

AMENDMENT NO. 2

to the

CITY OF MARSHALLTOWN URBAN RENEWAL AREA NO. 4 DOWNTOWN 2000 PLAN

for the

URBAN RENEWAL AREA NO. 4 DOWNTOWN 2000 URBAN RENEWAL AREA

CITY OF MARSHALLTOWN, IOWA

Original Plan – July 1998

Amendment No. 1 – February 2013

Amendment No. 2 – August 2017

Local Government Professional Services

DBA Simmering-Cory

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to the
URBAN RENEWAL AREA NO. 4
DOWNTOWN 2000 URBAN RENEWAL PLAN
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URBAN RENEWAL AREA NO. 4
DOWNTOWN 2000 URBAN RENEWAL AREA
CITY OF MARSHALLTOWN, IOWA

The Urban Renewal Area No. 4 Downtown 2000 Urban Renewal Plan (the “Plan” or “Urban Renewal Plan”) for the Urban Renewal Area No. 4 Downtown 2000 Urban Renewal Area (the “Area” or “Urban Renewal Area”), adopted in 1998 and amended in 2013 is being further amended for the purpose of identifying new urban renewal projects to be undertaken within the Urban Renewal Area by this Amendment No. 2 (“Amendment No. 2” or “Amendment”) in accordance with the provisions of Chapter 403 of the *Code of Iowa*.

Except as modified by this Amendment, the provisions of the Urban Renewal Plan, as previously amended, are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided herein. In case of any conflict or uncertainty, the terms of this Amendment shall control.

AREA DESIGNATION

The Urban Renewal Area was originally designated as both an economic development area appropriate for the promotion of commercial and industrial development and an area in which blighted conditions exist that is appropriate for blight remediation activities.

This Amendment makes no change in the Area designation.

ELIGIBLE URBAN RENEWAL PROJECTS (AMENDMENT NO. 2)

In addition to previously authorized projects, the eligible urban renewal projects under this Amendment No. 2 include:

1. Public Improvements:

Project	Estimated Date	Estimated Cost to be Funded by TIF Funds	Rationale
Demolition of Blighted Structures	2017-2022	\$1,000,000	Funding to acquire, demolish, and clean up dangerous and dilapidated buildings that contribute to blighted conditions within the Urban Renewal Area. These would include, but are not limited to, properties currently owned by the City at 4 W. Grant St. and 6 W. Grant St.
Security Camera Network	2017-2020	\$250,000	A contributing factor to the Area's blighting designation was increased crime and police calls for service. Installation of a security camera network within the Central Business District will aid in crime prevention and remediation of blighting influences.
Parking Lot Improvements	2017-2025	\$500,000	Improvements to City owned parking lots including replacement of concrete and needed structural repairs. Parking lots that may be included within this project include Lots A, D, F, H, J, K, N, O, P, T, W, and Z.
Sidewalk Improvements	2018-2025	\$200,000	<p>A safe pedestrian transportation system is an important component to a successful economic environment in a downtown business district.</p> <p>The City anticipates providing funding to improve pedestrian access within the Central Business District and meet ADA accessibility standards. Combined these improvements will enhance the economic vitality of the Area.</p>
Farmer's Market Improvement	2018-2025	\$250,000	Replacement of the existing pavilion to a more modern facility, including restrooms, to increase the role of the farmer's market in the overall economy of the downtown area.
Storm Water Infrastructure Improvements	2018-2025	\$1,000,000	This project would improve storm water management and treatment utilizing green infrastructure within the downtown area to remediate potential flash flooding events and damage to local infrastructure and minimize loss of access to the business district.

