

**December 15, 2014**

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

---



**ACTION: For vote Monday, December 22, 2104**

---

**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 amendment to the Urban Renewal Plan would allow incentive payments in conjunction with the expansion project by JMC Manufacturing, located at 216 Central Avenue.

The amendment also provides for payments for Administrative and Professional Fees as well as support for the Downtown Fort Dodge Self-Supported Municipal Improvement District.

**Budget Impact**

Incentive payments in an amount not to exceed \$50,000 from the increment produced from the proposed project would be paid to JMC Manufacturing over three years through annual appropriations. Payments would be limited to 80% of the increment produced from the project.

Funds in the amount of \$125,000 are being budgeted for administrative and professional support for the City's urban renewal projects and initiatives for FY 15.

Funds in the amount of \$35,000 are being budgeted for support of the Downtown Fort Dodge Self-supported Municipal Improvement District for FY 15.

**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 resolution, which amends the Urban Renewal Plan and Area.

**Alternatives**

The only alternative would be to not approve the attached resolution, which would prohibit the City from amending the Urban Renewal Plan and providing TIF funds for the above-referenced projects.

**Implementation and Accountability**

If approved, staff will ensure that the appropriate expenditures are made and that sufficient documentation is provided.

Signed



---

Vickie L. Reeck  
Community Development Manager

Approved



---

David R. Fierke, City Manager

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

Resolution to Declare Necessity and Establish Urban Renewal Areas, Pursuant to Section 403.4 of the Code of Iowa and Approve Urban Renewal Plan Amendment for the Expanded 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 development 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 resolution previously established the Expanded Center City and Industrial Park Urban Renewal Areas (the “Urban Renewal Areas”) and an adopted urban renewal plan (the “Plan”) for the governance of projects and initiatives therein; and

WHEREAS, a proposal has been made which shows the desirability of expanding the Urban Renewal Areas to add and include all the property (the “Property”) lying within the description set out in Exhibit A hereto; and

WHEREAS, the proposal demonstrates that sufficient need exists to warrant finding the Property to be an economic development area; and

WHEREAS, an amendment (the “Amendment”) to the Plan has been prepared which (1) covers the addition of the Property to the Urban Renewal Areas; and (2) authorizes the undertaking of new urban renewal projects in the Urban Renewal Areas consisting of (a) providing tax increment financing support to Josephson Manufacturing Company in connection with the construction of an addition to the JMC, Mfg. facility situated at 216 Central Avenue and the corresponding expansion of the company’s business operations; and (b) using tax increment financing in support of the administration of the City’s urban renewal program in the Urban Renewal Areas, including providing staffing, professional, legal, administrative and planning support; and

WHEREAS, notice of a public hearing by the City Council of the City on the question of amending the plan for the Urban Renewal Areas and designating an expanded Urban Renewal Areas, pursuant to Chapter 403, Code of Iowa, and the Council has conducted said hearing on December 22, 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 5<sup>th</sup> day of December, 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. An economic development area as defined in Chapter 403 of the Code of Iowa, is found to exist in the City on the Property.

Section 2. The Property is hereby declared to be an urban renewal area, in conformance with the requirements of Chapter 403 of the Code of Iowa, and is hereby designated the December 2014 Addition to the Expanded Center City and Industrial Park Urban Renewal Areas.

Section 3. The development of the Property is necessary in the interest of the public health, safety or welfare of the residents of the City.

Section 4. It is hereby determined by this City Council as follows:

A. The Amendment and the projects and initiatives described therein conform to the general plan of the municipality as a whole;

B. Proposed economic development projects described in the Amendment are necessary and appropriate to facilitate the proper growth and development of the city in accordance with sound planning standards and local community objectives.

Section 5. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 6. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved December 22, 2014.

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

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

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

City of Fort Dodge, Iowa

\_\_\_\_\_  
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

December, 2014

The Urban Renewal Plans (the “Plans”) for the Center City and Industrial Park Urban Renewal Areas (the “Areas”) are being amended for the purposes of (1) adding property to the Areas; and (2) identifying new urban renewal projects to be undertaken therein.

