



.....
Date December 21, 2015

**RESOLUTION CLOSING HEARING ON THE PROPOSED URBAN
RENEWAL PLAN FOR THE SW 42ND AND ARMY POST URBAN
RENEWAL AREA AND ADOPTING SAME**

WHEREAS, Electrical Power Products, Inc. ("EP2"), is an industrial business which provides power management systems for commercial and utility industries and employs approximately 250 full-time workers (including contract workers) at its office and industrial facility at 1800 East Hull Avenue; and,

WHEREAS, subject to the receipt of City incentives, EP2 proposes to acquire and improve vacant property located at the southwest corner of SW 42nd Street and Army Post Road, by the construction of a new building containing at least 180,000 square feet of floor area for the relocation of its office and industrial facility and the associated employment; and,

WHEREAS, on September 14, 2015, by Roll Call No. 15-1521, the City Council authorized and directed the City Manager to prepare an urban renewal plan and related information and documents to assist in the redevelopment of an area in the vicinity of SW 42nd Street and Army Post Road, to include a site for the relocation and expansion of Electrical Power Products' industrial facility; and,

WHEREAS, the City Manager has prepared an urban renewal plan titled SW 42nd Street and Army Post Road Urban Renewal Plan (the "Plan") which seeks to encourage private development of the proposed SW 42nd and Army Post Urban Renewal Area containing approximately 61 acres located south of Army Post Road, west of SW 42nd Street, north of Iowa Highway 5 and east of Iowa Highway 28, for high quality commercial and industrial use, though provision of additional public infrastructure and economic development financial assistance that will be funded in part with tax increment financing revenues generated by the proposed urban renewal area; and,

WHEREAS, a further purpose of the Plan is to authorize the use of tax increment financing to provide economic incentives to Electrical Power Products, Inc., for the relocation of its industrial and office facilities as identified above, all as further stated in the Plan which is on file and available for inspection by the public in the office of the City Clerk; and,

WHEREAS, on November 9, 2015, by Roll Call No. 15-1866, the City Council resolved that a public hearing on the proposed Plan be held on December 7, 2015, in the City Council Chambers; and,

WHEREAS, the City Plan and Zoning Commission reviewed the Plan for conformity with the adopted comprehensive plan for the development of the City as a whole, being the Des Moines 2020 Community Character Plan as revised, at its meeting on December 3, 2015, and made recommendations which were received and filed under a separate resolution; and,



.....
Date December 21, 2015

-2-

WHEREAS, the Urban Design Renewal Board reviewed the Plan at its meeting on November 17, 2015, and recommended approval of the Plan; and,

WHEREAS, notice of this public hearing was published in the Des Moines Register on November 19, 2015, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Independent Community School District, Des Moines Area Community College, and Polk County of a consultation meeting in the Kofu Conference Room, at City Hall, at 2:00 p.m., on November 20, 2015; and,

WHEREAS, the City has received no requests from the Des Moines Independent Community School District, Des Moines Area Community College, or Polk County for any modification of the proposed division of revenue from the tax increment of the urban renewal project area; and,

WHEREAS, all the privately owned property within the SW 42nd and Army Post Urban Renewal Area is assessed as agricultural property and has been included in the urban renewal area with the written consent of the property owner; and,

WHEREAS, on December 7, 2015, by Roll Call No. 15- 2087, the City Council continued this public hearing until December 21, 2015, at 5:00 p.m., in the Council Changers; and,

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the proposed Plan have been given the opportunity to be heard.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The public hearing on the proposed SW 42nd and Army Post Urban Renewal Plan is hereby closed.

2. Upon consideration of the recommendation of the Plan and Zoning Commission and the recommendations and statements from all other interested parties and organizations, the City Council hereby makes the following findings:

- a) The proposed Plan conforms to the Des Moines 2020 Community Character Plan, as amended, for the development of the City as a whole.



Date December 21, 2015

- b) The Plan does not provide for the involuntary acquisition of any land by the City, and does not identify any land planned for acquisition. However, property may be acquired in the future by voluntary acquisition or otherwise for the extension of public utilities and infrastructure necessary to properly serve the area.
- c) The City will assist in the relocation of any residents and businesses displaced by public actions undertaken pursuant to the urban renewal project. If the City provides relocation assistance, displaced residents and businesses will be provided with the opportunity to relocate to accommodations which are decent, safe, and sanitary, and within their financial means in accordance with the established City's standard relocation policy unless otherwise required by funding source regulations and any other applicable requirements.

3. The Urban Renewal Plan for the SW 42nd and Army Post Urban Renewal Area is hereby approved and adopted, and shall hereafter be in full force and effect.

4. The City Clerk is hereby authorized and directed to file a certified copy of the Plan and of this Resolution in the office of the Polk County Recorder.

