

AMENDED AND RESTATED  
URBAN RENEWAL PLAN  
FOR THE  
ADEL URBAN RENEWAL PROJECT AREA

As Approved by City Council

Resolution No. 03-23 ( 6-10 \_\_\_\_\_, 2003)

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## **1.0 INTRODUCTION**

### **1.1 Background**

The purpose and intent of this Amended and Restated Urban Renewal Plan (the "Urban Renewal Plan" or the "Plan") for the Adel Urban Renewal Project Area (the "Project Area") is to provide a comprehensive approach for redevelopment and revitalization of established economic development areas which are located in the City of Adel.

This Plan is an amendment and restatement of the Adel Urban Renewal Plan approved by Resolution No. 61191.2 of the City Council of the City of Adel, Iowa on June 11, 1991, which was subsequently amended by Resolution No. 92-6 approved on April 14, 1992 and Resolution No. 97-20 approved on August 12, 1997. This Plan shall serve as a new Urban Renewal Plan for the Project Area described herein. No additional area is being added to the existing Project Area under this amendment and restatement.

### **1.2 Location and Area**

A legal description for the boundary of this Project Area is attached to this document as Attachment A. Maps also are attached to provide general descriptions of the boundaries of the original Adel Urban Renewal Area and the Amendment No. 2 Area that now comprise the Project Area covered by this Plan.

### **1.3 Purpose and Intent**

The Urban Renewal Plan has been developed to (1) provide for the continuation of redevelopment and revitalization activities occurring within the Project Area, and (2) provide for the use of tax increment revenues for qualified activities.

In response to a national initiative, an urban renewal program for cities in Iowa was created during the mid-1950's. It was intended to give cities the power to deal with conditions of blight and deterioration. The enabling legislation (Chapter 403, Code of Iowa) (the "Urban Renewal Law") acknowledged that the existence of such conditions inevitably led to a declining tax base, an increase in the cost of public services, and a long list of other negative impacts on the community. The Urban Renewal Law was adopted in order to give cities the powers necessary to help combat these problems and to offer local officials the opportunity to remove negative influences and replace them with more positive and productive land uses, programs, and approaches.

In 1985, the Iowa General Assembly expanded the scope of the Urban Renewal Law in order to allow the use of urban renewal powers to alleviate and prevent conditions of unemployment within a city. City councils became authorized to designate areas as "economic development areas" as being appropriate for commercial and industrial enterprises. The significance of this new addition to cities' powers under the Urban Renewal Law is the recognition of the importance of economic activity to a community's vitality and survivability.

Specifically, the legislation allows local city councils to formulate a program for using public and private resources to encourage development and to help alleviate and prevent conditions of unemployment and underemployment and to assist with housing development and redevelopment within such areas. The City of Adel has recognized that more can be accomplished by an active role in its recruitment of new industry, expansion of existing businesses, and other public infrastructure and facilities development. This Urban Renewal Plan has been prepared in accordance with the Urban Renewal Law in order to help achieve these objectives. It is intended that the City of Adel may exercise all of the powers and undertake all of the activities provided under the Urban Renewal Law. These objectives and anticipated activities are described further under Sections 5.0 and 6.0 of this document.

## **2.0 TAX INCREMENT DISTRICT**

### **2.1 Background**

The division of taxation authorized by Section 403.19 of the Urban Renewal Law and the separation of incremental taxes as defined in Section 403.19(2) have been implemented in the Project Area. Under the terms of this Amended and Restated Plan, the tax increment mechanism shall be continued within the Project Area, pursuant to Ordinance No. 183 of the City (the "TIF Ordinance"). Under the TIF Ordinance, incremental taxes are determined separately with respect to the original urban renewal area and the Amendment No. 2 Area that now comprise the Project Area, and when collected shall continue to be applied in respect of Project Area activities undertaken in accordance with this Plan.

### **2.2 General Description of Tax Increment Financing**

One of the most significant and widely-used powers given to city councils under the Urban Renewal Law is the authority to utilize "tax increment financing" (TIF). TIF enables a city to use the property tax dollars produced from new private development to pay for certain public improvements and to provide assistance for private development

within an urban renewal area.

The taxable valuations within the Project Area will remain "frozen" at the levels which have been previously established by the TIF Ordinance. When the value of the property inside the special district increases, the difference between the frozen base and the new property values is called the "increment."