**1) Addition of Property.** By virtue of this amendment, the legal description of the properties contained within the Areas is expanded to add the real property (the “Property”) described on Exhibit A hereto. It is anticipated that the City will adopt an ordinance providing for the division of property tax revenues, as set forth in Section 403.19 of the Code of Iowa, with respect to the Property.

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

A)

**Name of Project:** JMC, Mfg. Facility Expansion Project (the “Project”)

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

**Date of Council Approval of Project:** December 22, 2014

**Description of Project:** Josephson Manufacturing Company (the “Developer”) has proposed to undertake the construction of an addition (the “Project”) to the JMC Mfg. facility situated at 216 Central Avenue (the “Development Property”) in the Areas. The Project will include certain exterior improvements to meet Downtown Design Guidelines. It is anticipated that the Project will be completed by December 31, 2016.

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

**Description of Use of TIF:** The City intends to enter into a Development Agreement with the Developer with respect to the Project and to provide annual appropriation economic development payments (the “Payments”) thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Development

Property. It is anticipated that the City's total commitment of incremental property tax revenues under the Development Agreement with respect to the Project will not exceed \$50,000.

**B)**

**Name of Project:** Fiscal Year 2015 Urban Renewal Administration and Professional Support Program (the "FY 2015 Admin Program")

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

**Date of Council Approval of FY 2015 Admin Program:** December 22, 2014

**Description of FY 2015 Admin Program:** The City will provide administrative and professional support to its urban renewal projects and initiatives in the 2014-2015 fiscal year. This support will include planning, staffing, grant writing and administration, document support, record management, accounting, legal services and such other services as are necessary to carry out and effectuate the urban renewal initiatives and objectives of the City.

**Description of Use of TIF:** It is anticipated that the City will pay for the FY 2015 Admin Program with the proceeds of a series of internal advances of City funds on-hand. The City's obligation will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the FY 2015 Admin Program will not exceed \$125,000.

**C)**

**Name of Project:** Fiscal Year 2015 Downtown Fort Dodge Self-Supported Municipal Improvement District Support Program ("FY 2015 SSMID Program")

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

**Date of Council Approval of FY 2015 SSMID Program:** December 22, 2014

**Description of FY 2015 SSMID Program:**

The City Council acknowledges the importance of the Downtown Fort Dodge Self-Supported Municipal Improvement District to the economic development of the City. The City intends to provide economic development support to the Downtown Fort Dodge Self-Supported Municipal Improvement District with incremental property tax revenues in the aggregate amount of \$35,000.

**Description of Use of TIF:** It is anticipated that the City will pay for the FY 2015 SSMID Program with the proceeds of a series of internal advances of City funds on-hand. The City's obligation will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the FY 2015 SSMID Program will not exceed \$35,000.