(Council Communication No. 15- 646)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown
Assistant City Attorney

U:\Rog Docs\Eco Dev\SW 42nd UR Area\RC Hrg.docx

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

URBAN RENEWAL PLAN

for the

SW 42ND AND ARMY POST

URBAN RENEWAL AREA

City of Des Moines, Iowa

This Urban Renewal Plan provides for the development of the
SW 42nd and Army Post Urban Renewal Area

Prepared by the Office of Economic Development
October 2015

Urban Design Review Board Action	November 17, 2015
Plan & Zoning Commission Action	December 3, 2015
Taxing Entities Consultation Meeting	November 20, 2015
City Council Action	December 21, 2015

TABLE OF CONTENTS

B. INTRODUCTION	PAGE 3
1. Authority to Adopt and Implement an Urban Renewal Plan	
2. Purpose of the Plan	
3. Description of the Area	
C. BACKGROUND INFORMATION	PAGE 4
1. History	
2. General Condition of the Area	
3. Existing Land Use and Zoning	
4. Appropriateness for Economic Development	
D. URBAN RENEWAL PLAN ELEMENTS	PAGE 5
1. Goals and Objectives	
2. Public Purpose Activities	
3. Land Use /Development Requirements	
E. URBAN RENEWAL PLAN IMPLEMENTATION	PAGE 7
1. Continued Planning Efforts	
2. Technical Assistance	
3. Funding /Economic Development Assistance	
4. Public Improvements	
5. Responsibility of Developers	
6. Activities Under Chapter 15 A	
F. DURATION OF APPROVED URBAN RENEWAL PLAN	PAGE 10
G. SEVERABILITY	PAGE 10
H. AMENDMENT OF APPROVED URBAN RENEWAL PLAN	PAGE 10
I. ATTACHMENTS	PAGE 10
1. Legal Description	Attachment A
2. Area Map	Attachment B
3. Existing Land Use Map	Attachment C
4. Proposed Land Use Map	Attachment D
5. Existing Zoning Map	Attachment E
J. APPENDICES	
1. Financial Condition Report	PAGE 16

URBAN RENEWAL PLAN SW 42nd and Army Post

A. INTRODUCTION

This Urban Renewal Plan (the “Plan”) has been prepared pursuant to Roll Call 15-1521 of the City Council of the City of Des Moines as adopted on September 24, 2015. Its intent is to guide the development of and stimulate private economic development activities within the SW 42nd and Army Post area through the commitment of public actions as specified herein.

1.) Authority to Adopt and Implement the Urban Renewal Plan

The State of Iowa has provided Iowa cities with the power to adopt and implement urban renewal plans through Chapter 403, Urban Renewal Law, Code of Iowa. If a slum, blighted or economic development area, or combination of the two, as defined in Section 403.17, Code of Iowa, exists within the municipality; the municipality may designate such an area for urban renewal through the process provided for in Chapter 403. After a comprehensive plan for the municipality has been adopted, the municipality may prepare, adopt and implement an urban renewal plan for the purpose of rehabilitation, conservation, development, redevelopment, or a combination thereof, of a designated urban renewal project area to promote the public health, safety or welfare of the residents of the municipality.

On August 7, 2000 by Roll Call 00-3381, the City Council of the City of Des Moines adopted the ***Des Moines 2020 Community Character Plan*** as its comprehensive plan. This plan designates Planned Business Park for the area defined in this Urban Renewal Plan as the SW 42nd and Army Post Urban Renewal Plan Area.

2.) Purpose of the Plan

The purpose of the SW 42nd and Army Post Urban Renewal Plan is to guide the development of the SW 42nd and Army Post area and to activate new economic investment leading to increased taxable valuation. The area is located south of Army Post Road, west of SW 42nd Street, north of Iowa Highway 5 and east of Iowa Highway 28. The proximity of this area to the Des Moines International Airport and Iowa Highway 5 and thereby the interstate highway system, provide prime opportunities for quality development that can be coordinated in a planned and unified manner. Strategic and targeted use of resources that will be realized through the creation of this plan are critical to establishing necessary infrastructure and private sector economic investment, in the form of industrial and commercial development.

The City of Des Moines believes that the designation of the area as an urban renewal area through the adoption of this urban renewal plan will strengthen and revitalize the local economy through the planned development and redevelopment of the area, through:

- A. Guidance of the development of the area in a manner that is consistent with the Comprehensive Plan, and that provides for the physical and economic enhancement of the area.
- B. Providing for planned and unified development of industrial, commercial and business park and office uses.
- C. Creation of a safe and attractive physical environment through the construction and installation of necessary infrastructure and other public improvements or actions supportive of the area.
- D. Creation of financial incentives as necessary to encourage new and existing businesses to invest in the area
- E. Retention and creation of quality permanent employment opportunities for residents.
- F. Expansion of the property tax base of the area, and subsequently contributing to the economic betterment of the full City of Des Moines.

3.) Description of the Plan Area

The plan area contains approximately 61 acres, and is located south of Army Post Road, west of SW 42nd Street, north of Iowa Highway 5 and east of Iowa Highway 28. The boundaries of the area are delineated on the SW 42nd and Army Post Urban Renewal Plan Area map (Attachment B). They are more specifically described in the accompanying legal description (Attachment A). The area shall consist of the real property legally included in the legal description and all adjacent public rights-of-way.

