

(This agenda item should be incorporated with the other items in your regular agenda and posted/published as required.)

AGENDA ITEM

Governmental Body: The City Council of the City of Mount Vernon, State of Iowa.
Date of Meeting: June 2, 2014.
Time of Meeting: 6:30 o'clock P.M.
Place of Meeting: Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa.

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for the meeting is as follows:

Mount Vernon Urban Renewal Plan

- Resolution setting dates of a consultation and a public hearing on a proposed Amendment No. 4 to the Mount Vernon Urban Renewal Plan in the City of Mount Vernon, State of Iowa.

Such additional matters as are set forth on the additional 2 page(s) attached hereto.
(number)

This notice is given at the direction of the Mayor pursuant to Chapter 21, Code of Iowa, and the local rules of the governmental body.

City Clerk, City of Mount Vernon, State of Iowa

June 2, 2014

The City Council of the City of Mount Vernon, State of Iowa, met in regular session, in the Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa, at 6:30 o'clock P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

Absent: _____

* * * * *

Council Member _____ then introduced the following proposed Resolution entitled "RESOLUTION SETTING DATES OF A CONSULTATION AND A PUBLIC HEARING ON A PROPOSED AMENDMENT No. 4 TO THE MOUNT VERNON URBAN RENEWAL PLAN IN THE CITY OF MOUNT VERNON, STATE OF IOWA", and moved that the same be adopted. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTION NO. 6-2-2014A

RESOLUTION SETTING DATES OF A CONSULTATION AND A PUBLIC HEARING ON A PROPOSED AMENDMENT No. 4 TO THE MOUNT VERNON URBAN RENEWAL PLAN IN THE CITY OF MOUNT VERNON, STATE OF IOWA

WHEREAS, by Resolution No. 9-20-93D, adopted September 20, 1993 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 Mount Vernon Urban Renewal Plan (the "Plan") for the Mount Vernon Urban Renewal Area (the "Mount Vernon Urban Renewal Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Linn County; and

WHEREAS, by Resolution No. 5-23-94B, adopted May 23, 1994, the Plan was amended by Amendment No. 1; and

WHEREAS, by Resolution No. 6-5-2006C, adopted June 5, 2006, the Plan was amended by Amendment No. 2; and

WHEREAS, by Resolution No. 10-7-2013A, adopted October 7, 2013, the Plan was amended by Amendment No. 3; and

WHEREAS, the Mount Vernon Urban Renewal Area currently includes and consists of:

ORIGINAL AREA

The boundaries of the Mount Vernon Urban Renewal District as originally adopted include the entire area within the corporate limits except that area described as follows:

Beginning at the intersection of South 5th Avenue and Palisades Road; then east on Palisades Road and 7th Street vacated to 1st Street; then northwest on 1st Street to A Avenue; then southwest on A Avenue to South 2nd Street; then northwest on South 2nd Street to 3rd Avenue; then northeast on 3rd Avenue to North 2nd Street; then southeast on North 2nd Street to A Avenue; then northeast on A Avenue to North 3rd Street; then southeast on North 3rd Street to the vacated Mount Vernon Short Line Right-of-Way; then northeast on the vacated Mount Vernon Short Line Right-of-Way; to North 7th Street East; then northwest on North 7th Street East to North 1st Avenue; then northeast on North 1st Avenue to the Chicago and Northwestern Railroad Right-of-way; then west on the Chicago Northwestern Railroad Right-of-Way to 1st Street; then southeast on 1st Street to 10th Avenue; then south on 10th Avenue to College Boulevard; then southeast on College Boulevard to South 5th Avenue; then south on South 5th Avenue to the point of beginning.

AMENDMENT No. 1 AREA

Beginning at the intersection of the CNW Railroad right-of-way and 1st Avenue North (Hwy. 1); then southwest along 1st Avenue North (Hwy. 1) to Cass Street; then west on Cass Street to 2nd Avenue North; then southwest on 2nd Avenue North to North 7th Street; then northwest on North 7th Street to Park Avenue; then north on Park Avenue extended to the CNW Railroad right-of-way; then east on the CNW Railroad right-of-way to the point of beginning;

and

Beginning at the intersection of the CNW Railroad right-of-way and 8th Avenue North; then south on 8th Avenue North to 1st Street West; then northwest on 1st Street West to the CNW Railroad right-of-way; then east on the CNW Railroad right-of-way to the point of beginning.

