



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 2-12-21

City Council

STAFF

Nancy A. Lueck, Finance Director
Jodi Royal-Goodman, Community Development Director
Andrew Fangman, Assistant Community Development Director

SUBJECT

Resolution Setting a Public Hearing for March 4, 2021 on an Amended Development Agreement with Bush Development, LLC and Hershey Property LLC for the Hershey Building Project.

EXECUTIVE SUMMARY

At the June 11, 2020 In Depth meeting, City Council reviewed a request to amend the Development Agreement with Hershey Property LLC and Bush Development LLC to increase the amount of the tax increment rebate from a maximum of \$500,000 to an amount not to exceed \$700,000. At that meeting, City Council gave consensus approval of this request. The increase in the maximum amount in the Development Agreement was included in the Urban Renewal Plan Amendment approved by City Council on February 4, 2021. With this amended amount in the Urban Renewal Plan, the City can proceed with the required public hearing and consideration of approval of the Amended Agreement.

STAFF RECOMMENDATION

Staff recommends approval of the resolution setting the date for the public hearing for March 4, 2021 on the proposed Amended Development Agreement.

BACKGROUND/DISCUSSION

The City traditionally groups projects or programs into a single Plan Amendment. The Urban Renewal Plan Amendment approved by City Council on February 4, 2021 included a number of projects. One of the projects was for the proposed amendment to the Development Agreement for the Hershey Building project.

At the June 11, 2020 In Depth meeting, City Council reviewed a request to amend the development agreement with Hershey Property LLC and Bush Development LLC to increase the amount of the rebate from a maximum of \$500,000 to an amount not to exceed \$700,000. At that meeting, City Council gave consensus approval of this request with the formal approval of an amended development agreement to be considered later. With this project now in the City's Urban Renewal Plan, the required public hearing can be set for March 4, 2021 and the Amended Development Agreement can be considered on the agenda for that meeting.

CITY FINANCIAL IMPACT

The funding for this project will be from future incremental property taxes (TIF) funds, and as such, will have no impact on the current City budget.

ATTACHMENTS

1. Resolution Setting a Public Hearing for March 4, 2021 on an Amended Development Agreement with Bush Development, LLC and Hershey Property LLC for the Hershey Building Project.

SET DATE FOR HEARING ON
AMENDED DEVELOPMENT
AGREEMENT

(Bush Development, LLC/Hershey
Property, LLC)

421464-61

Muscatine, Iowa

February 18, 2021

A meeting of the City Council of the City of Muscatine, Iowa, was held at _____
o'clock __.m., on February 18, 2021, pursuant to the rules of the Council.

The City Council met electronically via GoToMeeting, which was accessible at the
following:

[Insert electronic access information]

The City Council conducted this meeting electronically due to federal and state
government recommendations in response to COVID-19 pandemic conditions. Electronic access
information was included in the posted agenda of this public meeting.

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. 2021-0054

Resolution Setting a Date of Meeting at which it is Proposed to Approve an Amended Development Agreement with Bush Development, LLC and Hershey Property, LLC, Including Annual Appropriation Tax Increment Payments

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 of 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 has previously entered into a certain development agreement (the "Original Agreement") with Bush Development, LLC and Hershey Property, LLC (the "Property Owner") in connection with the redevelopment of the former Hershey Building situated on certain real property in the Urban Renewal Area into a mixed-use building, including multiresidential units and/or commercial/retail units; and

WHEREAS, the City and the Property Owner now propose to amend the Original Agreement in order to (1) increase the amount of annual appropriation incremental tax payments to be made to the Property Owner from an amount not to exceed \$500,000 to an amount not to exceed \$700,000; and (2) make other related changes; and

WHEREAS, it is necessary to set a date for a public hearing on an amended Development Agreement (the "Amended Agreement") and the proposal to increase the incremental property tax payments thereunder, 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 electronically on March 4, 2021, at _____ o'clock __.m., at which time and place proceedings will be instituted and action taken to approve the Amended Agreement and to authorize the increased annual appropriation incremental property tax payments to the Property Owner.

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) days 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 applicable form:

[NOTICE OF ELECTRONIC HEARING]

NOTICE OF MEETING FOR APPROVAL OF AMENDED DEVELOPMENT AGREEMENT WITH BUSH DEVELOPMENT, LLC AND HERSHEY PROPERTY, LLC AND AUTHORIZATION OF INCREASED ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS

The City Council of the City of Muscatine, Iowa, will meet on March 4, 2021, at _____ o'clock ____ .m., at which time and place proceedings will be instituted and action taken to approve an amended Development Agreement (the "Amended Agreement") among the City, Bush Development, LLC and Hershey Property, LLC (the "Property Owner") in connection with the redevelopment of the former Hershey Building situated on certain real property in the Consolidated Muscatine Urban Renewal Area into a mixed-use building, including multiresidential units and/or commercial/retail units, which Amended Agreement (1) increases the amount of incremental property tax payments to be provided to the Property Owner from \$500,000 to \$700,000; and (2) makes other related changes.

As authorized by Section 403.9 of the Code of Iowa, the commitment to make annual appropriation incremental property tax payments to the Property Owner under the Amended Agreement will not be a general obligation of the City, but will be payable solely and only from incremental property tax revenues generated within the Urban Renewal Area. All payments under the Amended Agreement may be made subject to annual appropriation by the City Council.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting will be held electronically via GoToMeeting, which will be accessible at the following:

[Insert electronic access information]

In addition to electronic access, written comments may be filed or made prior to the meeting and will be recorded in the minutes.

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 Amended 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.

Carol Webb
City Clerk

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

Passed and approved February 18, 2021.

Mayor

Attest:

City Clerk

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On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

ATTESTATION AND PUBLICATION CERTIFICATE:

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 City 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 an amended 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 _____, 2021.

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.)