Alley Renovations	2018-2025	\$100,000	Project includes improvements to alleyways within the Central Business District to improve pedestrian access while creating and enhancing an atmosphere that is conducive to economic development and growth in housing within the area.
Highway 14 Improvements	2018-2021	\$500,000	Improvements to Highway 14 within the Area, including a section of 3 rd Avenue to 5 th Avenue from Bromley Street to Madison Street, in coordination with the Iowa DOT, to enhance safety and accessibility within the downtown business district.
State Street Visioning and Streetscape Project	2017-2020	\$1,000,000	Enhancements to a major downtown corridor to include enhancements to remediate blight and stimulate the economic development. Potential projects include improving safety and access for pedestrians and creating a more aesthetic environment.
Street Lighting Replacement	2017-2025	\$700,000	This project would result in improved street lighting within the Central Business District. Improved lighting will help to revitalize the downtown area, create a safe atmosphere to conduct business, enhance livability of the area, and support existing and new businesses. In addition, these improvements may stimulate other investment in the downtown area.

2. Public Facility Improvements:

A. City Hall/Carnegie Building. This project involves the restoration and renovation of City Hall. The City is currently constructing a new Police Station and will move the department out of their current building in 2018-2019 which is attached to City Hall. The two buildings share critical mechanical systems and ADA access facilities. In addition, City Hall has several façade issues including deteriorating brick and stone and water damage inside the building. Improvements to City Hall are needed to ensure ADA accessibility, efficient and reliable building systems, and the long-term preservation of the building.

The City plans to utilize a consultant to identify potential solutions and cost options on both the police facility and City Hall. Upon completion of the study the City plans a project that will ensure long term use of the City Hall building including ADA improvements, updates to the building’s critical systems (heating, cooling, electrical, etc.) and restoring the façade and exterior condition of the building to improve safety and

remediate current deteriorating conditions. Improvements could potentially involve the use of the existing Police Station.

It is anticipated that renovations and restoration to the two buildings will occur in 2019-2023. Total project costs are estimated to not exceed \$1,500,000. It is estimated that approximately \$500,000 of the project costs will be paid from a combination of property taxes, General Obligation Bonds, and grants, and no more than \$1,000,000 of the project costs will be paid with funds from tax increment financing (“TIF”).

B. Library Addition. The City expects to undergo a project to expand the current Marshalltown Library facilities to include additional space for increased programming that will also be available to local and regional groups for meetings and events. The library is well utilized by both residents of the community and the surrounding area. The library’s strategic location, near the central business district, contributes to a healthy and vibrant downtown area.

The City anticipates construction of the project in 2018-2020. Total project costs are estimated not to exceed \$1,000,000. It is estimated that approximately \$300,000 of the project costs will be paid from a combination of community donations, grants, and local sources, and no more than \$700,000 of the project costs will be paid with funds from TIF.

C. Veterans Memorial Coliseum. The City has conducted a feasibility and use study to determine needed improvements and renovations to make the facility ADA compliant and to provide more usable space for local and regional activities organized by the City’s Parks and Recreation Department. The facility is used for weddings, birthdays, meetings, and various community events and for several recreational programs run by the City’s Parks and Recreation Department. These Parks and Recreation programs are attended by youth from the surrounding rural areas, students from the Marshalltown School District as well as three other regional school districts. Following the study the City anticipates renovation of the facility during 2019-2025. Total project costs are estimated to not exceed \$6,000,000. It is estimated that \$1,500,000 of the project costs will be paid from a combination of property taxes, General Obligation Bonds, and grants, and no more than \$4,500,000 of the project costs will be paid with funds from TIF.

D. Senior Center. This project involves conducting a feasibility and use study to determine the possibility of potential updates and renovations to the existing facility used as a Senior Center and built in the 1920’s. Since its original construction, the building has had minimal updates or upgrades. Improvements to the facility may include ADA accessibility and enhancements to the building’s core systems such as lighting, electrical, plumbing, and heating and cooling systems. Based on the results of the facility and use study the City may also consider demolition of the building. A facility and use study and project development plans are expected to be completed during 2018-2020 with construction during 2020-2022. The total project cost is estimated not to exceed \$4,000,000. It is estimated that approximately \$2,000,000 of the project costs will be

paid from a combination of property taxes, General Obligation Bonds, and grants, and no more than \$2,000,000 of the project costs will be paid with funds from TIF.