The City of Des Moines reserves the right to modify the boundaries of the plan area at some future date. Any amendments to the Urban Renewal Plan will be completed in accordance with Iowa Code Chapter 403, Urban Renewal.

B. BACKGROUND INFORMATION

1. Current Land Use, Zoning and Conditions

The area is currently zoned partly as Planned Unit Development, and partly as R1-80 and is currently undeveloped. Public utilities including sanitary sewer and water are available to the area. There is ability to create a uniform economic development plan that is structured to respond to the existing conditions and provide resources to facilitate new investment in the area, providing for the highest and best possible uses of land.

2. Proposed Land Use and Zoning

The City of Des Moines **2020 Community Character Plan** shows the area as Planned Business Park. In conjunction with this urban renewal plan, additional planning

processes will be undertaken as needed to further refine the projected land uses for this area. A map is included as attachment D showing the 2020 Plan projected land uses. Future rezoning of property to further the objectives of the plan is anticipated.

3. Conformance with City Comprehensive Plan

The plan has been developed to be consistent with the City of Des Moines **2020 Community Character Plan**. The plan will also be reviewed by the Planning and Zoning Commission for conformance with the 2020 Plan. The City is currently engaged in a process to update the Comprehensive Plan. This Urban Renewal Plan will be implemented and amended accordingly to incorporate goals, objectives and recommendations from that updated plan, following its adoption.

4. Appropriateness for Economic Development

The SW 42nd and Army Post area's proximity to the Des Moines International Airport, Iowa Highway 5 and connection to the interstate system provide high visibility and traffic counts that are conducive to economic development activity.

C. URBAN RENEWAL PLAN ELEMENTS

1. Goals and Objectives

The primary goal for the SW 42nd and Army Post Urban Renewal Plan is to facilitate the development of industrial, commercial, business park and office uses for increased tax base, highest and best use of land, and the ability to maximize past investment in transportation systems and public utilities.

Objectives for the plan include:

- Encourage and facilitate high quality industrial, commercial, business park and office development within the plan area.
- Coordination of resources to attract new quality economic development investment
- Promote and coordinate additional land use and transportation system study as warranted to ensure the ability to attract quality development and the ability to accommodate and manage traffic circulation.
- Encourage the use of low impact development and on site stormwater management best practices in the plan area.
- Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation and cooling system design.

2. Public Purpose Activities

To meet the objectives of this plan, the City of Des Moines is prepared to initiate and support development and redevelopment of the area through, among other things, the following public purpose activities:

1. Provision of technical support in furtherance of the Plan;
2. Evaluation of area's potential for development and redevelopment purposes, including but not limited to activities such as appraisals and architectural, engineering and environmental studies;
3. Acquisition and disposition of property for public improvements and for private development and redevelopment;
4. Demolition and clearance of deteriorated, obsolescent and blighting structures and other improvements;
5. Preparation of building sites for development and redevelopment purposes through activities that include but are not limited to grading, filling and landscaping;
6. Improvement, installation, construction and reconstruction of streets, utilities, and other public improvements and rights-of-way;
7. Enforcement of applicable local, state and federal laws, codes and regulations; and
8. Use of tax increment financing, loans, grants and other appropriate financial tools in support of eligible public and private development and redevelopment efforts.

All public purpose activities shall be conditioned upon and shall meet the restrictions and limitations placed upon the area by the Plan.

3. Land Use and Development Requirements

The intent of this Plan is to promote the quality development of industrial, commercial, business park and office uses. All land uses shall be regulated by the zoning district regulations established for the area.

Land use and zoning maps identify the existing and the proposed land uses within the area (Attachments C, D and E).

The planning and design criteria to be used to guide the physical development of the area are those standards and guidelines contained within the City of Des Moines **2020 Community Character Plan**, the City of Des Moines' Zoning Ordinance and other applicable local, state and federal codes and ordinances.

4. Financial Condition Report

The urban renewal area will be concurrently designated as a tax increment (TIF) district. A financial condition report is included (Section I. Appendices). Property tax revenues anticipated to result from creation of the tax increment (TIF) district would be available to service any debt incurred in financing actions pursuant to this plan

D. URBAN RENEWAL PLAN IMPLEMENTATION

The City of Des Moines will take necessary action to achieve the goals and objectives of the SW 42nd and Army Post Urban Renewal Plan. This will include involvement in the following activities:

1. Continued Planning Efforts

The City shall continue to evaluate the needs of the area, identifying issues and coordinating a response to these issues. A comprehensive approach will be taken to gathering input from landowners, prospective businesses and development interests.

2. Technical Assistance

The City may provide this assistance to landowners and prospective developers where appropriate. The City will work to coordinate efforts related to development proposals, ongoing planning, coordination with other agencies and levels of government, and other activities that will assist with meeting the objectives of the plan.

3. Funding and Financing: Economic Development Assistance

The City will pursue funding sources required to meet the objectives of the Plan. Sources may include, but are not limited to, loans, grants, general fund expenditures, tax abatement, tax increment financing, special assessments, bond issuance, and participation in state/federal programs.

