

**AMENDMENT NO. 5**

**TO THE**

**AMENDED AND RESTATED**

**SHELDON**

**URBAN RENEWAL PLAN**

**CITY OF SHELDON, IOWA**

**Original Area Adopted – 09/06/89**

**Amendment No. 1 – 11/15/1989**

**Amendment No. 2 – 12/21/1994**

**Amendment No. 3 – 07/16/1997**

**Amendment No. 4 – 01/21/1998**

**Amendment No. 5 – 05/19/1999**

**Amendment No. 6 – 12/20/2000**

**Amendment No. 7 – 11/15/2006**

**Amendment No. 8 – 02/07/2007**

**Amendment No. 9 – 09/19/2007**

**Amendment No. 10 – 10/15/2008**

**Amended and Restated Plan – 02/20/2013**

**Amendment No. 1 to the Amended and Restated Plan - 5/5/2015**

**Amendment No. 2 to the Amended and Restated Plan - 12/30/2016**

**Amendment No. 3 to the Amended and Restated Plan - 3/15/2017**

**Amendment No. 4 to the Amended and Restated Plan - 7/19/2017**

**Amendment No. 5 to the Amended and Restated Plan - 4/15/2020**

**AMENDMENT NO. 5  
TO THE  
AMENDED AND RESTATED  
SHELDON URBAN RENEWAL PLAN**

**CITY OF SHELDON, IOWA**

**INTRODUCTION**

The Sheldon Urban Renewal Plan for the Sheldon Urban Renewal Area ("Area" or "Urban Renewal Area") was originally adopted in 1989, and has been amended several times, including the adoption of an Amended and Restated Sheldon Urban Renewal Plan ("Plan" or "Urban Renewal Plan") in 2013. The Urban Renewal Plan is being further amended by the adoption of this Amendment No. 5 to the Plan ("Amendment" or "Amendment No. 5") to add and/or confirm the list of proposed projects to be undertaken within the Urban Renewal Area. No land is being added to or removed from the Urban Renewal Area by this Amendment No. 5.

Except as modified by this Amendment No. 5, the provisions of the Plan, as previously amended, 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 No. 5 shall control. Any subsections not mentioned in this Amendment No. 5 shall continue to apply to the Plan.

**AREA DESIGNATION**

The Urban Renewal Area was originally designated as a mixed area for the remediation of blight and promotion of economic development (commercial and industrial). The Urban Renewal Area continues to be a mixed area for the remediation of blight and promotion of economic development (commercial and industrial).

**DEVELOPMENT PLAN/ZONING**

The City of Sheldon has a general plan for the physical development of the City as a whole outlined in the City's 2015 Comprehensive Land Use Plan adopted on December 16, 2015. The goals and objectives of the Urban Renewal Plan and this Amendment, including the urban renewal projects identified herein, are in conformity with the 2015 Comprehensive Land Use Plan.

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

Any need for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area is set forth herein.

**PREVIOUSLY APPROVED URBAN RENEWAL PROJECTS**

Numerous urban renewal projects were authorized prior to the date of this Amendment No. 5; and are continuing.

The City is amending the project description for certain previously approved urban renewal projects with this Amendment No. 5. The updated project descriptions for these previously authorized projects are as follows:

**1. East Side Water Tower Project:** The City previously authorized a Water Tower/Main Extension Project in Amendment No. 1 to the Plan. With Amendment No. 3 to the Plan, the City authorized additional funds for the project. There are additional needs for above ground water storage capacity to support new development on the East side of the City. The City anticipates completing this project in the next five (5) years. Since the project was first authorized, anticipated costs for the project have increased. With the adoption of this Amendment No. 5, the City desires to authorize an additional \$900,000 for this project, bringing the total amount authorized for this project's costs to \$3,500,000.

**2. Sheldon Storefront Improvement Program (SCDC):** The City has previously authorized \$100,000 for the Sheldon Storefront Improvement Program in the Plan and prior amendments. The program continues to renovate business store fronts in the Urban Renewal Area, which contributes to blight remediation in the Area. With this Amendment No. 5, the City desires to authorize an additional \$150,000 for this project. The City anticipates that this project will continue for at least five (5) years.

