“Cedar Rapids is a vibrant urban hometown – a beacon for people and businesses invested in building a greater community now and for the next generation.”

NOTICE OF CITY COUNCIL SPECIAL MEETING

The Cedar Rapids City Council will meet in Special Session on Wednesday, September 5, 2018 at 2:00 PM in the Culver Conference Room, 3rd Floor, City Hall, 101 First Street SE, Cedar Rapids, Iowa, to discuss and possibly act upon the matters as set forth below in this tentative agenda. (Please silence mobile devices.)

A G E N D A

1. Resolution setting a public hearing date of September 25, 2018 and consultation with affected taxing agencies on the proposed Amendment No. 1 to the Urban Renewal Area Plan for the Westdale Urban Renewal Area. CIP/DID #OB812292

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in a City Council public meeting or event should contact the City Clerk’s Office at 319-286-5060 or cityclerk@cedar-rapids.org as soon as possible but no later than 48 hours before the event.

Agendas and minutes for Cedar Rapids City Council meetings can be viewed at www.cedar-rapids.org.
Council Agenda Item Cover Sheet

Submitting Department: Community Development

Presenter at Meeting: Jennifer Pratt

Contact Person: Jennifer Pratt
E-mail Address: J.Pratt@cedar-rapids.org

Cell Phone Number: 538-2552

Description of Agenda Item: CONSENT AGENDA
Resolution setting a public hearing date of September 25, 2018 and consultation with affected taxing agencies on the proposed Amendment No. 1 to the Urban Renewal Area Plan for the Westdale Urban Renewal Area. CIP/DID #OB812292

EnvisionCR Element/Goal: GrowCR Goal 1: Encourage mixed-use and infill development.

Background:
The Resolution sets a public hearing date of September 25, 2018 to consider Amendment No. 1 to the Westdale Urban Renewal Area plan. The URA Plan Amendment is a preliminary action providing the statutory authority for the City Council to take action on an amendment to the Development Agreement for the Westdale redevelopment. An amendment of the Westdale Development Agreement could be considered as soon as September 25, 2018.

Action/Recommendation: City staff recommends adopting the Resolution
Alternative Recommendation: City Council may table and request additional information.

Time Sensitivity: NA

Resolution Date: September 5, 2018

Budget Information: NA

Local Preference Policy: NA

Recommended by Council Committee: NA
RESOLUTION NO. LEG_NUM_TAG

RESOLUTION SETTING DATES OF A CONSULTATION AND PUBLIC HEARING ON A PROPOSED AMENDMENT NO. 1 TO THE URBAN RENEWAL PLAN FOR THE WESTDALE URBAN RENEWAL AREA

WHEREAS, by Resolution No. 0435-03-13, adopted March 26, 2013, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the Westdale Urban Renewal Area (the "Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Linn County; and

WHEREAS, this Urban Renewal Area currently includes and consists of:

A part of the following described land lying in the Northwest Quarter of Section 6, Township 82 North, Range 7, the Southwest Quarter and Northwest Quarter of Section 31, Township 83 North, Range 7, the Northeast Quarter and the Southeast Quarter of Section 36, Township 83 North, Range 8, and the Northwest Quarter of Section 1, Township 82 North, Range 8 West of the 5th P.M and including all of Auditors Plat Number 492, Montgomery Ward First Addition and Edgewood Station First Addition, all in the City of Cedar Rapids, Linn County, Iowa and more particularly described as:

Commencing at the point of intersection of the East Right of Way line of said Edgewood Road and the Northwesterly Right of Way line of said Williams Boulevard;

Thence Southwesterly to the point of intersection of the West Right of Way line of said Edgewood Road and the Northwesterly Right of Way line of said Williams Boulevard;

Thence Southwesterly along the Northwesterly Right of Way line of said Williams Boulevard to a point of intersection with the Easterly Right of Way line of said Wiley Boulevard;

Thence Southwesterly to the point of intersection of the Northwesterly Right of Way line of said Williams Boulevard and the Westerly Right of Way line of said Wiley Boulevard;

