

**August 4, 2014**

**To: Mayor Bemrich and City Council**  
**From: David Fierke, City Manager**  
**Subject: Urban Renewal Plan Amendment**

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**ACTION: For Vote Monday, August 11, 2014**

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**Brief History**

The City Council previously created the Center City and Industrial Park Urban Renewal Areas (the "Urban Renewal Areas") by resolution and adopted an Urban Renewal Plan (the "Plan") for the governance of projects and initiatives within the Areas.

In order to provide TIF funds for projects, the project sites must be located within the Urban Renewal Area. In addition, the Urban Renewal Plan must reflect the proposed expenditures.

**Analysis of Issue**

The proposed Urban Renewal Plan Amendment consists of 3 projects, the developers of which are seeking incentives from the City in the form of TIF rebates from the increment produced from each project. Following are the proposed projects:

- Crosstown Connector Industrial Park – the developer is requesting incentive payments totaling \$1,087,000 to offset the costs of constructing the public improvements for the project;
- Triton Plaza – the developer is requesting incentive payments totaling \$550,000 to offset the costs of constructing the public improvements for the project;
- Warden Plaza Development – the developer is requesting incentive payments and tax abatement in an aggregate amount not to exceed \$2,000,000 to assist with the redevelopment of the former Warden Plaza;

**Budget Impact**

Incentive payments for each project would be paid from the increment produced from each of the proposed projects.

**Strategic Plan Impact**

Policy C.1.5: The rehabilitation, reuse, or removal of currently unused or underutilized structures, sites and infrastructure shall be accomplished.

Policy C.1.6: City government shall be an active participant, facilitator and partner in the creation of large and small business and industrial development opportunities capitalizing upon the unique human and economic resources of the area.

Policy C.1.7: Economic development efforts shall protect, enhance and encourage a high quality of life, image and cultural amenities as critical factors in business retention, recruitment and economic growth.

**Existing Plan Impact**

Consistent with the City's Urban Renewal Plan.

**Subcommittee or Commission Review / Recommendation**

None

**Staff Conclusions / Recommendations**

Staff recommends approval of the attached amendment to the Urban Renewal Plan.

**Alternatives**

The only alternative would be to not approve the amendment, which would prohibit the City from providing TIF funds for the above-referenced projects.

**Implementation and Accountability**

If approved, the amendment to the Urban Renewal Plan will be executed, followed by an amendment to the TIF District.

Signed



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Vickie L. Reeck  
Community Development Manager

Approved

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David R. Fierke, City Manager

RESOLUTION NO. \_\_\_\_\_

Resolution to approve urban renewal plan amendment for the Center City and Industrial Park Urban Renewal Areas

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the “Urban Renewal Law”), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of Fort Dodge, Iowa (the “City”), by prior resolution established the Center City and Industrial Park Urban Renewal Areas (the “Urban Renewal Areas”); and

WHEREAS, an amendment (the “Amendment”) to the plan for the Urban Renewal Areas has been prepared which would facilitate the undertaking of new urban renewal projects consisting of (1) providing tax increment financing support to Triton Plaza, LLC in connection with the construction of certain commercial facilities and the corresponding construction of public infrastructure improvements; (2) providing tax increment financing support to Decker Investments, Inc. in connection with the construction of certain commercial facilities and the corresponding construction of public infrastructure improvements; and (3) providing tax increment financing support to Landover Corporation in connection with the redevelopment of the Warden Plaza building; and

WHEREAS, notice of a public hearing by the City Council of the City of Fort Dodge, Iowa, on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on August 11, 2014; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Webster County and the Fort Dodge Community School District; the consultation meeting was held on the 25<sup>th</sup> day of July, 2014; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Fort Dodge, Iowa, as follows:

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The proposed economic development under the Amendment is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved August 11, 2014.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

OTHER: \_\_\_\_\_

City of Fort Dodge, Iowa

\_\_\_\_\_  
By: Matt Bemrich, Mayor

Attest:

\_\_\_\_\_  
Jeff Nemmers, City Clerk

CITY OF FORT DODGE, IOWA

URBAN RENEWAL PLAN AMENDMENT  
CENTER CITY AND INDUSTRIAL PARK URBAN RENEWAL AREAS

August, 2014

The Urban Renewal Plans (the “Plans”) for the Center City and Industrial Park Urban Renewal Areas (the “Areas”) are being amended for the purpose of identifying new urban renewal projects to be undertaken therein.