3. Community Development Programs

The City Council acknowledges the importance of the role that local community organizations play in the overall growth and sustainability of the Area. These groups working in partnership with the City provide support for the ongoing promotion of economic development and blight remediation activities in the Urban Renewal Area.

A. Marshalltown Central Business District. The Marshalltown Central Business District provides daily operations of the Marshalltown Main Street program and support to the City and businesses in the Central Business District through promotion, beautification, and operation of grant and low interest loan programs within the district to support a growing economic and draw people to the area.

The City anticipates continuation of the existing partnership with the Marshalltown Central Business District with an annual contribution not to exceed \$50,000 to be used for business recruitment and retention within the Area.

B. Façade Restoration Grant Program. The City anticipates providing increment funds to the Marshalltown Central Business District in the amount of \$50,000 annually to fund a Façade Restoration and Protection Grant Program. The grant program is administered by the Marshalltown Central Business District and will provide funding to match private investment for the long-term preservation of buildings within the central business district and to encourage future economic development within the Area.

Funding through this program will also help to remediate blighting influences and blighted buildings within the Area.

C. Development Incentive Program. The City also anticipates the funding of a new Development Incentive Program, in conjunction with the Marshalltown Central Business District, to assist property owners within the Area to make improvements to their buildings including energy efficiency improvements, creation and restoration of second story housing, and funds for planning and construction of improvements for historical preservation. These improvements will be designed to preserve and improve the overall economic conditions of the Area and remediate blighting influences.

Funding for this program, with the Marshalltown Central Business District, is anticipated to be on an annual basis in an amount not-to-exceed \$100,000 annually from available increment funds.

D. Public Art Program. The City anticipates potential funding of a new Public Art Program in partnership with the Marshall County Arts and Culture Alliance to provide grants to fund public art projects within the Urban Renewal Area. Projects will be designed to improve the overall economic conditions of the area and remediate blighting influences.

Funding for this program, with the Marshall County Arts and Culture Alliance, is anticipated to be on an annual basis in an amount not-to-exceed \$100,000 annually from available increment funds.

E. Marshalltown Central Business District Development Program. The City acknowledges the importance of various partners as well as individual business owners and developers in the ongoing promotion of economic development within the Urban Renewal Area. As such, the City expects to consider requests for Development Agreements for projects that are consistent with this Plan, in the City’s sole discretion.

The City anticipates that priority funding will be given to projects that involve construction of public infrastructure improvements and facilitate the development of upper floor residential uses. It is the goal of the project is to assist the Marshall County Arts and Culture Alliance and Marshalltown Central Business District, as well as, potentially private developers and property owners, in achieving projects that enhance the overall economic development and blight remediation efforts of the central business district.

Projects may include wayfinding signage, development and implementation of a comprehensive private signage plan, energy efficiency projects, and providing assistance to property owners for rehabilitation and historic preservation of buildings within the Area. The costs of such agreements will not exceed \$1,000,000 individually or \$10,000,000 in total.

4. Planning, Engineering Fees (for Urban Renewal Plans), Attorney Fees, Administrative, and Other Related Costs to Support Urban Renewal Projects and Planning:

Project	Estimated Date	Estimated Cost to be Funded by TIF Funds
Fees & Costs	Undetermined	Not to Exceed \$100,000

FINANCIAL INFORMATION

1.	July 1, 2016 Constitutional Debt Limit:	\$68,225,606
2.	Outstanding General Obligation Debt:	\$33,430,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects (Amendment No. 2) has not yet been determined. This document is for planning purposes only. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City’s best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness, including interest on the same, may be	\$23,800,000 plus \$300,000 in annual funding to economic development and blight remediation programs.