After a city advances costs or incurs indebtedness to finance improvements within the district or otherwise participates in development projects, property taxes levied by all local jurisdictions (city, county, school district, area college) (the "affected taxing entities") against the "increment" are allocated to the City's tax increment fund rather than to each jurisdiction. These new tax dollars are then used to reimburse the City for its project costs. Only the portion of the increment needed to pay off the City's project-related indebtedness is affected. Any additional incremental taxes go to the usual taxing bodies. If the City has incurred no project related indebtedness, taxes from the entire increment goes to each taxing district.

When debt is incurred, and for the period of time needed to pay off the City debt, most of the property taxes levied by all jurisdictions against the new, or incremental value in the district will be allocated to the City's tax increment fund. However, any taxes levied against the incremental value which are pledged to pay off other debt, such as a debt service levy of the school district to pay school district bonds or a county debt service levy, will not go into the City's tax increment fund, but will go back to the levying jurisdiction. In addition, school districts receive taxes generated from a voter-approved physical plant and equipment levy as provided in the Urban Renewal Law.

Tax increment revenues generated can be used to finance a variety of activities. In the case of the Project Area, tax increment revenues may be used for used to provide public improvements and infrastructure, and participation in qualified economic development activities.

The "affected taxing entities" (e.g., county, school district) will not collect any less tax money than had been previously realized, since property taxes levied by these local jurisdictions against the frozen base valuations continue to be distributed as before. In addition, once any City debt is paid off, property taxes produced from the increment, as well as the frozen base, are distributed to the local jurisdictions.

This type of financing tool delays a local government's ability to immediately realize the direct tax benefits from new construction until public debt in the district is retired. On the other hand, tax increment financing may be used to promote development which

either would not have otherwise occurred or which would have occurred within another jurisdiction. If new development does not take place, property values could stagnate or decrease and the city, county, and school district may receive less than they would have if the Plan were not implemented.

In addition, the Urban Renewal Area designation may work in conjunction with other available grants and incentives, thus affording certain property tax relief and encouraging development. The idea behind tax increment financing is that public involvement generates private investment which increases the taxable value of an area, and over time strengthens the tax base. This increased tax base is the long-term payback for the public's involvement.

### **2.3 Estimated Tax Increment Revenues**

The use of tax increment funds will cause diversion of a portion of property taxes generated by new development or redevelopment within the Project Area (as described in Section 2.1, above). To the extent that these funds are not available to the affected taxing entities, there may be a fiscal impact to these entities.

At this time, the extent of improvements and new development to be undertaken within the Project Area in the future is only generally known. It should be noted that the Project Area contains significant geographic area and has a diversity of land uses. It is anticipated that redevelopment and new development in the area will (1) provide significant opportunities to improve the overall character of the area and (2) take advantage of positive factors associated with location and new development within the vicinity.

The amount of City expenditures and duration of City indebtedness for public facilities development, public improvements and other Project Area activities can only be estimated at this time; however, based on existing City indebtedness and commitments and those currently anticipated, the amount of tax increment revenues to be sought by the City in the future in reimbursement for urban renewal activities is not expected to exceed \$6,000,000 during the term authorized under this Plan. However, the actual amount will depend upon a wide variety of factors, such as the extent of redevelopment activities, the resources required to facilitate such redevelopment, and the tax levy rates applied by the various taxing entities.

### **2.4 Extent of Tax Increment Usage and Bond Limitations**

The City anticipates that it may be necessary to incur bonded indebtedness to carry out

the objectives of the Urban Renewal Plan. Such bonded indebtedness would be expected to be used for a variety of urban renewal activities, including construction of public improvements and facilities, City participation in private development, and repayment of loans or advances for these activities that are made from other sources such as the City general fund. Sections 5.0 and 6.0 of this Plan describe urban renewal project activities which are expected to involve the use of tax increment revenues to fund City costs. Any such indebtedness used to fund project activities within the Project Area may be secured by tax increment revenues or paid from other sources and reimbursed from tax increment revenues. Total City bonded indebtedness is currently is \$3,521,000.

Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the value, as shown by the last certified state and county tax list, of all taxable property within such county, municipality or other political subdivision. Based upon the 2002 total actual value (collection year 2003/2004) for all taxable property within the City of Adel, the City currently is limited to \$3,235,166 of additional general obligation indebtedness.

