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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: October 4, 2016

Re: Resolutions Setting Public Hearings on Development Agreements with (1) Harrison Lofts, LLC, and (2) KRE, LLC

Introduction and Background

Previously, the City Council adopted a Consolidated Urban Renewal Area and Urban Renewal Plan as provided for in the State Code of Iowa. All subsequent changes to the Area or the Plan require further action by the City Council in the form of Urban Renewal Plan Amendments. At the September 15, 2016 meeting, the City Council set a public hearing for October 20 on several amendments to the Urban Renewal Plan. These amendments include proposed development agreements with (1) Harrison Lofts, LLC for the construction of an apartment complex which will provide for low and moderate income housing, and (2) KRE, LLC for redevelopment of a commercial facility.

Resolutions Setting Public Hearings

In addition to the public hearing on the Urban Renewal Plan Amendments, public hearings are also required before entering into Development Agreements with Harrison Lofts, LLC and KRE, LLC. The general provisions of the two development agreements are as follows:

1. Harrison Lofts, LLC – annual appropriation economic development payments funded from incremental taxes on the property in an amount not to exceed \$675,000 over a 15-year period.
2. KRE, LLC – annual appropriation economic development payments funded from incremental taxes on the property in an amount not to exceed \$155,000 over a 10-year period.

The attached resolutions include the required public hearing notices to set the date for the two public hearings for the October 20, 2016 City Council meeting. These hearings will be held after the hearing for the Urban Renewal Plan Amendments at that meeting.

Summary

Please include the two resolutions setting public hearings on the proposed development agreements with Harrison Lofts, LLC and KRE, LLC on the agenda for the October 7, 2016 City Council agenda. Please contact me if you have any questions or need any additional information.

**"I remember Muscatine for its sunsets. I have never seen any
on either side of the ocean that equaled them" — Mark Twain**

SET DATE FOR HEARING ON
DEVELOPMENT AGREEMENT AND
TAX INCREMENT PAYMENTS

(KRE, LLC)

421464-49

Muscatine, Iowa

October 6, 2016

A meeting of the City Council of the City of Muscatine, Iowa, was held at _____ o'clock ____m., on October 6, 2016, at the _____, Muscatine, Iowa, pursuant to the rules of the Council.

The Mayor presided and the roll was called, showing members present and absent as follows:

Present: _____

Absent: _____.

Council Member _____ introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member _____; and after due consideration thereof by the City Council, the Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared said resolution duly adopted, as follows:

RESOLUTION NO. _____

Resolution setting a date of meeting at which it is proposed to approve a Development Agreement with KRE, LLC, including annual appropriation tax increment payments in an amount not to exceed \$155,000

WHEREAS, the City of Muscatine, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, this City Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa, which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City proposes to enter into a certain development agreement (the "Development Agreement") with KRE, LLC (the "Company") in connection with the redevelopment of a commercial facility (the "Redevelopment Project") in the Urban Renewal Area for leasing and use in its business operations; and

WHEREAS, the Development Agreement would provide financial incentives to the Company in the form of annual appropriation incremental property tax payments in an amount not to exceed \$155,000 under the authority of Section 403.9(1) of the Code of Iowa; and

WHEREAS, it is necessary to set a date for a public hearing on the Development Agreement, pursuant to Section 403.9 of the Code of Iowa;

NOW THEREFORE, IT IS RESOLVED by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. This City Council shall meet on October 20, 2016, at _____ o'clock _____m., at the _____, in the City, at which time and place proceedings will be instituted and action taken to approve the Development Agreement and to authorize the annual appropriation incremental property tax payments.

Section 2. The City Clerk is hereby directed to give notice of the proposed action, the time when and place where said meeting will be held, by publication at least once, not less than four (4) and not more than twenty (20) days before the date of said meeting in a legal newspaper of general circulation in the City. Said notice shall be in substantially the following form:

NOTICE OF MEETING FOR APPROVAL OF DEVELOPMENT AGREEMENT WITH KRE, LLC AND AUTHORIZATION OF ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS

The City Council of the City of Muscatine, Iowa (the "City"), will meet at the _____, on October 20, 2016, at _____ o'clock ____m., at which time and place proceedings will be instituted and action taken to approve a Development Agreement (the "Agreement") between the City and KRE, LLC (the "Company"), in connection with the redevelopment of a commercial facility (the "Redevelopment Project") in the Consolidated Muscatine Urban Renewal Area for leasing and use in its business operations, which Agreement provides for certain financial incentives in the form of incremental property tax payments to the Company in a total amount not exceeding \$155,000 as authorized by Section 403.9 of the Code of Iowa.

The Agreement to make incremental property tax payments to the Company will not be a general obligation of the City, but will be payable solely and only from incremental property tax revenues generated within the Consolidated Muscatine Urban Renewal Area. Some or all of the payments under the Development Agreement may be made subject to annual appropriation by the City Council.

At the meeting, the City Council will receive oral or written objections from any resident or property owner of the City. Thereafter, the City Council may, at the meeting or at an adjournment thereof, take additional action to approve the Development Agreement or may abandon the proposal.

This notice is given by order of the City Council of Muscatine, Iowa, in accordance with Section 403.9 of the Code of Iowa.

Gregg Mandsager
City Clerk

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 4. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved October 6, 2016.

Mayor

Attest:

City Clerk

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On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the City of Muscatine, hereby certify that the foregoing is a true and correct copy of the minutes of the Council of the City relating to the adoption of a resolution to fix a date of meeting at which it is proposed to take action to approve a Development Agreement.

I do further certify that the notice of hearing, to which the printed slip attached to the publisher's original affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City.

WITNESS MY HAND this ____ day of _____, 2016.

City Clerk

(Attach here the publisher's original affidavit with clipping of the notice as published.)

(PLEASE NOTE: Do not sign and date this certificate until you have checked a copy of the published notice and have verified that it was published on the date indicated in the publisher's affidavit.)