**3. Sanitary Sewer Improvements – Thorman Avenue Lift Station, NCC Lift Station Upgrade, Sewer Lining Project:** The City previously authorized this project in Amendment No. 1 to the Plan. The City authorized additional funds for the project in Amendment No. 3 to the Plan, bringing the total amount authorized for the project to \$1,000,000 to \$1,250,000. This project is ongoing, and the City anticipates that it will be completed in 2021-2026. With the adoption of this Amendment No. 5, the City desires to authorize an additional \$50,000 for this project, bringing the total amount authorized for this project's costs to \$1,300,000.

**4. Community Park Development, Trails, Shelters, Park Development, Floating Piers, Docks, etc.:** The City authorized this project in Amendment No. 1 to the Plan, providing that the costs were not to exceed \$500,000. The City originally described this project as being completed in 2015-2019, but in Amendment No. 3 to the Plan, updated the project description to change the project dates to 2017-2023. With the adoption of this Amendment No. 5, the City is updating the project dates once again to clarify that this is an ongoing project that will continue in 2020-2025. No new funds are being authorized for this project.

**ELIGIBLE URBAN RENEWAL PROJECTS**  
**(Amendment No. 5)**

Although certain project activities may occur over a period of years, in addition to the projects previously proposed in the Plan, as previously amended, the Eligible Urban Renewal Projects under this Amendment No. 5 include:

**1. Public Improvements:** The City anticipates that it will undertake the construction of a number of public improvements to support the development of a commercial development park, as follows:

| <b>Project Description</b>   | <b>Estimated Project Timeframe</b> | <b>Estimated Cost of Tax Increment Not to Exceed</b> | <b>Rationale</b>   |
|--|------------------------------------|--|--|
| Construction of Infrastructure in Phase II of Sheldon Crossroads North Business Park, including sanitary sewer, water main, storm sewer, and paving roads  | 2020-2030                          | \$1,100,000  | The City plans to install all necessary public infrastructure to support the continued development (Phase II) of the Sheldon Crossroads North Business Park, which will allow for the expansion and/or development of businesses in the Area.    |
| Construction of Infrastructure for expansion of Floyd Industrial Park, including sanitary sewer, water main, storm sewer, and paving roads   | 2020-2030                          | \$250,000  | The City may undertake the installation of all necessary public infrastructure to provide for the expansion of an existing heavy industrial park, which would create opportunities for new and expanded heavy industrial businesses in the Area. |
| Complete Road Reconstruction of Rainbow Drive from Washington to Oak (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)                  | 2020-2025                          | \$645,000  | This road is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this road will enhance safety and enable better traffic access to nearby areas.   |
| Complete Road Reconstruction of Oak Street from Wansink Ave to N 18 <sup>th</sup> Ave (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.) | 2020-2025                          | \$660,000  | This road is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this road will enhance safety and enable better traffic access to nearby areas.   |
| Complete Road Reconstruction of Oak Street from Washington Ave to Wansink Ave (including improvements to and/or replacement of   | 2020-2025                          | \$600,000  | This road is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this road will enhance safety and enable better traffic access to nearby areas.   |

|  |           |           |  |
|--|-----------|-----------|--|
| all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)  |           |           |  |
| Complete Reconstruction of N 18 <sup>th</sup> Ave near its intersection with Oak Street (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)         | 2020-2025 | \$100,000 | This intersection is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this intersection will enhance safety and enable better traffic access to nearby areas. |
| Complete Road Reconstruction of Oak Street from Washington Ave to N 7 <sup>th</sup> Ave (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)         | 2020-2025 | \$878,000 | This road is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this road will enhance safety and enable better traffic access to nearby areas.                 |
| Complete Road Reconstruction of Pine Street from N 2 <sup>nd</sup> Ave to N 5 <sup>th</sup> Ave (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.) | 2020-2025 | \$475,000 | This road is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this road will enhance safety and enable better traffic access to nearby commercial businesses. |
| Complete Road Reconstruction of N 5 <sup>th</sup> Ave from Pine Street North 2000 feet (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)          | 2020-2025 | \$450,000 | This road is in a blighted condition, which has a negatively blight impact on nearby properties. Improvements to this road will enhance safety and enable better traffic access to nearby commercial businesses. |
| Complete Road Reconstruction of S 3 <sup>rd</sup>  | 2020-2025 | \$415,000 | This road is in a blighted condition, which has a negatively blight impact   |