The areas include the full right-of-way of all streets forming their boundaries.

AMENDMENT No. 2 AREA

That portion of the City, consisting primarily of the older residential areas, that was not included in the original Urban Renewal Area or in the area added as a result of Amendment No. 1.

With the adoption of Amendment No. 2, the entire City was included in the Mount Vernon Urban Renewal Area.

AMENDMENT No. 3 AREA

No land was added by Amendment No. 3; and

WHEREAS, it is desirable that these areas be redeveloped as part of the overall redevelopment area covered by the Amendment; and

WHEREAS, City staff has caused there to be prepared a form of Amendment No. 4 to the Plan, a copy of which 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 add a proposed project to be undertaken within the Urban Renewal Area; and

WHEREAS, this proposed Amendment No. 4 to the Urban Renewal Plan 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. 4 to the Mount Vernon

Urban Renewal Plan 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. 4 to the Mount Vernon Urban Renewal Plan 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 MOUNT VERNON, STATE OF IOWA:

Section 1. That the consultation on the proposed Amendment No. 4 to the Mount Vernon Urban Renewal Plan required by Section 403.5(2) of the Code of Iowa, as amended, shall be held on the 10th day of June, 2014, in the Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa, at 10:00 o'clock A.M., and the City Administrator, 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).

Section 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. 4 to the Mount Vernon Urban Renewal Plan, the notice to be in substantially the following form:

NOTICE OF A CONSULTATION TO BE HELD BETWEEN THE CITY OF MOUNT VERNON, STATE OF IOWA AND ALL AFFECTED TAXING ENTITIES CONCERNING THE PROPOSED AMENDMENT No. 4 TO THE MOUNT VERNON URBAN RENEWAL PLAN FOR THE CITY OF MOUNT VERNON, STATE OF IOWA

The City of Mount Vernon, 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 o'clock A.M. on June 10, 2014, in the Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa concerning a proposed Amendment No. 4 to the Mount Vernon 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. Note that the Amendment includes an analysis of alternative development options and funding for public building(s) and why such options are less feasible than the proposed urban renewal project(s).

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 City Administrator, or his delegate, as the designated representative of the City of Mount Vernon, 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. 4 to the Mount Vernon 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 Mount Vernon, State of Iowa, as provided by Section 403.5 of the Code of Iowa, as amended.

Dated this _____ day of _____, 2014.

City Clerk, City of Mount Vernon, State of Iowa

(End of Notice)

Section 3. That a public hearing shall be held on the proposed Amendment No. 4 to the Mount Vernon Urban Renewal Plan before the City Council at its meeting which commences at 6:30 o'clock P.M. on July 7, 2014, in the Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa.

Section 4. That the City Clerk is authorized and directed to publish notice of this public hearing in the "Mount Vernon-Lisbon Sun", 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, such notice in each case to be in substantially the following form:

(One publication required)

NOTICE OF PUBLIC HEARING TO CONSIDER APPROVAL
OF A PROPOSED AMENDMENT No. 4 TO THE MOUNT
VERNON URBAN RENEWAL PLAN FOR AN URBAN
RENEWAL AREA IN THE CITY OF MOUNT VERNON,
STATE OF IOWA

The City Council of the City of Mount Vernon, State of Iowa, will hold a public hearing before itself at its meeting which commences at 6:30 o'clock P.M. on July 7, 2014 in the Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa, to consider adoption of a proposed Amendment No. 4 to the Mount Vernon Urban Renewal Plan (the "Amendment") concerning an Urban Renewal Area in the City of Mount Vernon, State of Iowa, legally described as follows:

ORIGINAL AREA

The boundaries of the Mount Vernon Urban Renewal District as originally adopted include the entire area within the corporate limits except that area described as follows:

Beginning at the intersection of South 5th Avenue and Palisades Road; then east on Palisades Road and 7th Street vacated to 1st Street; then northwest on 1st Street to A Avenue; then southwest on A Avenue to South 2nd Street; then northwest on South 2nd Street to 3rd Avenue; then northeast on 3rd Avenue to North 2nd Street; then southeast on North 2nd Street to A Avenue; then northeast on A Avenue to North 3rd Street; then southeast on North 3rd Street to the vacated Mount Vernon Short Line Right-of-Way; then northeast on the vacated Mount Vernon Short Line Right-of-Way; to North 7th Street East; then northwest on North 7th Street East to North 1st Avenue; then northeast on North 1st Avenue to the Chicago and Northwestern Railroad Right-of-way; then west on the Chicago Northwestern Railroad Right-of-Way to 1st Street; then southeast on 1st Street to 10th Avenue; then south on 10th Avenue to College Boulevard; then southeast on College Boulevard to South 5th Avenue; then south on South 5th Avenue to the point of beginning.

AMENDMENT NO. 1 AREA

Beginning at the intersection of the CNW Railroad right-of-way and 1st Avenue North (Hwy. 1); then southwest along 1st Avenue North (Hwy. 1) to Cass Street; then west on Cass Street to 2nd Avenue North; then southwest on 2nd Avenue North to North 7th Street; then northwest on North 7th Street to Park Avenue; then north on Park Avenue extended to the CNW Railroad right-of-way; then east on the CNW Railroad right-of-way to the point of beginning;

and

Beginning at the intersection of the CNW Railroad right-of-way and 8th Avenue North; then south on 8th Avenue North to 1st Street West; then northwest on 1st Street West to the CNW Railroad right-of-way; then east on the CNW Railroad right-of-way to the point of beginning.

The areas include the full right-of-way of all streets forming their boundaries.

AMENDMENT NO. 2 AREA

That portion of the City, consisting primarily of the older residential areas, that was not included in the original Urban Renewal Area or in the area added as a result of Amendment No. 1.

With the adoption of Amendment No. 2, the entire City was included in the Mount Vernon Urban Renewal Area.

AMENDMENT NO. 3 AREA

No land was added by Amendment No. 3.

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

The City of Mount Vernon, 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. The general scope of the urban renewal activities under consideration in the Amendment is to promote economic development and to rehabilitate, conserve and redevelop land, buildings and other improvements within such area through the elimination and containment of conditions of blight so as to improve the community through the establishment of effective land use controls, through use of an effective program of rehabilitation of existing buildings and elimination of those structures which cannot be economically rehabilitated, with a limited amount of acquisition, clearance, resale and improvement of land for various purposes specified 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 City also may acquire and make land available for development or redevelopment by private enterprise as authorized by law. 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 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. 4 includes the rehabilitation of the city pool, including building improvements, equipment replacement, and parking lot improvements. 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 Mount Vernon, State of Iowa, as provided by Section 403.5 of the Code of Iowa.

Dated this _____ day of _____, 2014.

City Clerk, City of Mount Vernon, State of Iowa

(End of Notice)

Section 5. That the proposed Amendment No. 4 to the Mount Vernon Urban Renewal Plan, attached hereto as Exhibit 1, for the proposed Urban Renewal Area described therein is hereby officially declared to be the proposed Amendment No. 4 to the Mount Vernon Urban Renewal Plan referred to in the notices for purposes of such consultation and hearing and that a copy of the Amendment shall be placed on file in the office of the City Clerk.

PASSED AND APPROVED this 2nd day of June, 2014.

Mayor

ATTEST:

City Clerk

Label the Amendment as Exhibit 1 (with all exhibits) and attach it to this Resolution.