More specifically, the use of tax increment financing and the review steps and requirements for submittal of financial information for proposed economic development assistance are specified as follows:

1. Tax Increment Financing

The City believes that the use of tax increment revenues to finance new development or redevelopment in the area is necessary in the public interest to achieve the objectives of this Plan. Without the use of this special financing tool, new investment may not otherwise occur or may occur within another jurisdiction. If new development does not take place in Des Moines, property values could stagnate and the City, County and School District may receive less taxes during the duration of this Plan than they would have if this Plan were not implemented.

Tax increment financing will provide a long-term payback in overall increased tax base for the City, County and School District. The initial public investment required to generate new private investment will ultimately increase the taxable value of the area well beyond its existing base value.

Tax increment reimbursement may be sought for, among other things, the following costs to the extent they are incurred by the City:

- a. Planning and administration of the Plan;
 - b. Construction of public infrastructure improvements and facilities within the plan area;
 - c. Acquisition, installation, maintenance and replacement of public investments throughout the plan area;
 - d. The development or redevelopment of buildings or facilities within the plan area to be sold or leased to qualifying entities;
 - e. Loans or grants to qualified industries and businesses, including debt service payments on any bonds issued to finance such loans or grants, for purposes of expanding the business or activity, or other qualifying loan programs established in support of the Plan; and
 - f. Providing the matching share for a variety of local, state and federal grants and loans.
2. Review and Submittal Requirements for Requests for Financial Assistance for Economic Development Projects

The intent of these requirements is to ensure that public funds are invested in high quality development projects that meet the goals and objectives for furtherance of the plan.

- All development must conform to the adopted land use and development requirements specified for the area, including attention to scale, architectural materials (75% or greater use of masonry materials on all building facades, with trademark architectural designs being individually evaluated), landscaping, massing and setbacks. Use of masonry materials in a compatible mix with non-masonry materials and the function of the proposed business will be taken into consideration in the review process.
- All development assisted with tax increment financing under the SW 42nd and Army Post Urban Renewal Plan is subject to review and recommendation from the Urban Design Review Board for the City of Des Moines.
- All development projects requesting financial assistance must coordinate with the Office of Economic Development and provide all requested information to demonstrate the public benefit of the proposed project, in conjunction with presenting the project for review by the Urban Design Review Board.

3. Public Improvements

The plan will promote the extension of public utilities (sanitary sewer, water, stormwater management system, construction and rehabilitation of streets, green infrastructure and park amenities, provision for pedestrian access and connection to sidewalks and recreation trails, and corridor beautification, including landscape and hardscape elements) in the Plan area, and work with landowners and developers to ensure safe, standardized construction of improvements in furtherance of the Plan objectives.

4. Responsibility of Developers

Developers shall work with the City to coordinate the realization of the Plan intent. This will include limiting tax abatement for exemption from taxes on the value added by the improvements where possible. It is recognized that when tax abatement is in place, it will reduce the amount of tax increment created by the district. Therefore in certain cases it may be necessary for developers to forego tax abatement to make a project work. This would include cases where a developer may upfront the cost of public improvements or site development, and there is a negotiated agreement with the City to rebate a portion of that investment back to the developer over time through the increment created by the improvements to the property. The City reserves the ability to negotiate what will be in the best interest of the community and the furtherance of the Plan, while working with developers to facilitate new projects.

5. Activities Under Chapter 15 A

The City may as part of its action to carry out this plan engage in economic development activities within the SW 42nd and Army Post Urban Renewal Area pursuant to Iowa Code Chapter 15 A for the creation of new jobs and income, and for the retention of existing jobs and income that would otherwise be lost, when such economic development activities are found by the City Council to further the objectives of the plan. The City may solicit and or package such economic development activity proposals in the form of direct financial assistance through grants or loans.

More specifically, the City anticipates entering into a Development Agreement with Electrical Power Products, Inc., for the redevelopment of substantially all of the privately owned property within the urban renewal area with a new building for office and manufacturing for industrial use containing at least 180,000 square feet of floor area at an estimated cost of \$13 million, and associated driveways, sidewalks, parking areas and landscaping, together with the retention of at least 200 full-time and part-time jobs (including contract workers), in consideration of an economic development grant to be paid in 34 semi-annual installments, with the installments to be equal to 100% of the project-generated tax increment (after subtraction of debt-protected levies) until the amount of \$1.6 million has been paid, and thereafter all installments shall be equal to 50% of such project-generated tax increment.

E. DURATION OF APPROVED URBAN RENEWAL PLAN

This Plan shall continue in effect until terminated by the City Council; provided, however, that the collection of tax increment revenues from properties located in the plan area shall be limited to twenty (20) years from the calendar year following the calendar year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness or bonds which qualify for payment from the division of tax increment revenue provided for in Iowa Code Chapter 403 (tax increment financing.)