financed in whole or in part with tax increment revenues from the Urban Renewal Area, as amended. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects (Amendment No. 2) as described above will be approximately as stated in the next column:	This does not include financing costs related to debt issuance, which may be incurred over the life of the Area.
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PUBLIC BUILDING ANALYSIS

Amendment No. 2 includes four projects that would involve public buildings. If these projects are approved by the City, the City intends to finance some of the costs through tax increment financing. Specifically, under these circumstances, Iowa law requires an analysis of alternative development options and funding for the projects and reasons why such options would be less feasible than the use of incremental tax revenues for the projects.

City Hall/Carnegie Building:

This project involves a public building. The project involves the renovation of two existing buildings, City Hall and the current Police Station, to improve service delivery and ensure long term use of the facilities for City business, including economic development activities. If the project is ultimately approved by the City, the City intends to finance a portion of the cost of the project through tax increment financing. For the costs of this project to be paid with tax increment funds, the City proposes to issue general obligation bonds and abate a part of the principal and interest payments utilizing available incremental tax revenues within the Area, if available. The City anticipates that tax increment revenue, if available, will fund up to \$1,000,000 of the total project costs. Total project costs for renovations and updates to the facility are estimated to not exceed \$1,000,000.

Marshalltown’s City Hall building is a historic building and is connected to the historic Carnegie Building. Both facilities have façade deterioration causing safety issues around the exterior and water damage inside the buildings. In addition, ADA improvements and upgrades to critical building systems, including heating, cooling, and emergency electrical backup components are needed. Completion of these projects will ensure the long-term preservation of the historic building and the safety of the citizens who utilize the building.

The facility houses the City Council Chambers and administration offices, including Finance, Housing, Community Development, Engineering, and Parks and Recreation Departments. The building is also available for and used by various groups for meetings including the Iowa League of Cities, State Fire Marshall’s office and others. The rehabilitation efforts outlined in the proposed project are critical for the long-term use of the building by all the various groups as well as the continued use by City staff working to enhance economic development opportunities within the City. Additional economic development activity and an increased tax base benefits the community as a whole, including the school district and the County. The rehabilitation of this building will improve a resource that provides regional benefits. The City has estimated that

20% of the building usage is related to and provides benefits to the overall economic vitality of the region including benefits that extend to the school district and the County.

Alternative Funding Options:

One alternative funding option for this project would have the City go through a process that would result in the issuance of general obligation bonds paid only by the City's debt service levy. The issuance of General Obligation Bonds, payable from a debt service levy would require the City to follow State of Iowa statutory rules that require providing notice to voters of their right to petition the City for a referendum on the issuance of bonds. If a referendum was petitioned, and if the necessary 60% approval was not obtained, the City would not be able to finance the project utilizing General Obligation Bonds.

A second alternative for funding the project is through use of the City's General Fund levy. The City is currently at the \$8.10 per thousand dollars of taxable valuation rate which is the maximum rate allowable under state law. Additionally, the City is allowed to establish a capital improvement reserve fund and certify taxes to fund the projects within a specific capital improvement plan. The City has established this fund and is levying taxes at the maximum allowed by law for this levy. The taxes received under this levy are allocated for other projects and would not be available for the proposed project.

The use of Local Option Sales Tax (LOST) funding received by the City is another alternative for funding of this project. LOST revenues are not available for this project, as the City has already obligated available LOST revenues to fund other projects and tax relief.

Other alternatives for funding this project could include grant programs available for historic restoration. The City will be pursuing grant opportunities as they become available. However, funding from grant programs is extremely competitive and, even if successful, generally only provides a small percentage of the total capital needed for a renovation project.

