a more marketable, and competitive land offering price and to provide for necessary physical improvements and infrastructure. General obligation bonds, tax increment revenue bonds, internal loans or such other obligations or loan agreements may be issued by the City, and tax increment reimbursement may be sought for, among other things, the following costs (if and to the extent incurred by the City):
 - i. Making loans or grants to private businesses, including debt service payments on any bonds or notes issued to finance such loans or grants.
 - ii. Providing the local matching share of state or federal grant and loan programs.
 - iii. Encourage the incorporation of energy efficient building techniques such as those specified in the Iowa Green Building Standards, or those attaining LEED certification.
 - iv. Other authorized urban renewal projects.
- c. Constructing public improvements, such as streets, sanitary sewers, storm sewers, water mains, utilities, rail or other related facilities.
 - i. Making loans or grants to private businesses, including debt service payments on any bonds or notes issued to finance such loans or grants.
 - ii. Providing the local matching share of state or federal grant and loan programs.
 - iii. Encourage the incorporation of energy efficient building techniques such as those specified in the Iowa Green Building Standards, or those attaining LEED certification.
 - iv. Other authorized 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.

Qualifying businesses shall be determined by the City Council. The Council's determination shall be based upon its economic development policy, which may amended from time to time, as may be necessary in Council's discretion, and on additional performance criteria the Council finds appropriate on a case by case basis.

Section 7: Conformance with Land Use Policy and Zoning Ordinance

The Amendment is consistent with the Iowa City Comprehensive Plan, adopted in 1997, and the Southeast District plan adopted in 2011. The Comprehensive Plan is the general plan for the development of the City as a whole.

Comprehensive Plan

The Urban Renewal 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 Area as appropriate for industrial uses.

Current Zoning

The Area is currently zoned I-1, General Industrial Zone, and ID-1, Interim Development Industrial, which is consistent with this Urban Renewal Plan.

Current and Proposed Land Uses

The Urban Renewal Area is currently used for agricultural and industrial purposes. This Amendment does not in any way replace the City's current land use planning or zoning regulation process.

Section 8: 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.

Section 9: Proposed Projects

The initial Proposed Projects in the Area, as amended, may include:

- a. The installation of infrastructure associated with attracting development, including but not limited to, streets, water, sewer, electric and rail infrastructure, and other public infrastructure improvements to a portion of 420th Street and surrounding area. The need for such improvements is expected to be created by development projects within the Urban Renewal Area.
- b. Offering financial incentives, including but not limited to, the provision of land, grants, loans or other incentives to entities locating in the Area to build a foundry and related support industries for the renewable energy industry.

Section 10: Financial Data

1. Constitutional Debt Limit: \$ 130,927,980
2. Current general obligation debt: \$ 91,565,000
3. Proposed amount of indebtedness to be incurred: Although a specific amount of loans, advances, indebtedness or bonds to be included for projects over time has not yet been determined, it is anticipated that the cost of the proposed projects identified in Section 9 ("Proposed Projects" above) will be between \$55-65 million, depending on the number and quality of businesses the City is able to attract over time. In no event will debt be incurred that would exceed the City's debt capacity. It is further expected that loans, advances, indebtedness or bonds to be incurred for the Proposed Projects or subsequent projects, including interest on the same, will be financed in whole or in part with tax increment revenues from the Urban Renewal Area. The City Council will consider each request for

financial assistance or a project proposal on a case-by-case basis to determine if it is in the City's best interest to participate.

Section 11: Property Acquisition/Disposition

The City may provide incentives for land acquisition in the Area. The City will follow applicable procedures for the acquisition and disposition of property.

Section 12: Urban Renewal Plan Amendments

This Urban Renewal Plan may be amended from time to time for a number of reasons, including but not limited to, to change the boundaries, to add or change land use controls or regulations, to modify goals or types of renewal activities or projects, or to amend property acquisition and disposition provisions.

If the City of Iowa City desires to amend this Urban Renewal Plan, it may do so after following applicable statutory procedures.

Section 13: Consent to Include Agricultural Land

The Scott Six Urban Renewal Area contains land that is defined as agricultural land by Iowa Code Section 403.17(3). The City is the sole owner of such land and will consider a resolution consenting to its inclusion within the Urban Renewal Area.

Section 15: Effective Period

This Urban Renewal Plan, as amended, will become effective upon its adoption by the City Council of Iowa City and will remain in effect until it is repealed by the City Council. With respect to any property covered by this Amendment No. 1 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 grants, loans, advances, indebtedness or bonds which qualify for payment from the incremental property tax revenues attributable to that Amendment No 1 property. However, the use of tax increment financing revenues (including the amount of grants, loans, advances, indebtedness or bonds which qualify for payment for the division of revenue provided in Section 403.19 of the Code of Iowa) by the City for activities carried out under the Urban Renewal Plan shall be limited as deemed appropriate by the Council and consistent with all applicable provisions of law.