The Development and Redevelopment Requirements established, or as amended from time to time by the City of Des Moines Zoning Ordinance, shall remain in effect in perpetuity.

F. SEVERABILITY

In the event one or more provisions contained in this Plan shall be held for any reason to be invalid, illegal, unauthorized or unenforceable in any respect, such invalidity, illegality, unauthorized or unenforceability shall not affect any other provision of this Plan and this Urban Renewal Plan shall be construed and implemented as if such provision had never been contained herein.

G. AMENDMENT OF APPROVED URBAN RENEWAL PLAN

This Plan may be amended from time to time to respond to development opportunities. Any such amendment shall conform to the requirements of Iowa Code Chapter 403. Any change effecting any property or contractual right can be effectuated only in accordance with applicable state and local law.

H. ATTACHMENTS

- A Legal Description for Area
- B Area Map
- C Existing Land Use Map
- D Proposed Land Use Map
- E Existing Zoning Map

Attachment A

SW 42nd AND ARMY POST URBAN RENEWAL AREA LEGAL DESCRIPTION

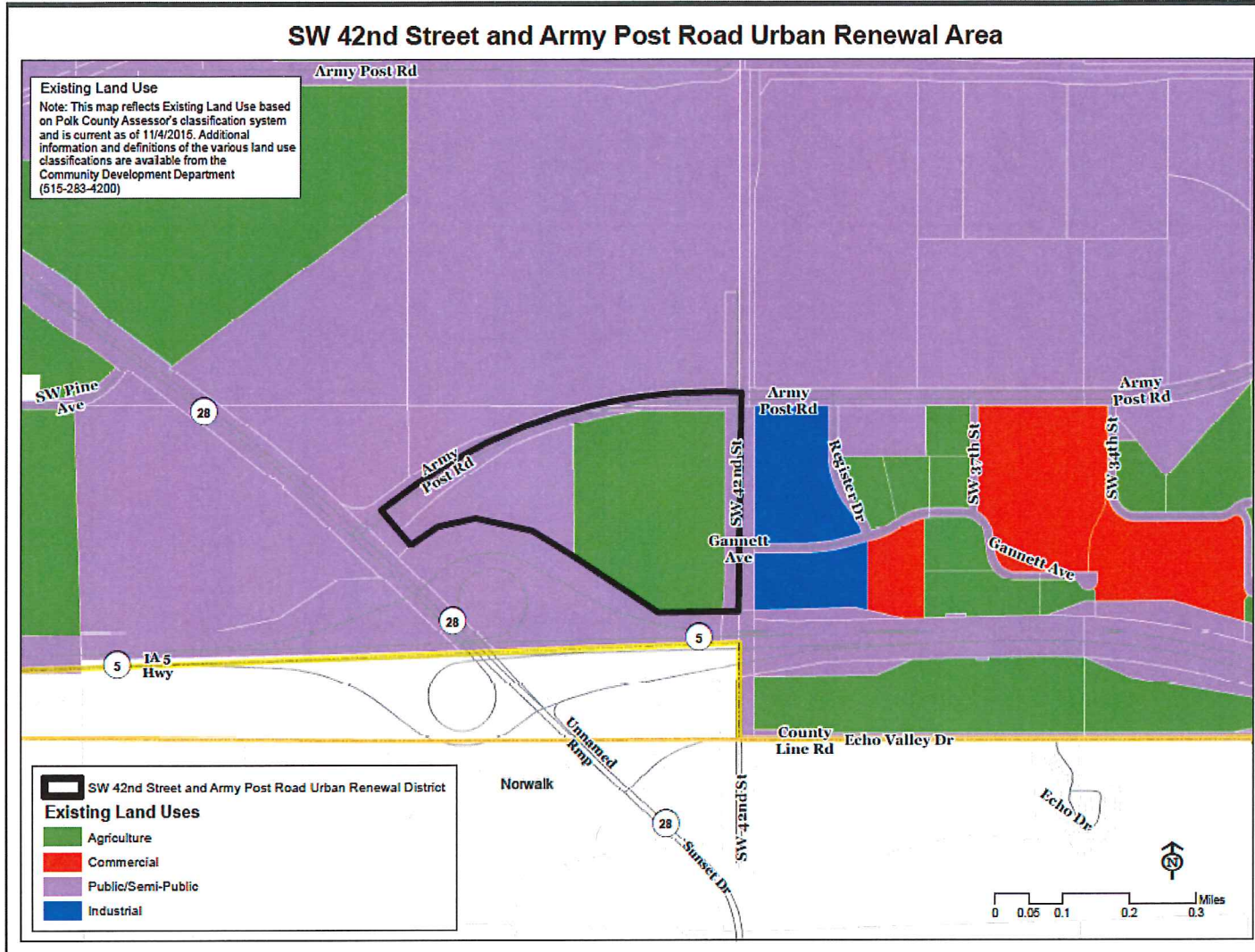
SW 42nd and Army Post Urban Renewal Area Boundary Description (11-4-15):

Beginning at the intersection of the Centerline of Southwest 42nd Street Right of Way and the Centerline of Army Post Road Right of Way; Thence South along said Centerline of Southwest 42nd Street Right of Way to the North Right of Way Line of Iowa Highway 5; Thence West along said North Right of Way line to the Northeast Right of Way Line of Iowa Highway 28; Thence Northwest along said Northeast Right of Way Line to the Centerline of Army Post Road Right of Way; Thence Northeast and East along said Centerline of Army Post Road Right of Way to the Centerline of Southwest 42nd Street Right of Way and the Point of Beginning.