Based on the analysis of potentially available resources for funding this project the most feasible method of financing the proposed eligible project is through the use of a combination of tax increment financing funds along with other available revenues as they are available. In addition, the proposed project demonstrates regional benefits to both County and school district residents and the use of tax increment to pay for a portion of the project is appropriate. For the aforementioned reasons, the use of tax increment revenue (debt abated by incremental tax revenues) for this project is the most feasible and equitable mechanism for helping to fund the proposed project.

Library Addition:

This project involves a public building. The project involves the expansion of the existing Marshalltown Public Library to provide additional meeting space for library and community events. If this project is ultimately approved by the City, the City intends to finance a portion of

the cost of the project through tax increment financing. For the costs of this project to be paid with tax increment funds, the City proposes to issue general obligation bonds and abate a part of the principal and interest payments utilizing available incremental tax revenues within the Area, if available. The City anticipates that tax increment revenues, if available, will fund up to \$700,000 of the total project costs. Total project costs for the Library expansion project are estimated not to exceed \$1,000,000. Specifically, under these circumstances, Iowa law requires an analysis of alternative development options and funding for the project and reasons why such options would be less feasible than the use of incremental tax revenues for the project.

The Marshalltown Public Library is a facility utilized by both local residents, County citizens, area groups, and school district residents. Library records show that 25% of the registered users live outside the City of Marshalltown. In addition, groups and organization from outside the corporate limits of Marshalltown account for 15% of the use of the existing meeting room space.

Public libraries are an important part of communities, providing access to free programming and materials for all classes of residents. Libraries can be an important quality of life factor for employers and companies choosing to locate or expand their business. Additionally, facilities such as the Marshalltown Public Library are a factor for employees when choosing a place to live. The City recognizes the importance of providing a high quality-of-life and public library amenities in order to retain and draw new businesses to the City and the region.

Alternative Funding Options:

One alternative funding option for this project would have the City go through a process that would result in the issuance of general obligation bonds paid only by the City's debt service levy. The issuance of General Obligation Bonds, payable from a debt service levy would require the City to follow State of Iowa statutory rules that require providing notice to voters of their right to petition the City for a referendum on the issuance of bonds. If a referendum was petitioned, and if the necessary 60% approval was not obtained, the City would not be able to finance the project utilizing General Obligation Bonds.

A second alternative for funding the project is through use of the City's General Fund levy. The City is currently at the \$8.10 per thousand dollars of taxable valuation rate which is the maximum rate allowable under state law. Additionally, the City is allowed to establish a capital improvement reserve fund and certify taxes to fund the projects within a specific capital improvement plan. The City has established this fund and is levying taxes at the maximum allowed by law for this levy. The taxes received under this levy are allocated for other projects and would not be available for the proposed project.

The use of Local Option Sales Tax (LOST) funding received by the City is another alternative for funding of this project. LOST revenues are not available for this project, as the City has already obligated available LOST revenues to fund other projects and tax relief.

Other alternatives for funding this project could include grant programs and private donations for library renovations and expansion, and establishing library user fees. The Library Board will be pursuing grant opportunities as they become available. However, funding from most grant programs is extremely competitive and, even if successful, generally only provides a small percentage of the total capital needed for an expansion project.

Another potential funding source could be user fees. The Iowa Library Association urges libraries not to charge user fees for the use of a library. Libraries have historically been a free service for patrons.

Based on the analysis of potentially available resources for funding this project the most feasible method of financing the proposed eligible project is through the use of a combination of tax increment financing funds along with other available revenues as they are available. In addition, the proposed project demonstrates regional benefits to both County and school district residents and the use of tax increment to pay for a portion of the project is appropriate. For the aforementioned reasons, the use of tax increment revenue (debt abated by incremental tax revenues) for this project is the most feasible and equitable mechanism for helping to fund the proposed project.