|   |              |                                  |  |
|---|--------------|----------------------------------|--|
| Ave from 11 <sup>th</sup> Street South to the Railroad tracks (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)  |              |                                  | on nearby properties. This road connects the downtown to various commercial businesses and the post office, and therefore is important to commercial and business traffic in the Area. |
| Complete Road Reconstruction of 22 <sup>nd</sup> Ave from E 6 <sup>th</sup> Street to E 9 <sup>th</sup> Street (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.) | 2020-2025    | \$845,000                        | This road is in a blighted condition, which has a negatively blight impact on nearby properties.   |
| Complete Road Reconstruction of 23rd Ave from E 6 <sup>th</sup> Street to E 9 <sup>th</sup> Street (including improvements to and/or replacement of all related infrastructure, such as storm sewer, sanitary sewer, water main, sidewalks, etc.)             | 2020-2025    | \$845,000                        | This road is in a blighted condition, which has a negatively blight impact on nearby properties.   |
|   | <b>Total</b> | <b>Not to exceed \$7,263,000</b> |  |

**2. Remediation of Blighted Properties:** The City anticipates using Tax Increment Financing to support various blight remediation activities on blighted properties throughout the Urban Renewal Area. These blight remediations activities may include the acquisition and disposal of properties by the City, the demolition and clearance of blighted structures to prepare properties for redevelopment, and related activities. The City may use Tax Increment Financing to directly undertake blight remediation on properties acquired by the City, and may alternatively provide incentives to private property owners to undertake blight remediation activities on their properties. The City anticipates undertaking these various blight remediation activities over a number of years. As authorized in this Amendment No. 5, the costs of these activities to be financed through Tax Increment Financing are not to exceed \$1,125,000.

**3. Acquisition of Properties for Commercial/Industrial Development:** The City anticipates using Tax Increment Financing to acquire and prepare for development properties throughout the Urban Renewal Area that are undeveloped or underdeveloped and suitable for

commercial and industrial enterprises. These activities undertaken as part of this project may include the acquisition and disposal of properties by the City, the demolition and clearance of structures to prepare properties for redevelopment, site preparation activities such as grading, marketing acquired properties for transfer to commercial/industrial businesses, and related activities. The City anticipates this project will be continue over a number of years and may involve multiple properties. As authorized in this Amendment No. 5, the costs of these activities to be financed through Tax Increment Financing are not to exceed \$2,500,000.

**4. Economic Development Agreements:**

- A.** *Hotel Project Development Agreement:* The City anticipates entering into a development agreement with a hotel developer for the construction and operation of a two-story, approximately 40-room hotel. Construction on the project is expected to occur in 2020-2021. The City expects to provide incentives in the form of annual grants, funded through tax increment generated by construction of the project under the terms of a detailed development agreement. It is anticipated that the development agreement will provide for up to 10 years of grants and include a minimum assessment agreement. The overall costs of the project are not to exceed \$460,000.
- B.** *Regional Transit Authority (RTA) doing business as RIDES:* The City anticipates entering into annual development agreements with Regional Transit Authority (RTA) doing business as RIDES in order to support the continued availability of transportation in the City. RIDES currently operates within the City, including routes which run through the Urban Renewal Area and bring customers and employees to the businesses located within the Urban Renewal Area. The availability of transportation is necessary to support businesses, and therefore contributes to economic development within the Urban Renewal Area. It is anticipated that the City and RIDES may enter into up to 5 annual development agreements, each to provide for grants made to RIDES not to exceed \$20,000 per year, for an overall project cost not to exceed \$100,000.
- C.** *Sheldon Community Development (SCDC and OBCED):* The City has previously provided funding to Sheldon Community Development as an urban renewal project. The City anticipates entering into a new grant agreement with Sheldon Chamber and Development Corporation to provide additional funding for SCDC's business recruitment and retention efforts within the Urban Renewal Area. The City anticipates providing grants over five (5) years. The costs of this project are not to exceed \$375,000.
- D.** *Future Development Agreements:* The City expects to consider requests for development agreements for projects located within the Urban Renewal Area that are consistent with this Plan, in the City's sole discretion. Such agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider a broad range of incentives as authorized by this Plan, including but not limited to land, loans, grants, tax rebates and other incentives, including but not limited to public infrastructure

assistance. The costs of such development agreements collectively will not exceed \$10,000,000.