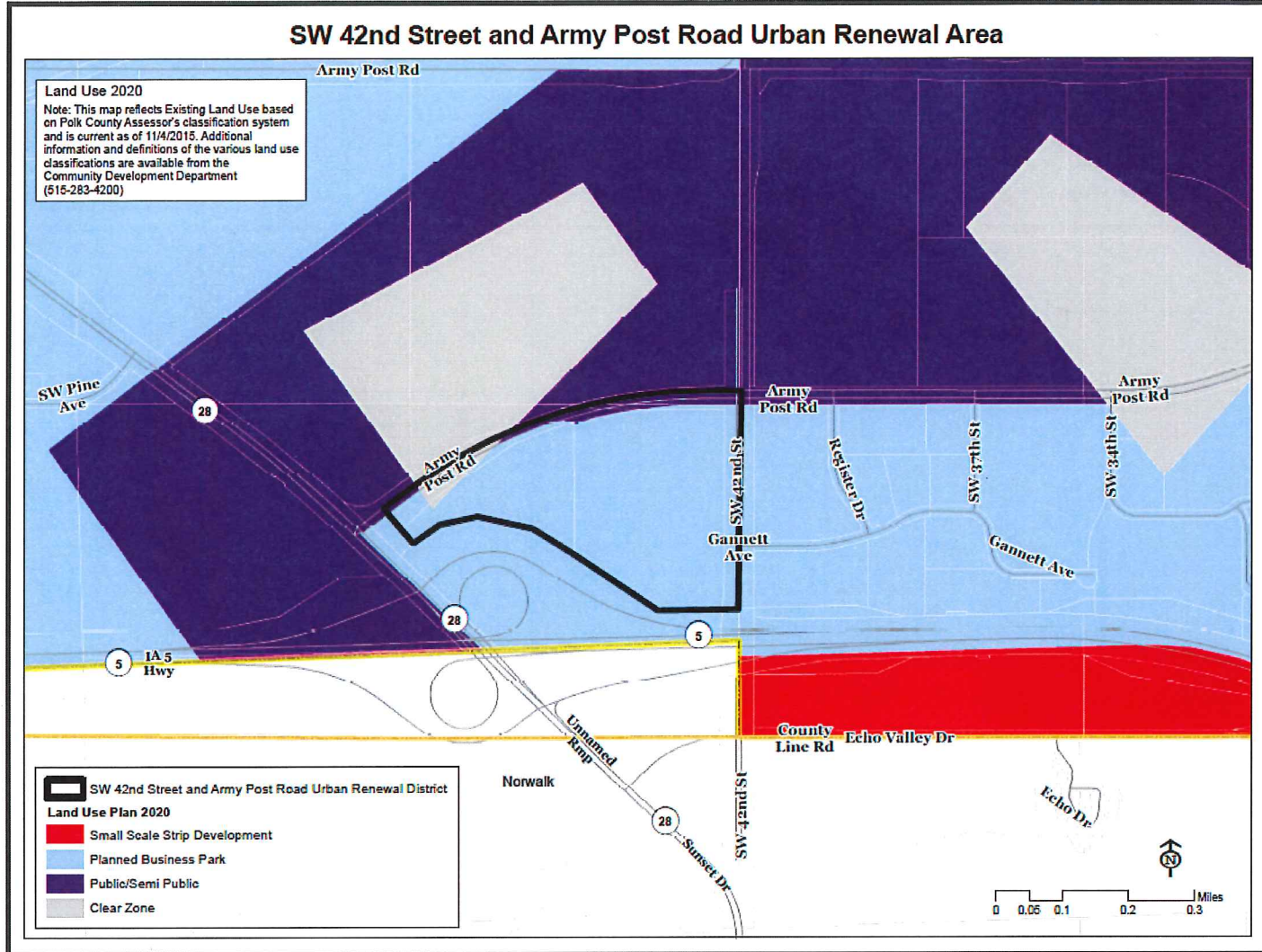
Attachment B – SW 42nd and Army Post Urban Renewal Area Map