**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: \$51,299,008

Outstanding general obligation debt of the City: \$31,595,000

Proposed debt to be incurred under the December, 2014  
Amendment\*: \$ 210,000

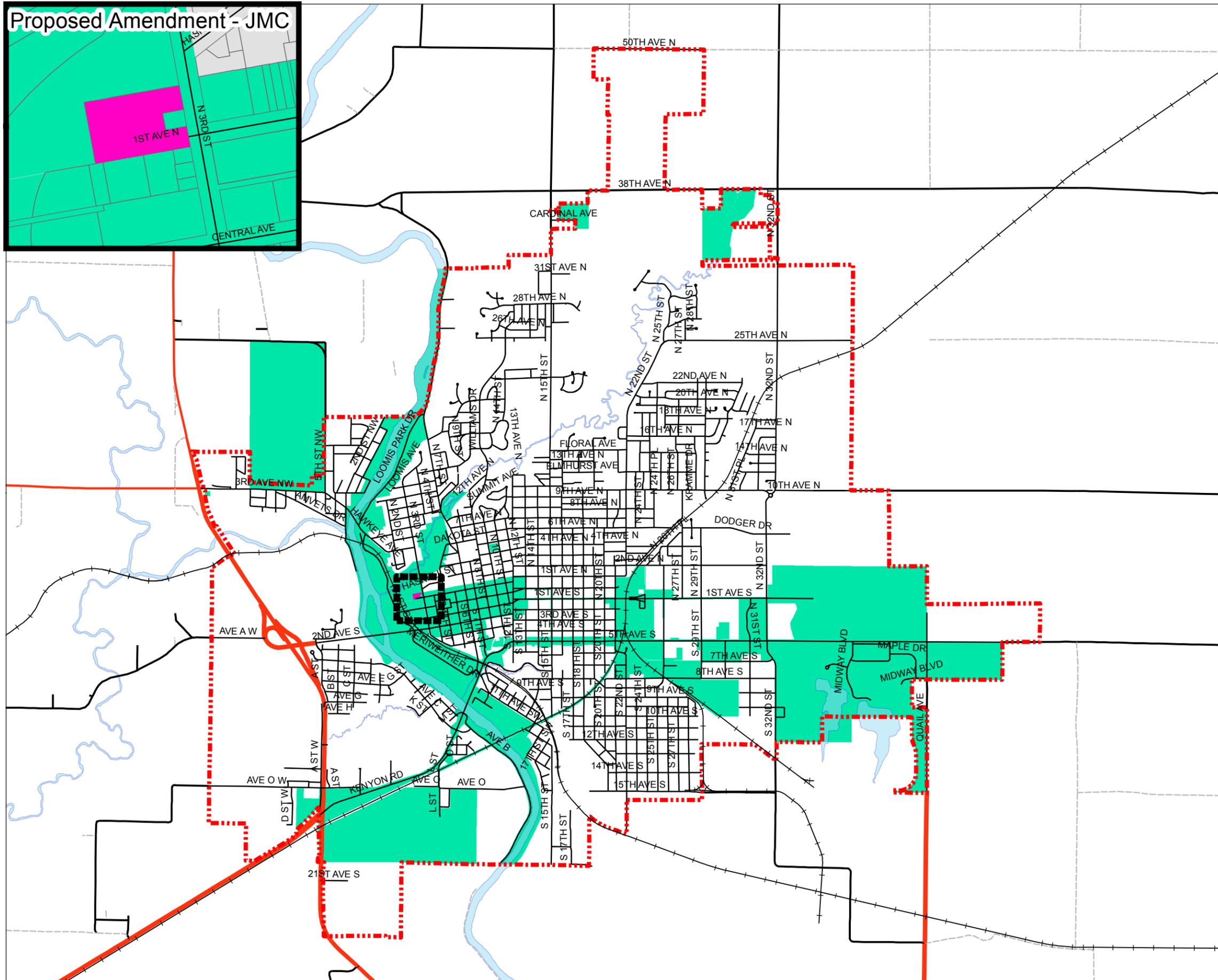
\*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

**EXHIBIT A**  
Legal Description  
Expanded Center City and Industrial Park Urban Renewal Areas  
(December, 2014 Addition)

*Certain real property situated in the City of Fort Dodge, County of Webster, State of Iowa, more particularly described as follows:*

All of Lots 1-5, Block 6, Original Town of Fort Dodge, Iowa; the adjacent ROW westerly of said Block 6 and that part of First Avenue North lying West of North 3<sup>rd</sup> Street, all in the Original Town of Fort Dodge, Iowa, EXCEPT the South 58' of said Lot 1 and EXCEPT the East 12' of the South 58' of said lot 2, Block 6.

**Proposed Amendment - JMC**



**URBAN RENEWAL  
AMENDMENT  
DECEMBER 2014**

**Legend**

- Urban Renewal
- Streets 2014
- Rivers and Creeks
- Railroads
- County Roads**
- MapSymbol**
- City
- County
- County Paved
- State
- US
- Proposed Amendment