**5. Planning, engineering fees (for urban renewal plans and amendments), attorney fees, other related costs to support urban renewal projects and planning:**

| <b>Project</b>   | <b>Estimated cost</b>  |
|--|------------------------|
| Fees and costs incurred in the adoption of Amendment No. 5   | Not to exceed \$50,000 |
| Staff/administrative expenses incurred over the duration of the Urban Renewal Plan that are related to staff time spent on tasks and activities related to administration of the Urban Renewal Plan and eligible urban renewal projects. | Not to exceed \$50,000 |

**FINANCIAL DATA**

|    |   |   |
|----|---|---|
| 1. | Current (July 1, 2019) constitutional debt limit:   | \$15,972,605  |
| 2. | Current outstanding general obligation debt:  | \$10,502,305  |
| 3. | Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Updates to Previously Approved Urban Renewal Projects and the Eligible Urban Renewal Projects (Amendment No. 5) has not yet been determined. 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. Subject to the foregoing, it is estimated that the cost of the Updates to Previously Approved Urban Renewal Projects and the Eligible Urban Renewal Projects (Amendment No. 5) as described above will be approximately as stated in the next column: | <p><u>Updates to Previously Approved Urban Renewal Projects:</u><br/>\$1,100,000</p> <p><u>Amendment No. 5 Eligible Urban Renewal Projects:</u> \$21,923,000</p> <p>These totals do not include financing costs related to debt issuance, which will be incurred over the life of the Area.</p> |

**URBAN RENEWAL FINANCING**

The City of Sheldon intends to utilize various financing tools such as those described below to successfully undertake the proposed urban renewal actions. The City has the statutory authority to use a variety of tools to finance physical improvements within the Area. These include:

A. Tax Increment Financing

Under Section 403.19 of the Iowa Code, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements or



economic development incentives associated with redevelopment projects. Upon creation of a tax increment district within the Area, by ordinance, the assessment base is frozen and the amount of tax revenue available from taxes paid on the difference between the frozen base and the increased value, if any, is segregated into a separate fund for the use by the City to pay costs of the eligible urban renewal projects. Certain increased taxes generated by any new development, above the base value, are distributed to the taxing entities, if not requested by the City.

**B. General Obligation Bonds**

Under Division III of Chapter 384 and Chapter 403 of the Iowa Code, the City has the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements within the Area or incentives for development consistent with this Plan. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City. It may be the City will elect to abate some or all of the debt service on these bonds with incremental taxes from this Area.

The City may also determine to use tax increment financing to provide incentives such as cash grants, loans, tax rebates or other incentives to developers in connection with urban renewal projects for commercial or industrial development or other urban renewal projects. In addition, the City may determine to issue general obligation bonds, tax increment revenue bonds or such other obligations, or loan agreements for the purpose of making loans or grants of public funds to private businesses located in the Area for urban renewal projects. Alternatively, the City may determine to use available funds for making such loans or grants for urban renewal projects. In any event, the City may determine to use tax increment financing to reimburse the City for any obligations or advances.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the Code of Iowa in furtherance of the objectives of this Urban Renewal Plan.

**URBAN RENEWAL PLAN AMENDMENTS**

The Urban Renewal Plan may be amended from time to time for a variety of reasons, including but not limited to, change in the area, to add or change land use controls and regulations, to modify goals or types of renewal activities, to add or change urban renewal projects, or to amend property acquisition and disposition provisions. The City Council may amend the Plan in accordance with applicable state law.

**EFFECTIVE PERIOD**

This Amendment No. 5 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document the Urban Renewal Plan shall remain in effect until terminated by the City Council.

The use of incremental property tax revenues, or the "division of revenue," as those words are used in Iowa Code Chapter 403, for Tax Increment Financing ("TIF") will be consistent with Chapter 403. Specifically, because the Urban Renewal Area is a mixed economic development and blighted urban renewal area, there is no statutory sunset on the time period for use of TIF within the Urban Renewal Area under Iowa Code Section 403.19 (2019). The division of revenues shall continue on the Area, including all subareas, for the maximum period allowed by law.

### **REPEALER AND SEVERABILITY CLAUSE**

Any parts of the Urban Renewal Plan, as previously amended, in conflict with this Amendment are hereby repealed.

If any part of this 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 the previous amendments to the Plan, or any part of the Plan or this Amendment not determined to be invalid or unconstitutional.<sup>01694829-1\11100-078</sup>