:

ATTACH THE AMENDMENT
Labeled AS EXHIBIT 1 HERE

AMENDMENT #4

to the

MOUNT VERNON URBAN RENEWAL PLAN

CITY OF MOUNT VERNON, IOWA

Original Area Adopted – 1993

Amendment #1 – 1994

Amendment #2 – 2006

Amendment #3 – 2013

Amendment #4 – 2014

**AMENDMENT #4
to the
MOUNT VERNON URBAN RENEWAL PLAN
CITY OF MOUNT VERNON, IOWA**

The Mount Vernon Urban Renewal Plan (“Plan” or “Urban Renewal Plan”) for the Mount Vernon Urban Renewal Area (“Area” or “Urban Renewal Area”), adopted in 1993 and amended in 1994, 2006, and 2013, is being further amended to add a proposed project to be undertaken within the Urban Renewal Area by Amendment #4 (“Amendment #4” or “Amendment”). No land is being added to the Area by this Amendment.

Except as modified by this Amendment, the provisions of the original Mount Vernon Urban Renewal 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 shall control.

AREA DESIGNATION

With the adoption of this Amendment, the City of Mount Vernon is continuing to designate this Urban Renewal Area as a mixed blight and economic development area.

PROJECT OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for community economic development purposes, including new commercial, industrial, and residential housing development. Objectives include:

1. To stimulate, through public action and commitment, private investment in new development, including commercial, industrial, and residential housing projects.
2. To provide for the installation of public works and facilities, which contribute to revitalization and the sound development of the Area.
3. To provide a more marketable and attractive investment climate.
4. To promote affordable housing opportunities for LMI persons.
5. To eliminate blighting influences and to promote revitalization.
6. To encourage commercial, industrial, and residential growth and expansion through governmental policies which make it economically feasible to do business.

7. To help develop a sound economic base that will serve as the foundation for future growth and development.
8. To plan for and provide sufficient land for commercial, industrial, and residential development in a manner that is efficient from the standpoint of providing municipal services.
9. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.
10. To provide and upgrade public facilities, infrastructure, recreational opportunities, and services that help to improve the quality of life and enhance the overall viability of the community.
11. To enhance the Mount Vernon community by fostering an entrepreneurial climate, diversifying the local economy, encouraging opportunities for new businesses, and supporting retention of existing businesses.

TYPES OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage orderly development of the Area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, Code of Iowa. Activities may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction, repair or upgrading of public infrastructure including, but not limited to, streets, water and sewer systems, park and recreation facilities, public utilities or other facilities in connection with urban renewal projects.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To arrange for or cause to be provided the construction, expansion, or repair of public buildings and facilities in order to enhance services, comply with current building standards, or preserve historic value.
5. To improve housing opportunities for LMI persons.

6. To acquire property through a variety of means (e.g, purchase, lease, option, etc.) and to hold, clear, or prepare the property for redevelopment.
7. To dispose of property that has been acquired.
8. To make loans, forgivable loans, tax rebate payments or other types of grants or incentives to private persons or businesses for economic development purposes, residential projects, or to eliminate blighting influences, on such terms as may be determined by the City Council.
9. To borrow money and to provide security therefor.
10. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific urban renewal projects.
11. To use tax increment financing for a number of purposes, including, but not limited to, achieving a more marketable and competitive land offering price and providing for necessary physical improvements and infrastructure.
12. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Mount Vernon and the State of Iowa.

PREVIOUSLY APPROVED URBAN RENEWAL PROJECTS

Numerous urban renewal projects were authorized in previous amendments. These projects are not listed in this Amendment but consist of a variety of urban renewal projects; including, but not limited to, enhancements and further development of existing trails and parks, as well as downtown streetscape improvements.

PROPOSED URBAN RENEWAL PROJECT (Amendment #4)

Although certain project activities may occur over a period of years, in addition to the projects previously proposed in the Mount Vernon Urban Renewal Plan, as previously amended, this Amendment proposes one new project.

The Proposed Urban Renewal Project under this Amendment includes renovations to the City's pool facility. Building improvements and replacement of the identified pool equipment is necessary due to existing components being worn-out and at the end of their useful life. If replacement does not occur, failure of these systems will result in the pool having to close.

The proposed improvements provide not only recreational benefits to the community but also are a source of positive economic benefits. The availability of a diverse range of outdoor recreational facilities are important quality-of-life factors for companies choosing to locate facilities or for trained employees choosing a place to live. The City recognizes a need to attract and retain a workforce of adequate size in order that existing and potential employers will locate and expand operations within the City and region. Young people often leave Iowa to relocate in areas that offer opportunities for recreation and entertainment.