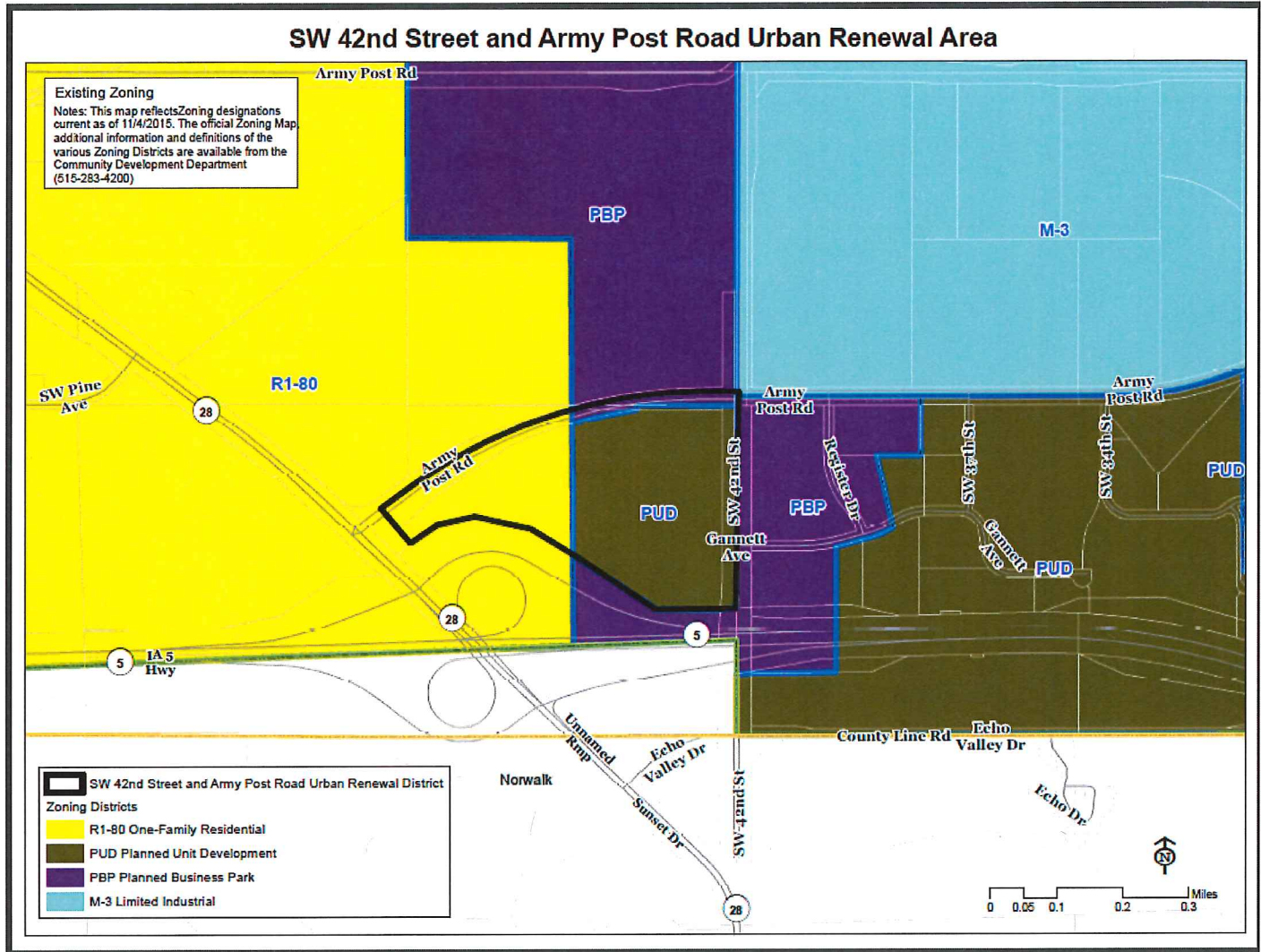
Attachment C – Existing Land Use Map



Attachment D – Proposed Land Use



Attachment E – Existing Zoning Map



Financial Condition Report

Urban Renewal History

Urban renewal was created by the federal government in the 1950's to assist cities in renewing their older central districts by providing for the removal of slum and blight conditions. It proved to be a vital tool for redeveloping areas of cities where private sector interest had not responded, and where intervention was needed to appropriately plan and facilitate investment in new housing, businesses, and public infrastructure. Public and private partnerships have been achieved through the use of urban renewal, resulting in substantial increases in taxable valuation, employment, services and amenities that would have otherwise not occurred. With the evolution of cities in the last 50 years, urban renewal has been able to help local government respond to the need to broaden economic reinvestment in all sectors.

A tax increment finance district, necessary for utilizing the revenue in the plan area, will be created for the SW 42nd and Army Post Urban Renewal Area to facilitate the objectives of the plan.

Tax Increment Financing

Tax increment financing (TIF) is an economic development tool available only in designated urban renewal areas. A tax increment is basically the property tax revenue generated by the cumulative general ad valorem tax levy on the difference between the taxable value of all property in the TIF district at the base valuation date, and the taxable value of the properties in any subsequent year. The base valuation date is January 1 of the calendar year immediately preceding the calendar year that the municipality first certifies an indebtedness to be paid by the tax increment revenue.

The municipality may use the tax revenue created by the tax increment for financing the objectives and projects identified in the urban renewal plan, such as land acquisition and the provision of new infrastructure improvements.