## **2.5 Allocation and Use of Tax Increment Revenue**

The Project Area represents a large geographic area which will, over the life this Plan, potentially generate significant tax increment revenue to implement urban renewal activities. Tax increment revenues will be requested through an annual Debt Certification submitted to the County Auditor as provided under the Urban Renewal Law. The annual tax increment request will be reviewed and authorized by the City Council for the amount necessary to fund qualified debt. Tax increment revenue not requested to fund qualified debt by the City will be paid by the County Auditor to the affected taxing entities (including the City) as provided under the TIF Ordinance and the Urban Renewal Law. Tax increment funds may be used for projects anywhere within the Project Area if the City Council finds it is necessary and appropriate in implementing the Plan objectives.

## **3.0 ECONOMIC DEVELOPMENT FINDINGS AND DESIGNATION**

The Project Area has been designated under applicable provisions of Chapter 403 of the Code of Iowa as an economic development area. It is anticipated that the Urban Renewal Plan will assist in providing a comprehensive approach to planning for development in the Project Area and facilitate its growth and development. The Project Area is designated and suitable for such uses as described in Section 4.0, below.

## 4.0 LAND USE AND ZONING

### 4.1 Development Standards

The Urban Renewal Plan relies on the City's Comprehensive Plan, City zoning requirements, and development policies already in place to provide guidance for development within the Project Area. This will eliminate any potential conflicts and inconsistencies between the previous urban renewal requirements and general City development regulations.

### 4.2 Relationship to the Comprehensive Plan

Adel has adopted a Comprehensive Development Plan - Adel, Iowa which shall serve as the "general plan for the development of the municipality as a whole" as provided under Chapter 403.5, Code of Iowa. The Adel Planning Commission reviewed the draft Urban Renewal Plan and adopted a finding that it is in conformity with the Comprehensive Plan and recommended its approval by the City Council. The goals and objectives of this Plan are consistent with the planning goals and land use policy statements which are identified and adopted as part of the comprehensive planning process.

### 4.3 Zoning Regulations

The Project Area currently has several zoning districts, including RS (Residential Single-Family), RM (Residential Multi-Family), MH (Mobile Home), AC (Arterial Commercial), BC (Business Commercial), LI (Light Industrial) and CN (Conservation). This Plan is intended to be implemented in a manner consistent with adopted City development regulations and requirements. Adoption of the Urban Renewal Plan does not relax or change such regulations or standards.

## 5.0 PROJECT AREA OBJECTIVES

The Urban Renewal Plan is intended to promote the continuation of new development and improvement activities that have been achieved as a result of previously successful redevelopment efforts. In accordance with this intent, the Urban Renewal Plan will continue efforts to enhance the viability of the City with the following overall objectives:

1. To contribute to a diversified, well-balanced economy by facilitating development of industrial and service commercial facilities within the Project Area and the resulting creation of new supporting job opportunities and strengthening of the tax base.



2. To provide appropriate funding for construction of necessary public infrastructure and extension of utilities within the Project Area, including the construction of streets, sanitary and storm sewers, water mains and extensions and sidewalks.
3. To plan and provide for industrial and service commercial development consistent with City land use and development policies and regulations, and to facilitate such development through the use of appropriate and available incentives, including various federal, State and local sources as identified in this Urban Renewal Plan.
4. To provide public improvements and facilities, including a new public library and community room facility, that enhance the quality of life for residents of the City and ensure the attractiveness of the Project Area and the City as a whole as a desirable place to live and work.
5. To stimulate, through public action and commitment, private investment in industrial and service commercial development.
6. To help develop a sound economic base that will serve as the foundation for future growth and development.

## **6.0 TYPES OF RENEWAL ACTIVITIES**

Renewal activities are designed to provide opportunities, incentives, and sites for redevelopment, revitalization, and economic development purposes. As a renewal activity, the City may:

1. Undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. Arrange for, or cause to be provided, the construction, repair or extension of public infrastructure including streets, public utilities or other facilities in connection with development of specific portions of the Project Area.
3. Provide for the construction of specific site improvements including site grading and required utility relocations, to assist private development as deemed appropriate by the City Council, or to make grants to developers for the costs thereof.

4. Provide for the construction of specific public improvements and facilities, including a new public library and community room facility and related public plaza and parking improvements, within the Project Area, as deemed appropriate by the City Council.

5. Acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear or prepare the property for redevelopment, and to dispose of property so acquired.

6. Undertake the demolition and clearance of existing development.

7. Plan for the relocation of persons and businesses displaced by a project and make necessary relocation payments.

8. Make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council payable from, or reimbursed through, tax increment revenues generated within the Project Area.