Veterans Memorial Coliseum:

This project involves a public building. The project involves the renovation of the existing 1929 building to include improved and more efficient building systems, heating, cooling, lighting, electrical, plumbing, ADA accessibilities upgrades, as well as, repairs to the general exterior of the building to potentially include, façade improvements and window and roof replacement. If this project is ultimately approved by the City, the City intends to finance a portion of the cost of the project through tax increment financing. For the costs of this project to be paid with tax increment funds, the City proposes to issue general obligation bonds and abate a part of the principal and interest payments utilizing available incremental tax revenues within the Area, if available. The City anticipates that tax increment revenue, if available, will fund up to \$4,500,000 of the total project costs. Total project costs for renovations and updates to the facility are estimated to not exceed \$6,000,000.

Originally constructed in 1929, the Coliseum has served as a community gathering facility, hosting various community and regional activities including sporting events, recreational leagues, community exhibits and shows. According to the City's Parks and Recreation Department, utilization of the building, including participation in their programs, draws residents of Marshalltown as well as rural families and students from three surrounding school districts. In addition to community programming facilitated by the Parks and Recreation Department they also provide specific programs on behalf of the Marshalltown School District.

The Coliseum has historically drawn people to the downtown area for recreational and community-based activities. The City hopes that renovation of the building will continue to draw individuals to the downtown area as well as, increase the amount of traffic in the Central

Business District. Recreational activities, such as those occurring in the Coliseum, are an important quality-of-life factor for existing residents and companies choosing to locate or expand their business. Facilities such as the Coliseum are also factors for employees when choosing a place to live. The City recognizes the importance of providing a high quality-of-life and recreational amenities in order for existing and potential employers to locate and expand within the City and the region.

Alternative Funding Options:

One alternative funding option for this project would have the City go through a process that would result in the issuance of general obligation bonds paid only by the City's debt service levy. The issuance of General Obligation Bonds, payable from a debt service levy would require the City to follow State of Iowa statutory rules that require providing notice to voters of their right to petition the City for a referendum on the issuance of bonds. If a referendum was petitioned, and if the necessary 60% approval was not obtained, the City would not be able to finance the project utilizing General Obligation Bonds

A second alternative for funding the project is through use of the City's General Fund levy. The City is currently at the \$8.10 per thousand dollars of taxable valuation rate which is the maximum rate allowable under state law. Additionally, the City is allowed to establish a capital improvement reserve fund and certify taxes to fund the projects within a specific capital improvement plan. The City has established this fund and is levying taxes at the maximum allowed by law for this levy. The taxes received under this levy are allocated for other projects and would not be available for the proposed project.

The use of Local Option Sales Tax (LOST) funding received by the City is another alternative for funding of this project. LOST revenues are not available for this project, as the City has already obligated available LOST revenues to fund other projects and tax relief.

Other alternatives for funding this project could potentially include grant programs available for buildings of this type and use including the Martha Ellen Tye Foundation and the CDBG program. However, funding from most grant programs is extremely competitive and, even if successful, generally only provides a small percentage of the total capital needed for an expansion project.

The City may also investigate the potential for involving a private developer in the restoration and rehabilitation of the building.

Based on the analysis of potentially available resources for funding this project the most feasible method of financing the proposed eligible project is through the use of a combination of tax increment financing funds along with other available revenues as they are available. In addition, the proposed project demonstrates regional benefits to both County and school district residents and the use of tax increment to pay for a portion of the project is appropriate. For the

aforementioned reasons, the use of tax increment revenue (debt abated by incremental tax revenues) for this project is the most feasible and equitable mechanism for helping to fund the proposed project.

Senior Center:

This project involves a public building. The project involves conducting a feasibility and use study to determine options and potential costs of renovations of the Marshalltown Senior Center which is owned by the City of Marshalltown. If this project is ultimately approved by the City, the City intends to finance a portion of the cost of the project through tax increment financing. For the costs of this project to be paid with tax increment funds, the City proposes to issue general obligation bonds and abate a part of the principal and interest payments utilizing available incremental tax revenues within the Area, if available. The City anticipates that tax increment revenue, if available, will fund up to \$2,000,000 of the total project costs. Total project costs for renovations and updates to the facility are estimated not to exceed \$4,000,000.