Thence Southeasterly to the point of intersection of the Southeasterly Right of Way line of said Williams Boulevard and the Southwesterly Right of Way line of said Wiley Boulevard;

Thence Southeasterly along the Southwesterly Right of Way line of said Wiley Boulevard to a point on a curve in the said Southwesterly Right of Way line, said point being a point of intersection with a line radial to the said curve and the North end of a curve on the South Right of Way line of said 29th Avenue, SW;
Thence Northeasterly along said radial line to the said North end of the curve on the South Right of Way line of said 29th Avenue SW;

Thence East along the South Right of Way of Said 29th Avenue, SW to a point of intersection with the West Right of Way line of said Edgewood Road;

Thence East to the point of intersection of the South line of said 29th Avenue, SW and the East Right of Way line of said Edgewood Road;

Thence North to the point of intersection of the North Right of Way line of said 29th Avenue, SW and the East Right of Way line of said Edgewood Road;

Thence North along the East Right of Way line of said Edgewood Road to the point of intersection with the Southeasterly Right of Way line of said Williams Boulevard;

Thence North to the East Right of Way line of said Edgewood Road and the Northwesterly Right of Way line of said Williams Boulevard and the point of beginning.

WHEREAS, City staff has caused there to be prepared a form of Amendment No. 1 to the Plan ("Amendment No. 1" or "Amendment"), a copy of which is attached hereto as Exhibit 1 and has been placed on file for public inspection in the office of the City Clerk and which is incorporated herein by reference, the purpose of which is to update the list of eligible projects to be undertaken within the Area; and

WHEREAS, it is desirable that the area be redeveloped as part of the overall redevelopment covered by the Plan, as amended; and

WHEREAS, this proposed Amendment No. 1 adds no new land; and

WHEREAS, the Iowa statutes require the City Council to notify all affected taxing entities of the consideration being given to the proposed Amendment No. 1 and to hold a consultation with such taxing entities with respect thereto, and further provides that the designated representative of each affected taxing entity may attend the consultation and make written recommendations for modifications to the proposed division of revenue included as a part thereof, to which the City shall submit written responses as provided in Section 403.5, as amended; and

WHEREAS, the Iowa statutes further require the City Council to hold a public hearing on the proposed Amendment No. 1 subsequent to notice thereof by publication in a newspaper having general circulation within the City, which notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the Amendment and shall outline the general scope of the urban renewal project under consideration, with a copy of the notice also being mailed to each affected taxing entity.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CEDAR RAPIDS, STATE OF IOWA:

1. That the consultation on the proposed Amendment No. 1 required by Section 403.5(2) of the Code of Iowa, as amended, shall be held on September 10, 2018, in the Kranse Conference Room, 2nd Floor City Hall, 101 First Street SE, Cedar Rapids, Iowa, at 10:00 A.M., and the Economic Development Analyst, or his delegate, is hereby appointed to serve as the designated representative of the City for purposes of conducting the consultation, receiving any recommendations
that may be made with respect thereto and responding to the same in accordance with Section 403.5(2).

2. That the City Clerk is authorized and directed to cause a notice of such consultation to be sent by regular mail to all affected taxing entities, as defined in Section 403.17(1), along with a copy of this Resolution and the proposed Amendment No. 1, the form of consultation notice is attached hereto as Exhibit 2.

3. That a public hearing shall be held on the proposed Amendment No. 1 before the City Council at its meeting which commences at 5:30 P.M. on September 25, 2018, in the Council Chambers, City Hall, 101 First Street SE, Cedar Rapids, Iowa.

4. That the City Clerk is authorized and directed to publish notice of this public hearing in the Cedar Rapids Gazette, once on a date not less than four (4) nor more than twenty (20) days before the date of the public hearing, and to mail a copy of the notice by ordinary mail to each affected taxing entity, the form of notice is attached hereto as Exhibit 3.