9. Borrow money and to provide security therefore.

10. Make, or have made, surveys and plans necessary for the implementation of the urban renewal program or specific urban renewal projects.

11. Use tax increment financing to facilitate economically feasible and marketable development, and to reimburse the City for its eligible Project Area expenditures.

12. Use any or all other powers granted by Chapter 403 and Chapter 15A, Code of Iowa, to develop and provide for improved economic conditions for the City of Adel and State of Iowa, including forgivable loans and issuance of bonds.

Such activities may include, but not be limited to, agreements with property owners within the Project Area with respect to the payment by the City of annual grants to private developers from appropriate sources. The amount of such annual grants shall be determined on a case by case basis.

## **7.0 PROJECT PARTICIPATION REVIEW**

The City of Adel will give consideration to the following conditions when determining whether or not to participate in a project involving a private developer:

1. A developer requests the participation of the City in the development.
2. A development agreement can be established which provides acceptable assurance to both the City and the developer that the project will be completed and that contingencies for default are adequately provided for.
3. The developer has a specific proposal which is found to be compatible with the urban renewal goals and is found to be in the best interest of the City of Adel.
4. The developer can prove commitment and ability to complete the project.

## **8.0 PROPERTY ACQUISITION/DISPOSITION**

The City of Adel will give consideration to the following conditions when determining whether or not to acquire property:

1. A developer requests the participation of the City in the development process through the use of tax increment financing.
2. Agreements can be established which provide acceptable assurance to both the City and the developer that the project will be completed and that contingencies for default are adequately provided for.
3. The developer has a specific proposal which is found to be compatible with the urban renewal goals and is found to be in the best interests of the City of Adel.
4. The developer can prove its commitment and ability to complete the project.

Land and buildings may be acquired to the extent necessary to assemble land into parcels of adequate size and shape to meet contemporary development needs and standards, and to allow new construction to meet the objectives of this Plan.

Any disposition of property within the Project Area will be based on the following criteria:

1. Greatest benefit for the City as a whole and those areas within, and

directly adjacent to, the Project Area.

2. Compatibility with neighboring land uses, architecture, and design.
3. Conformance with the Plan and the Zoning Ordinances.
4. Willingness of a developer to enter into an agreement with respect to proposed development and job creation.
5. Any other conditions and criteria developed and adopted with respect to specific property dispositions.

## **9.0 RELOCATION**

It may be necessary for the City to relocate businesses and/or residents to facilitate redevelopment and revitalization activities under the Urban Renewal Plan. In those cases where such relocation may further the objectives of the Urban Renewal Plan, and before such a project is approved, a relocation plan will be developed and adopted that complies with Iowa law.

In the event that a situation arises where federal funds are used to support qualified development projects which cause businesses to be relocated from existing structures within the Project Area, those relocation activities will comply with the rules of the Uniform Relocation Assistance and Real Properties Act of 1970, as amended.

## **10.0 AMENDMENTS**

This Plan may be amended from time to time to include changes in the Project Area, to add or change land use controls and regulations, to modify goals or types of renewal activities, or to amend property acquisition and disposition guidelines.

The City Council may amend this Plan by resolution after holding a public hearing on the proposed change in accordance with applicable Iowa law.

## **11.0 EFFECTIVE DATE**

This Adel Urban Renewal Area Plan shall be deemed to be effective upon the adoption of a City Council Resolution approving the said Plan. Said Plan shall remain in full force and effect until amended or rescinded by the City Council. However, the use of tax increment revenues (including the amount of loans, advances, indebtedness or bonds

which qualify for payment of the division of revenue provided in Iowa Code Section 403.19) by the City for activities carried out under this Plan shall be limited as deemed appropriate by the City Council and consistent with applicable provisions of Iowa law.