The current facility was constructed in 1920 and has had limited updates to the building since that time. The City currently leases the building to two agencies who provide programming and services for senior citizens in Marshalltown and the surrounding region. Based on the results of a feasibility study the City may choose to expend funds to renovate and update the existing facility to include ADA accessibility updates, building system upgrades, and other general facility improvements as determined by the results of the study. The City may also choose to relocate the existing services provided in the building to another facility and demolish the existing structure to open up the area for future economic development uses.

An efficient, functional, and accessible senior center facility can be a quality-of-life asset for a community. Marshalltown's Senior Center provides benefits not only for Marshalltown residents but also residents of the surrounding area. The City recognizes the importance of providing a high quality-of-life in order for existing and potential employers to locate and expand within the City and region.

Alternative Funding Options:

One alternative funding option for this project would have the City go through a process that would result in the issuance of general obligation bonds paid only by the City's debt service levy. The issuance of General Obligation Bonds, payable from a debt service levy would require the City to follow State of Iowa statutory rules that require providing notice to voters of their right to petition the City for a referendum on the issuance of bonds. If a referendum was petitioned, and if the necessary 60% approval was not obtained, the City would not be able to finance the project utilizing General Obligation Bonds

A second alternative for funding the project is through use of the City's General Fund levy. The City is currently at the \$8.10 per thousand dollars of taxable valuation rate which is the maximum rate allowable under state law. Additionally, the City is allowed to establish a capital

improvement reserve fund and certify taxes to fund the projects within a specific capital improvement plan. The City has established this fund and is levying taxes at the maximum allowed by law for this levy. The taxes received under this levy are allocated for other projects and would not be available for the proposed project.

The use of Local Option Sales Tax (LOST) funding received by the City is another alternative for funding of this project. LOST revenues are not available for this project, as the City has already obligated available LOST revenues to fund other projects and tax relief.

Other alternatives for funding this project could include grant programs and private donations for renovations to the senior center. The City will be pursuing grant opportunities as they become available. However, funding from most grant programs is extremely competitive and, even if successful, generally only provides a small percentage of the total capital needed for a renovation project.

The City may also investigate the potential for involving a private developer in the restoration and rehabilitation of the building.

Based on the analysis of potentially available resources for funding this project the most feasible method of financing the proposed eligible project is through the use of a combination of tax increment financing funds along with other available revenues as they are available. In addition, the proposed project demonstrates regional benefits to both County and school district residents and the use of tax increment to pay for a portion of the project is appropriate. For the aforementioned reasons, the use of tax increment revenue (debt abated by incremental tax revenues) for this project is the most feasible and equitable mechanism for helping to fund the proposed project.

EFFECTIVE PERIOD

This Amendment No. 2 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document, the Urban Renewal Plan shall remain in effect until terminated by the City Council, and 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*, will be consistent with Chapter 403 of the *Code of Iowa*. The division of revenues shall continue on the Area for the maximum period allowed by law.

At the time the original Urban Renewal Area was adopted in 1998, the plan was designated as a mixed economic development and blighted area and therefore the Area is not subject to the statutorily required expiration on the ability to collect incremental taxes set out in the *Code of Iowa* section 403.17(10). Amendment No. 1, adopted in 2013, removed a self-imposed

expiration date and clarified that the division of revenue in the Area is not subject to any sunset. This Amendment No. 2 makes no change to the effective period of the Area.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness or bonds which qualify for payment from 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 Area shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

REPEALER

Any parts of the Plan, as previously amended, in conflict with this Amendment are hereby repealed.

SEVERABILITY CLAUSE

If any part of this Amendment No. 2 is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted Plan as a whole or the previous amendments to the Plan, or any part of the Plan not determined to be invalid or unconstitutional.