**1) Identification of Projects.** By virtue of this amendment, the list of authorized urban renewal projects in the Plans is hereby amended to include the following project description:

**A.**

**Name of Project:** Triton Plaza, LLC Development Project

**Name of Urban Renewal Area:** Center City and Industrial Park Urban Renewal Areas

**Year of Establishment of Urban Renewal Areas:** June 30, 1978

**Date of Council Approval of Project:** August 11, 2014

**Description of Project:** Triton Plaza, LLC (the “Developer”) owns certain real property situated in the Urban Renewal Areas the legal description of which is set forth on Exhibit A hereto (the “Triton Development Property”). The Developer has undertaken the development of the Triton Development Property through the installation of certain public infrastructure improvements and the development of new commercial facilities thereon including a national chain hotel (the “Triton Development Project”).

**Description of Public Infrastructure:** The City will not install any public infrastructure in connection with the Triton Development Project.

**Description of Properties to be Acquired in Connection with Project:** It is not anticipated that the City will acquire any property in connection with the Triton Development Project.

**Description of Use of TIF:** The City intends to enter into a Development Agreement with the Developer with respect to the Triton Development Project and to provide annual appropriation economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Triton Development Property. It is anticipated that the City’s total commitment of incremental property tax revenues under the Development Agreement with respect to the Triton Development Project will not exceed \$550,000.

**B.**

**Name of Project:** Decker Investments, Inc. Development Project

**Name of Urban Renewal Area:** Center City and Industrial Park Urban Renewal Areas

**Year of Establishment of Urban Renewal Areas:** June 30, 1978

**Date of Council Approval of Project:** August 11, 2014

**Description of Project:** Decker Investments, Inc. (the “Developer”) owns certain real property situated in the Urban Renewal Areas the legal description of which is set forth on Exhibit B hereto (the “Decker Development Property”). The Developer has undertaken the development of new commercial and industrial lots on the Development Property (the “Decker Development Project”).

**Description of Public Infrastructure:** In order to assist the Developer in the promotion of the highest and best commercial and industrial use of the Decker Development Property, the City will cause certain public infrastructure improvements (the “Public Improvements Project”) to be constructed on the Decker Development Property, and the Developer will reimburse the City for a portion of the costs of the Public Improvements Project.

**Description of Properties to be Acquired in Connection with Project:** The City will acquire such easement territory and right-of-way as are necessary to construct the Public Improvements Project.

**Description of Use of TIF:** In order to help defray the costs incurred by the Developer in connection with the Public Improvements Project, the City intends to enter into a Development Agreement with the Developer and to provide annual appropriation economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Decker Development Property. It is anticipated that the City’s total commitment of incremental property tax revenues under the Development Agreement with respect to the Public Improvements Project will not exceed \$1,087,000.

**C.**

**Name of Project:** Landover Corporation Development Project

**Name of Urban Renewal Area:** Center City and Industrial Park Urban Renewal Areas

**Year of Establishment of Urban Renewal Areas:** June 30, 1978

**Date of Council Approval of Project:** August 11, 2014

**Description of Project:** Landover Corporation (the “Developer”) has undertaken the acquisition and the historic rehabilitation, renovation and redevelopment of the existing Warden Plaza building situated at 908 1<sup>st</sup> Ave. S. (the “Landover Development Property”) into a multipurpose building which will contain residential units, commercial and office space (the “Landover Redevelopment Project”). The Developer’s investment in the Landover Redevelopment Project will be not less than \$12,000,000.

**Description of Public Infrastructure:** The City will fill in vaults under the sidewalks adjacent to the Warden Plaza building on 1<sup>st</sup> Avenue South and on South 9<sup>th</sup> Street (the “Sidewalk Project”).

**Description of Properties to be Acquired in Connection with Project:** The City will acquire such easement territory and right-of-way as are necessary to construct the Sidewalk Project.

**Description of Use of TIF:** In addition to providing certain property tax abatement incentives to the Developer, the City intends to enter into a Development Agreement with the Developer with respect to the Landover Redevelopment Development Project and to provide annual appropriation economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Landover Development Property. The estimated aggregate financial benefit to the Developer under the Development Agreement with respect to the Landover Redevelopment Project will not exceed \$2,000,000.