By fostering a more attractive business climate in the City, the development potential of the area will be enhanced. This improved viability will assist in the creation of new jobs and opportunities for private enterprises to locate, grow, and be successful in conducting business in the community.

Key economic impacts of improved recreational opportunities include enhancements of property values, attracting and retaining residents, employees and employers, and increased municipal revenue. Workers, retirees, and families attracted to an area are then positioned to put money back into the local economy through jobs, housing, taxes, and patronization of local businesses.

Collectively, the proposed pool and parking lot project contributes to an attractive quality of life in Mount Vernon and the surrounding region. Specifically, the project proposed by this Amendment includes:

1. Public Improvements:

Project	Estimated Date	Estimated Cost	Rationale
Rehabilitation of the Mount Vernon City Pool; including improvements to the building, replacement of aquatic equipment such as pumps, motors, and filtration systems for the pool, as well as the expansion and resurfacing of the pool parking lot.	2014-2015	Not to exceed \$225,000	Renovations to the pool are needed to ensure that this important recreational infrastructure remains operational. The pool contributes to overall viability of the community, promotes recreation and wellness, and enhances Mount Vernon's quality of life; which all are factors necessary to attract and retain employees and their families to the community. (See also Proposed Urban Renewal Project (Amendment #4) and Public Building Analysis sections.)
TOTAL		Not to Exceed \$225,000	

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

Project	Date	Estimated Cost
Fees and costs	Undetermined	Not to exceed \$25,000

FINANCIAL INFORMATION

1.	July 1, 2013 constitutional debt limit:	\$11,290,480
2.	Outstanding general obligation debt:	\$ 7,905,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Proposed Urban Renewal Project (Amendment #4) has not yet been determined. This document is for planning purposes. The estimated project cost in this Amendment is an estimate only and may be incurred and spent over a number of years. In no event will the City's constitutional debt limit be exceeded. The City Council considers each project proposal 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 Proposed Urban Renewal Project as described above will be approximately as follows:	\$250,000

DEVELOPMENT PLAN

Mount Vernon has a general plan for the physical development of the City, as a whole, outlined in the City's zoning and subdivision ordinances. This Plan and the project described in this Plan are consistent with these zoning and subdivision regulations.

PUBLIC BUILDING ANALYSIS

The project proposed in this Amendment involves a public building. This project involves renovations to the pool and adjacent parking lot.

If this project is ultimately approved by the City, the City intends to finance the cost through tax increment financing. For the costs of this project, the City proposes to issue general obligation bonds and abate the principal and interest payments from incremental tax revenues within the Area, if available. Specifically, under these circumstances, Iowa law requires an analysis of alternative

development options and funding for the project and reasons why such options would be less feasible than the use of incremental tax revenues for the project.

The existing Mount Vernon Swimming Pool provides valuable recreational opportunities as well as swimming lessons and private rental opportunities. The pool draws users from a 20-mile radius. For the 2013 swim season, 25% of pool memberships were held by persons who live outside of Mount Vernon. Over half of the swimming lesson passes were sold to non-residents. The surrounding small towns of Lisbon, Solon, Mechanicsville, and Martelle do not have public pool facilities and rely on the Mount Vernon pool for use by their residents. Buses from these communities regularly drop off youth and families who use the Mount Vernon pool.

The proposed pool equipment replacement and parking lot reconstruction are necessary in order to keep the pool operational. The pool was built in the late 1950s. The pumps, motors, and filtration system are all original to the pool and are at the end of their useful life. Since these 55-year-old components have not been replaced, they are worn out. The parking lot is asphalt that was overlaid 15 years ago. The existing surface is now cracked and crumbling, and freeze-thaw cycles accelerate its deterioration. The regional draw of this pool facility results in the parking lot being crowded with cars and buses. Additional parking space is needed and it is planned that the reconstruction project will include enlarging the lot onto adjacent City-owned property. If repairs are not made, pool equipment and parking lot conditions will, over time, worsen, and may get to the point where pool closure is the only viable option. Currently, there is concern that the pool may not be operational during the 2014 swim season due to age and condition of the targeted equipment.