Utilization of TIF is best in areas where development and creation of new increment will occur after the designation of the district. TIF can only be used for activities or items in the urban renewal plan. An example of an activity would be where the municipality issues TIF bonds to up front the costs of constructing needed infrastructure. The proceeds of the district are then used to pay off the bonds. This could also be accomplished through a development agreement where a private entity provided the infrastructure and then had all or a portion of the costs rebated back to them through the new valuation that was added from their investment. If the revenues are not utilized for any of these eligible costs, the increment is returned to general revenues.

This financial condition report will summarize the anticipated growth in revenues from, and expenditures anticipated for the SW 42nd and Army Post Urban Renewal Area.

Indebtedness and Bonding

Overall, the City of Des Moines has approximately \$439 million in general obligation debt. Of this debt, approximately \$105 million is being serviced with tax increment revenues from specific urban renewal areas. The State of Iowa Constitutional debt-ceiling limit for general debt obligations by the City of Des Moines is about \$543 million.

No bonds have been issued for this area to date, and none are currently anticipated. The future revenues of the district have been projected conservatively, using existing valuation. Individual projects will be evaluated based on costs of extending improvements, anticipated new increment to be added, and timeframe to expect increment to be realized.

Property Tax Assessments and Revenue

The City anticipates taking the necessary action to designate 1/1/2016 as the base valuation date for the SW 42nd and Army Post Urban Renewal Area. Any increase in the property tax assessment over the existing assessment on the base valuation date may be captured for use in the SW 42nd and Army Post area by the City.

The total SW 42nd and Army Post property tax assessment base before application of the commercial rollback is approximately \$67,110. The actual frozen base will be determined and certified by Polk County.

Future Financial Condition

It is anticipated that the property values will increase in this urban renewal area, primarily due to anticipated economic development activity. The City will undertake future projects in cooperation with the private sector to enhance this area, which may include public infrastructure and development financial assistance as warranted and negotiated through the City Manager and the Office of Economic Development. It is anticipated that all development agreements will be reviewed and approved by the City Council. The terms of such agreements will be constructed to maximize the ability to successfully implement the objectives of the Plan, provide for quality building construction and site development, the construction of public improvements necessary for the development of commercial and light industrial uses and the creation of jobs. Performance standards and objectives will be incorporated into all agreements that must be satisfied before any use of public revenues. All use of tax increment financing will be subject to annual cashflow from the district.

Below is a table that projects estimated property valuations and revenues for the next twenty years, the length of the urban renewal plan. The table is based on the following assumptions:

- Annual growth rate in the area's land and building assessments after any tax abatements are taken into account, and accounting for the EP2 project listed in Activities under Chapter 15A.

- Approximately \$40/1000 levy rate, after the protected certified debt service levy is subtracted from the overall tax rate
- Follow Council policy adopted 3-24-97 that allows the City to expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996.
- The base value of the area.
- The plan boundary consists of vacant land and anticipates the additional taxable valuation to be added through the EP2 project

Below is a table that projects the growth in estimated property valuation, the available tax increment revenues and estimated tax increment usage from the SW 42nd and Army Post area based upon these assumptions. The actual expenditure of tax increment for undertakings pursuant to this Plan may occur at an earlier or later date than is shown in this table, subject economic conditions and the rate new development occurs in the District.

Fiscal Year	Taxable Valuation	Projected Increment Above Base Value on 1-1-2016	Total Amount of TIF Revenue Available	TIF Revenue Expenditure
2017-2018	\$60,298	Base Value		
2018-2019	\$4,060,196	\$3,999,898	\$159,996	\$159,996
2019-2020	\$8,060,496	\$8,000,198	\$320,008	\$320,008
2020-2021	\$8,181,403	\$8,121,105	\$324,844	\$324,844
2021-2022	\$8,304,124	\$8,243,826	\$329,753	\$329,753
2022-2023	\$8,428,686	\$8,368,388	\$334,736	\$334,736
2023-2024	\$8,555,117	\$8,494,819	\$339,793	\$339,793
2024-2025	\$8,683,443	\$8,623,145	\$344,926	\$172,463
2025-2026	\$8,813,695	\$8,753,397	\$350,136	\$175,068
2026-2027	\$8,945,900	\$8,885,602	\$355,424	\$177,712
2027-2028	\$9,080,089	\$9,019,791	\$360,792	\$180,396
2028-2029	\$9,216,290	\$9,155,992	\$366,240	\$183,120
2029-2030	\$9,354,535	\$9,294,237	\$371,769	\$185,885
2030-2031	\$9,494,853	\$9,434,555	\$377,382	\$188,691
2031-2032	\$9,637,275	\$9,576,977	\$383,079	\$191,540
2032-2033	\$9,781,835	\$9,721,537	\$388,861	\$194,431
2033-2034	\$9,928,562	\$9,868,264	\$394,731	\$197,365
2034-2035	\$10,077,491	\$10,017,193	\$400,688	\$200,344
2035-2036	\$10,228,653	\$10,168,355	\$406,734	
2036-2037	\$10,382,083	\$10,321,785	\$412,871	