PASSED_DAY_TAG

LEG_PASSED_FAILED_TAG

MayorSignature

Attest:

ClerkSignature
EXHIBIT 1

AMENDMENT NO. 1

to the

URBAN RENEWAL PLAN

for the

WESTDALE URBAN RENEWAL AREA

City of Cedar Rapids, Iowa

Original Plan Adopted – 2013
Amendment No. 1 Adopted – 2018
TABLE OF CONTENTS

PAGE

I. Introduction ......................................................................................................1
II. Update to Previously Approved Urban Renewal Project.........................1
III. City Indebtedness ..........................................................................................2
IV. Land Uses and Development Plans............................................................2
V. Severability Clause .......................................................................................2
AMENDMENT NO. 1 TO THE WESTDALE URBAN RENEWAL PLAN

I. INTRODUCTION

The Urban Renewal Plan ("Plan" or "Urban Renewal Plan") for the Westdale Urban Renewal Area ("Area" or "Urban Renewal Area") was originally adopted in 2013 and is being amended by this Amendment No. 1 ("Amendment") to update the list of eligible projects. This Amendment adds no new land to the Area.

Except as modified by this Amendment, the provisions of the original Urban Renewal Plan 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. Any subsections in the original Plan not mentioned in this Amendment shall continue to apply to the Plan.

II. UPDATE TO PREVIOUSLY APPROVED URBAN RENEWAL PROJECT

The project approved in the original Plan was described as follows:

At the present time, the City expects to provide one or more economic development grants to or for the benefit of a private developer in an aggregate amount of $5 million to assist with the construction of on-site amenities within the Project Area to benefit the public, and provide additional economic development grants to such developer equal in amount to 100% of the tax increment revenues derived from the taxable improvements constructed in the Project Area, less the amount required to repay all City indebtedness relating to the redevelopment of the Project Area, for a period of not less than 12 years, all in accordance with a development agreement to be negotiated between the City and such private developer, in consideration for certain employment commitments and other covenants expected to be made by the developer (referred to as the "Frew Project"). The City also may enter into development agreements with other private developers constructing taxable improvements within the Project Area, under which similar grants may be made by the City. As such, the eventual level of City participation in both private and public improvements for the redevelopment of the Project Area cannot be fully determined at this time. However, to the extent that new tax increment revenues are generated and other appropriate funding sources are identified, the City may undertake other project-related activities in the future.

At the present time, it is anticipated that future City tax increment collections for indebtedness incurred with all projects, including the Frew Project, will not exceed $25,000,000 in aggregate amount during the term of this Urban Renewal Plan. Proceeds of such tax increment collections are currently expected to be used to make economic development grants to the developer as described above and to reimburse the City for any other project-related costs incurred in connection with the development of the Project Area.

The project has been initiated and is continuing. The City issued its 2014B General Obligation Bonds to fund a $5,000,000 grant to the Developer, which remains outstanding. Additionally, the Developer has incurred infrastructure loans in furtherance of the project. The Developer proposes to refinance outstanding indebtedness with a new $21.75 million loan which will release restrictive loan covenants limiting its ability to develop, and free up some operational cash flows in the short term. However, in order to support the continued redevelopment of the Area, the maximum amount of tax increment that may be used in support of the project must be increased to $45,000,000.
In addition, the new lender requires a City Guaranty which will obligate replenishment of the debt service reserve fund for the new loan. Due to the nature of the project and the rebate incentive, the actual cost of the project could change due to a variety of factors, including but not limited to changes in tax levies or rates, changes in tax laws, changes in assessed values, and other factors.

III. CITY INDEBTEDNESS

A specific amount of debt to be incurred for the Updated Urban Renewal Project (Amendment No. 1) has not yet been determined. The City previously issued its 2014B Taxable General Obligation Bonds, in part to fund the $5,000,000 grant to the for various infrastructure improvements. Additionally, the proposed amendment to the Development Agreement would obligate annual rebates to Developer through fiscal year 2035/36 equal in amount to 100% of the tax increment revenues derived from the taxable improvements constructed in the Project Area, less the amount required to repay any City advances under the City Guaranty (and retire the City Bonds issued for the project). This document is for planning purposes only. The estimated project costs in this Amendment are estimates only and will be incurred and spent over a number of years. In no event will the City’s constitutional debt limit be exceeded. 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 financed in whole or in part with tax increment revenues from the Urban Renewal Area, as amended. Subject to the foregoing, the anticipated use of aggregate tax increment for the Updated Urban Renewal Project as described above is estimated not to exceed $45,000,000.