**3) Required Financial Information.** The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$50,643,872</u>
Outstanding general obligation debt of the City:	<u>\$31,595,000</u>
Proposed debt to be incurred under the August, 2014 Amendment*:	<u>\$ 3,637,000</u>

\*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

**EXHIBIT A**  
**Legal Description of Triton Development Property**

Lot No. 4, County Auditor's Taxation Plat of the North One-half of the Northwest Quarter Laying North of the Chicago, Northwestern Railroad in Section 31, Township 89 North, Range 28, West of the 5th P.M., Webster County, Iowa:

**ALSO KNOWN AND DESCRIBED AS**

A parcel of land in the Northwest Quarter of Section 31, Township 89 North, Range 28 West of the 5th P.M., Iowa beginning 67.5 feet West of the Northeast corner of the Northwest Quarter of Section 31, said point being on the northerly right of way line of the Chicago Great Western Railroad; thence West 428.6 feet along the North line of the NW 1/4 of Section 31 to a point on the Southerly right of way of primary Road U.S. No. 20, said point being 60 feet normally distant southeasterly from the center of said U.S. 20; thence South 72°42' West along said southerly right of way 1149.6 feet to a point 60 feet normally distant southeasterly from U.S. 20 centerline station 670; thence South 67°53 1/2' West 502.1 feet to a point 100 feet normally distant southeasterly from U.S. 20 centerline station 666+12.5 which equals station 2665+69.1; thence Southwesterly 601.5 feet along a 1810 foot radius curve concave southeasterly to a point 100 feet normally distant southeasterly from U.S. 20 centerline station 2658+15.2; thence South 50°05' West 70.7 feet on a tangent line to the preceding course to a point 100 feet normally distant southeasterly from U.S. 20 centerline station 2657+44.5, said point being also 165 feet normally distant easterly from primary Road U.S. 169 survey station 1229+39.9; thence South 7°17' West 320 feet along the present easterly ROW line of U.S. 169 to a point on the Northerly ROW line of the Chicago Great Western Railroad; thence Northeasterly 305.8 feet along a 11,510 foot radius curve concave southeasterly, along said northerly ROW; thence North 65°12 1/2' East 2558.6 feet on a tangent line to the preceding course and along said Northerly ROW to the point of beginning.

EXCEPT parcel beginning at a point 67.5 feet West of the Northeast corner of the Northwest Quarter of Section 31 thence West 428.6 feet along the North line of said NW 1/4 to a point on the southerly ROW line of primary Road U.S. 20 said point being 60 feet normally distant southeasterly from the centerline of said U.S. 20; thence South 72°42' West 227.3 feet along said southerly ROW line; thence South 24°38'30" East 207.75 feet to the northerly ROW line of the Chicago Great Western Railroad; thence North 65°12 1/2' East along the northerly ROW of the Chicago Great Western Railroad to the point of beginning.

AND ALSO EXCEPTING parcel conveyed to the State of Iowa for road purposes as recorded in Deed Record 158 pages 531-534 of the records of Webster County, Iowa.



**EXHIBIT B**  
**Legal Description of Decker Development Property**

The NE ¼ SE ¼ Section 22, Township 89 North, Range 28 West, except the east 50 feet thereof.

The NW ¼ SE ¼ Section 22, Township 89 North, Range 28 West.

The NE ¼ SW ¼ Section 22, Township 89 North, Range 28 West.

The SE ¼ SE ¼ Section 22, Township 89 North, Range 28 West, EXCEPT the South 660 feet and the East 50 feet of said SE ¼ SE ¼.

Lot 12 of Welch's Auditor's Plat for Taxation Purposes of the SW ¼ SE ¼ Section 22, Township 89 North, Range 28 West of the 5<sup>th</sup> P.M. in the City of Fort Dodge, Webster County, Iowa.

Lot 7 of Gibb Cooks Addition, County Auditor's Plat for Taxation Purposes of the SE ¼ SW ¼ Section 22, Township 89 North, Range 28 West of the 5<sup>th</sup> P.M. in the City of Fort Dodge, Webster County, Iowa, EXCEPT the West 532.83 feet of the East 565.83 feet of the South 170.88 feet of said Lot 7.