ADDENDUM No. 1
Legal Description

Commencing at the Southwest Corner of Section 19, Township 79 North, Range 5 West of the Fifth Principal Meridian, Iowa City, Johnson County, Iowa; Thence $NO0^{\circ}03'29''W$, along the West Line of the Southwest Quarter of said Section 19, a distance of 254.86 feet, to a point on the Northerly Right-of-Way Line of U.S. Highway No. 6 and the Point of Beginning; Thence continuing $NO0^{\circ}03'29''W$, along said West Line, 404.57 feet, to a point on the Easterly Right-of-Way Line of Scott Boulevard; Thence Northeasterly, 386.13 feet, along the Easterly Right-of-Way Line of Scott Boulevard and a 1481.54 foot radius curve, concave Northwesterly, whose 385.04 foot chord bears $N07^{\circ}23'39''E$; Thence $N00^{\circ}03'29''E$, along said Right-of-Way Line, 1605.27 feet, to a point on the North Line of said Southwest Quarter, Thence $NO0^{\circ}18'56''W$, along said Right-of-Way Line, 579.87 feet, to a point on the South Right-of-Way of the Heartland Rail Corporation; Thence $S62^{\circ}09'30''E$, along said South Right-of-Way Line, 749.90 feet; Thence $S00^{\circ}03'29''E$, 300.25 feet; Thence $S11^{\circ}43'38''W$, 1240.47 feet; Thence $S06^{\circ}00'20''W$, 173.94 feet; Thence $S02^{\circ}29'45''W$, 230.00 feet; Thence $S87^{\circ}30'15''E$, 266.70 feet; Thence $S02^{\circ}29'45''W$, 861.87 feet; Thence Southwesterly, 16.33 feet, along a 300.00 foot radius curve, concave Southeasterly, whose 16.33 foot chord bears $S01^{\circ}12'12''W$; Thence $S00^{\circ}21'22''E$, 65.50 feet, to a point on the South Line of said Southwest Quarter, Thence $S89^{\circ}38'37''W$, along said South Line, 209.90 feet, to a point on the Northerly Right-of-Way Line of U.S. Highway No. 6; Thence Northwesterly 175.60 feet, along said Right-of-Way Line and a 5830.00 foot radius curve, concave Southwesterly, whose 175.59 foot chord bears $N59^{\circ}59'08''W$; Thence $N60^{\circ}50'54''W$, along said Right-of-Way Line, 337.19 feet, to the Point of Beginning. Said tract of land contains 38.93 acres, and is subject to easements and restrictions of record

AND

Commencing at the Southwest Corner of Section 19, Township 79 North, Range 5 West of the Fifth Principal Meridian, Iowa City, Johnson County, Iowa; Thence $NO0^{\circ}03'29''W$, along the West Line of the Southwest Quarter of said Section 19, a distance of 254.86 feet, to a point on the Northerly Right-of-Way Line of U.S. Highway No. 6; Thence $S60^{\circ}50'54''E$, along said Northerly Right-of-Way Line, 337.19 feet; Thence Southeasterly 175.60 feet, along said Right-of-Way Line and a 5830.00 foot radius curve, concave Southwesterly, whose 175.59 foot chord bears $S59^{\circ}59'08''E$, to a point on the South Line of said Southwest Quarter; Thence $N89^{\circ}38'37''E$, along said South Line, 209.90 feet, to the Point of Beginning; Thence $NO0^{\circ}21'22''W$, 65.50 feet; Thence Northeasterly, 16.33 feet, along a 300.00 foot radius curve, concave Southeasterly, whose 16.33 foot chord bears $N01^{\circ}12'12''E$; Thence $N02^{\circ}29'45''E$, 861.87 feet; Thence $N87^{\circ}30'15''W$, 266.70 feet; Thence $N02^{\circ}29'45''E$, 230.00 feet; Thence $N06^{\circ}00'20''E$, 173.94 feet; Thence $N11^{\circ}43'38''E$, 1240.47 feet; Thence $NO0^{\circ}03'29''W$, 300.25 feet, to a point on the Southerly Right-of-Way Line of Heartland Rail Corporation; Thence $S62^{\circ}09'30''E$, along said Southerly Right-of-Way Line, 2261.25 feet, to a point on the East Line of said Southwest Quarter; Thence $S00^{\circ}00'45''E$, along said East Line, 990.27 feet; Thence $S89^{\circ}38'37''W$, 670.00 feet; Thence $S00^{\circ}00'45''E$, 813.00 feet to a point on the South Line of said Southwest Quarter; Thence $S89^{\circ}38'37''W$ along said South Line, 1380.99 feet, to the point of Beginning. Said tract of land contains 101.57 acres, and is subject to easements and restrictions of record

AND

Amendment No. 1 Area

The NW quarter of the NE quarter of Section 30, Township 79N, Range 5W of the Fifth Principal Meridian, Johnson County, Iowa; also including the west 5.32 acres of the NE quarter of the NE quarter of said Section 30; and including all of the NW, NE, and SW quarters of the SE quarter of Section 19, Township 79N, Range 5W of the Fifth Principal Meridian, Johnson County, Iowa, and all of the SE quarter of the SE quarter of said Section 19 lying north of the southern right-of-way boundary of the Iowa Interstate Railroad; thence beginning at the SE corner of Nathaniel's Addition of the County of Johnson County, which is on the centerline of 420th Street, west 40'; thence W295', N338', E295', and S386'; also that portion of land lying south of the Iowa Interstate Railroad to the centerline of 420th Street between the western boundary of Nathaniel's Addition and the eastern boundary of the SW quarter of the SE quarter of said Section 19.

**ADDENDUM No. 2
SCOTT-SIX URBAN RENEWAL AREA MAP**