Currently, the City of Cedar Rapids’ outstanding general obligation indebtedness is $271,585,000 (as of July 1, 2018). The Constitution of the State of Iowa limits the amount of City debt outstanding at any time to no more than five (5) percent of the value (as shown by the last certified state and county tax list) of all taxable property within the City. The City’s constitutional debt limit is $557,695,117 as of July 1, 2018.

IV. LAND USES AND DEVELOPMENT PLAN

Cedar Rapids has a general plan for the physical development of the City as a whole outlined in EnvisionCR, adopted January 27, 2015 and amended on March 28, 2017. The goals and objectives of the Urban Renewal Plan, as amended, including the urban renewal project updated in this Amendment, are in conformity with EnvisionCR.

This Urban Renewal Plan does not in any way replace or modify the City’s current land use planning or zoning regulation process.

The need, if any, for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area is set forth in the Plan, as amended. As the Area develops, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

V. SEVERABILITY CLAUSE

If any part of the Amendment 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 any part of the Plan or this Amendment not determined to be invalid or unconstitutional.
Exhibit 2

NOTICE OF A CONSULTATION TO BE HELD BETWEEN THE CITY OF CEDAR RAPIDS, STATE OF IOWA AND ALL AFFECTED TAXING ENTITIES CONCERNING THE PROPOSED AMENDMENT NO. 1 TO THE URBAN RENEWAL PLAN FOR THE CITY OF CEDAR RAPIDS, STATE OF IOWA

The City of Cedar Rapids, State of Iowa will hold a consultation with all affected taxing entities, as defined in Section 403.17(1) of the Code of Iowa, as amended, commencing at 10:00 A.M. on September 10, 2018, in the Kranse Conference Room, 2nd Floor City Hall, 101 First Street SE, Cedar Rapids, Iowa concerning a proposed Amendment No. 1 to the Urban Renewal Plan, a copy of which is attached hereto.

Each affected taxing entity may appoint a representative to attend the consultation. The consultation may include a discussion of the estimated growth in valuation of taxable property included in the proposed Urban Renewal Area, the fiscal impact of the division of revenue on the affected taxing entities, the estimated impact on the provision of services by each of the affected taxing entities in the proposed Urban Renewal Area, and the duration of any bond issuance included in the Amendment.

The designated representative of any affected taxing entity may make written recommendations for modifications to the proposed division of revenue no later than seven days following the date of the consultation. The Economic Development Analyst, or his delegate, as the designated representative of the City of Cedar Rapids, State of Iowa, shall submit a written response to the affected taxing entity, no later than seven days prior to the public hearing on the proposed Amendment No. 1 to the Urban Renewal Plan, addressing any recommendations made by that entity for modification to the proposed division of revenue.

This notice is given by order of the City Council of the City of Cedar Rapids, State of Iowa, as provided by Section 403.5 of the Code of Iowa, as amended.

Dated this 5th day of September, 2018.

__________________________
City Clerk, City of Cedar Rapids, State of Iowa

(End of Notice)
EXHIBIT 3

NOTICE OF PUBLIC HEARING TO CONSIDER APPROVAL OF A PROPOSED AMENDMENT NO. 1 TO THE URBAN RENEWAL PLAN FOR AN URBAN RENEWAL AREA IN THE CITY OF CEDAR RAPIDS, STATE OF IOWA

The City Council of the City of Cedar Rapids, State of Iowa, will hold a public hearing before itself at its meeting which commences at 5:30 P.M. on September 25, 2018 in the Council Chambers, City Hall, 101 First Street SE, Cedar Rapids, Iowa, to consider adoption of a proposed Amendment No. 1 to the Urban Renewal Plan (the "Amendment") concerning an Urban Renewal Area in the City of Cedar Rapids, State of Iowa, legally described as follows:

A part of the following described land lying in the Northwest Quarter of Section 6, Township 82 North, Range 7, the Southwest Quarter and Northwest Quarter of Section 31, Township 83 North, Range 7, the Northeast Quarter and the Southeast Quarter of Section 36, Township 83 North, Range 8, and the Northwest Quarter of Section 1, Township 82 North, Range 8 West of the 5th P.M and including all of Auditors Plat Number 492, Montgomery Ward First Addition and Edgewood Station First Addition, all in the City of Cedar Rapids, Linn County, Iowa and more particularly described as:

Commencing at the point of intersection of the East Right of Way line of said Edgewood Road and the Northwesterly Right of Way line of said Williams Boulevard;

Thence Southwesterly to the point of intersection of the West Right of Way line of said Edgewood Road and the Northwesterly Right of Way line of said Williams Boulevard;

Thence Southwesterly along the Northwesterly Right of Way line of said Williams Boulevard to a point of intersection with the Easterly Right of Way line of said Wiley Boulevard;

Thence Southwesterly to the point of intersection of the Northwesterly Right of Way line of said Williams Boulevard and the Westerly Right of Way line of said Wiley Boulevard;

Thence Southeasterly to the point of intersection of the Southeasterly Right of Way line of said Williams Boulevard and the Southwesterly Right of Way line of said Wiley Boulevard;

Thence Southeasterly along the Southwesterly Right of Way line of said Wiley Boulevard to a point on a curve in the said Southwesterly Right of Way line, said point being a point of intersection with a line radial to the said curve and the North end of a curve on the South Right of Way line of said 29th Avenue, SW;

Thence Northeasterly along said radial line to the said North end of the curve on the South Right of Way line of said 29th Avenue SW;

Thence East along the South Right of Way of Said 29th Avenue, SW to a point of intersection with the West Right of Way line of said Edgewood Road;

Thence East to the point of intersection of the South line of said 29th Avenue, SW and the East Right of Way line of said Edgewood Road;

Thence North to the point of intersection of the North Right of Way line of said 29th Avenue, SW and the East Right of Way line of said Edgewood Road;
Thence North along the East Right of Way line of said Edgewood Road to the point of intersection with the Southeasterly Right of Way line of said Williams Boulevard;

Thence North to the East Right of Way line of said Edgewood Road and the Northwesterly Right of Way line of said Williams Boulevard and the point of beginning.

A copy of the Amendment is on file for public inspection in the office of the City Clerk, City Hall, City of Cedar Rapids, Iowa.

The City of Cedar Rapids, State of Iowa is the local public agency which, if such Amendment is approved, shall undertake the urban renewal activities described in such Amendment.

The general scope of the urban renewal activities under consideration in the Amendment is to promote the growth and retention of qualified industries and businesses in the Urban Renewal Area through various public purpose and special financing activities outlined in the Amendment. To accomplish the objectives of the Amendment, and to encourage the further economic development of the Urban Renewal Area, the Amendment provides that such special financing activities may include, but not be limited to, the making of loans or grants of public funds to private entities under Chapter 15A of the Code of Iowa. The City also may reimburse or directly undertake the installation, construction and reconstruction of substantial public improvements, including, but not limited to, street, water, sanitary sewer, storm sewer or other public improvements. The Amendment provides that the City may issue bonds or use available funds for purposes allowed by the Plan, as amended, and that tax increment reimbursement of the costs of urban renewal projects may be sought if and to the extent incurred by the City. The Amendment initially proposes no specific public infrastructure or site improvements to be undertaken by the City, and provides that the Amendment may be amended from time to time.

The proposed Amendment No. 1 would update the list of eligible projects to be undertaken within the Area. The proposed Amendment adds no new land. Other provisions of the Plan not affected by the Amendment would remain in full force and effect.

Any person or organization desiring to be heard shall be afforded an opportunity to be heard at such hearing.

This notice is given by order of the City Council of the City of Cedar Rapids, State of Iowa, as provided by Section 403.5 of the Code of Iowa.

Dated this 5th day of September, 2018.

City Clerk, City of Cedar Rapids, State of Iowa