## ATTACHMENT A

The Adel Urban Renewal Area consists of the Original Project Area approved by Resolution No. 61191.2 on June 11, 1991, and an adjoining project area added by Amendment No. 2 to the Urban Renewal Plan, designated as the Amendment No. 2 Area, each of which is legally described as follows:

### ORIGINAL PROJECT AREA

All of the following described real estate located within the City Limits of the City of Adel, Township Seventy-nine North, Range Twenty-seven West, of the 5th P.M., Dallas County, Iowa, to-wit:

The South 3/4 of E 1/4 of Section 31; the SW 1/4 of the SW 1/4 of Section 32; the S 1/2 of the NW 1/4 of Section 32, and the SW 1/4 of the NE 1/4 lying West of Highway 169; all that part of the N 1/2 of the NW 1/4 of Section 32, lying between 10th Street and 14th Street; all that part of the NW 1/4 NE 1/4 lying North of Highway 6, and the E 1/2 of the NW 1/4 lying North of Highway 6, all in Section 31; all that part of the NE 1/4 of the NE 1/4 lying North of Highway 6 and West of 18th Street, all in Section 31; all that part of the S 1/2 of the SE 1/4 lying South of Main Street (if extended) and West of 18th Street in Section 30, and that part of the West 667.98' of the W 1/2 of the SE 1/4 lying North of Main Street (if extended), all in Section 30; the SE 1/4 of the SW 1/4, and the East 660' of the South 338' of the NE 1/4 of the SW 1/4, all in Section 30; all of Blocks 7, 8, 9, 12, 13, 16, 17, 18, 20, 21, 22 and 23 of the Original Town of Adel, and all of Block 30 and the S 1/2 of Block 37 in East Addition to the Town of Adel, and a tract of land lying West of the Raccoon River and adjacent to the South 1/2 of Block 37, East Addition to the Town of Adel; all of Blocks 25, 26, 27, 28, and 29 of the Original Town of Adel and Blocks 38 and 39 of East Addition to the Town of Adel and Blocks 1, 2, 3, 4, 5, and 6 in Green's Addition to the Town of Adel, and all that part of the SE 1/4 of the SE 1/4 of Section 29 and the East 1/2 of Section 32 lying North of Highway 6 and South of Ferry Street (if extended) and West of the Raccoon River; a parcel of ground described as commencing at the intersection of 11th Street and Green Street thence running West along the center line of Green Street to the intersection of 18th Street thence North along the center line of 18th Street to the intersection of Ferry Street, thence East along the center line of Ferry Street to the intersection of 11th

Street thence South along the center line of 11th Street to the point of beginning.

Including all public streets and alleys included in or contiguous to all of the above described real estate.

#### AMENDMENT NO. 2 AREA

All of the following described real estate located within the City limits of the City of Adel, Section Thirty-two, Township Seventy-nine North, Range Twenty-seven West, of the 5th P.M., Dallas County, Iowa:

Beginning at the Northwest corner of Block 8 of Greene's Addition, an official plat now included in and forming a part of the City of Adel, Dallas County, Iowa, said point also being the intersection of the east right-of-way line of 10th Street and the south right-of-way line of Greene Street; thence running East, along the south right-of-way line of Greene Street, approximately 2,000 ft. to a point on the West bank of the North Raccoon River; thence Southeasterly, along the westerly bank of the North Raccoon River, approximately 1,450 ft. to a point on the east line of the NE 1/4 of the NE 1/4 of said Section 32-79-27; thence South, along the East line of the NE 1/4 of the NE 1/4 of said Section 32-79-27, approximately 240 ft. to the Southeast corner of said NE 1/4 of the NE 1/4 of Section 32-79-27; thence West, along the South line of the NE 1/4 of the NE 1/4 of said Section 32-79-27, approximately 370 ft. to a point on the westerly right-of-way line of the old Adel-Van Meter Road; thence Southeasterly, along the westerly right-of-way line of the old Adel-Van Meter Road, approximately 265 ft. to a point 200 ft. south of the North line of SE 1/4 of the NE 1/4 of said Section 32-79-27; thence West, along a line parallel with and 200 ft. south of the north lines of the SE 1/4 of the NE 1/4 and the SW 1/4 of the NE 1/4 of said Section 32-79-27, approximately 2,240 ft. to a point on the west right-of-way line of 8th Street (U.S. Hwy #169); thence Northwesterly, along the Westerly right-of-way line of 8th Street (U.S. Hwy #169), approximately 206 ft. to a point on the North line of the SW 1/4 of the NE 1/4 of said Section 32-79-27; thence West, along the North line of the SW 1/4 of the NE 1/4 of said Section 32-79-27 and along the South lines of Youngman's Addition and Birt's Addition, being official plats now included in and forming a part of the City of Adel, Dallas

County, Iowa, approximately 617 ft. to a point on the East right-of-way line of 10th Street; thence North, along the East right-of-way line of 10th Street, approximately 1,112 ft., to the point of beginning.

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