The pool provides the community with an important recreational asset. The availability of a diverse range of recreational activities is an important quality-of-life factor for companies choosing to locate facilities or for trained employees choosing a place to live. The City recognizes a need to attract and retain a workforce of adequate size in order for existing and potential employers to locate and expand within the City and the region.

Key economic impacts of improved recreational opportunities include enhancements of property values, attracting and retaining residents, employees and employers, and increased municipal revenue. Workers, retirees, and families attracted to an area are then positioned to put money back into the local economy through jobs, housing, taxes, and patronization of local businesses.

By fostering a more attractive business climate in the City, the development potential of the area will be enhanced. An attractive, vibrant, and diverse community, in turn, will benefit the Mount Vernon School District, as well as Linn County. The proposed pool project contributes to an attractive quality of life in Mount Vernon and the surrounding region.

Alternative Funding Options:

The use of local option sales tax (LOST) funds to help finance a portion of the public building project is not a viable funding source. LOST revenues for Mount Vernon have already been obligated by the City for other capital improvement projects.

As with most municipal pools, revenues generated by existing user fees are not currently sufficient to cover the operating costs of this facility. The addition of new debt for the planned capital expenditures on the pool will only increase its operating deficit. Increasing the existing membership fees to collect enough funds to pay the expected debt service would result in admission charges not being affordable to users.

The previously described alternative options for funding of the Urban Renewal Project are less feasible than the use of incremental tax revenues. The project benefits not only City residents, but also County and school district residents. As a result, the use of tax increment financing to pay the principal and interest payments from debt associated with the project is the most appropriate funding mechanism.

Issuing general obligation bonds that would be paid only with the City's debt levy on the pool project is less feasible than the use of TIF funds because there would be no contribution of tax increment revenues from the School District and County. The proposed project demonstrates regional benefit and since both County and school district residents use the City's pool, other financing alternatives are less equitable than the use of TIF.

As a result of the proposed Urban Renewal Project benefiting County residents and school patrons, the use of tax increment is the most appropriate funding mechanism because it is fair for the School District and the County to share in the costs for the project. The project demonstrates regional benefit to both the County and School District.

For all of the aforementioned reasons, the tax increment revenue funding alternative option (general obligation debt abated by incremental tax revenues) is the most feasible, fair, and equitable mechanism for funding the project described above.

URBAN RENEWAL FINANCING

The City of Mount Vernon intends to utilize various financing tools such as those described below to successfully undertake the proposed urban renewal action. The City of Mount Vernon 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 or other urban renewal 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 proposed urban renewal projects. The increased taxes generated by any new

development, above the base value, are distributed to the taxing entities, if not requested by the City and in any event upon the expiration of the tax increment district.

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 incenting development consistent with the Plan or other urban renewal projects. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City of Mount Vernon. 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 or private entities in connection with urban renewal projects related to industrial, commercial or housing development as well as blight remediation and 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. Alternatively, the City may determine to use available funds for making such loans or grants or other incentives related to urban renewal projects.

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.

PROPERTY ACQUISITION/DISPOSITION/DEVELOPMENT AGREEMENTS

Notwithstanding prior Plan provisions, the City will follow any applicable requirements for the acquisition and disposition of property, and shall determine the terms of development agreements, subject to the City's discretion.

URBAN RENEWAL PLAN AMENDMENTS

The Mount Vernon Urban Renewal Plan may be amended from time to time for a variety of reasons, including, but not limited to, adding or deleting land, adding urban renewal projects, or modifying goals or types of renewal activities.

The City Council may amend this Plan in accordance with applicable state law.

EFFECTIVE PERIOD

This Urban Renewal Plan Amendment #4 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, and the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, will be consistent with Chapter 403 of the Iowa Code. The division of revenues shall continue on the Urban Renewal Area, including all Amendment Areas, as provided in the Plan, and for the maximum period allowed by law and this Plan.

REPEALER

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

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 the previous amendments to the Plan, or any part of the Plan not determined to be invalid or unconstitutional.

