

**FENNO DRIVE
URBAN RENEWAL PLAN**

for the

**FENNO DRIVE
URBAN RENEWAL AREA**

CITY OF RIVERDALE, IOWA

March 2021

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**Fenno Drive Urban Renewal Plan
for the
Fenno Drive Urban Renewal Area**

City of Riverdale, Iowa

A. INTRODUCTION

The Fenno Drive Urban Renewal Plan (“Plan” or “Urban Renewal Plan”) for the Fenno Drive Urban Renewal Area (“Area” or “Urban Renewal Area”) has been developed to help local officials alleviate blighting conditions and influences and promote commercial economic development in the City of Riverdale, Iowa (the “City”).

In order to achieve this objective, the City intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapter 403 of the *Code of Iowa*, as amended.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The Urban Renewal Area is described in Exhibit “A” and illustrated in Exhibit “B.”

The City reserves the right to modify the boundaries of the Area at some future date.

C. AREA DESIGNATION

With the adoption of this Plan, the City designates this Urban Renewal Area as a mixed area containing property designated as blighted that is suitable for blight remediation activities, and property designated as appropriate for commercial economic development.

D. HISTORY AND PURPOSE

The Urban Renewal Area is being created in order to remediate blighting influences and to promote commercial economic development in the Area. For the purposes of urban renewal, Iowa Code Section 403.17(5) (2019) defines a “blighted area” as follows:

“Blighted area” means an area of a municipality within which the local governing body of the municipality determines that the presence of a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; insanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors; substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use. A disaster area referred to in section

403.5, subsection 7, constitutes a “blighted area”. “Blighted area” does not include real property assessed as agricultural property for purposes of property taxation.

In August 2020, a blight assessment was completed on properties within the proposed Urban Renewal Area. The findings of the blight assessed were reported in the Engineering Assessment for Slum & Blight Inventory – August 2020. The report evaluated individual properties within the Area based on blighting factors considered under the Community Development Block Grant (CDBG) criteria. The report also evaluated infrastructure within the Area. The Engineering Assessment for Slum & Blight Inventory – August 2020 report identified a number of conditions that contribute to a “blighted area” under Iowa Code Section 403.17(5), including:

- Fenno Drive is a deteriorating roadway with a defective and/or inadequate layout because it is not sized appropriately for emergency vehicle traffic.
- The exterior structural elements of some residential structures in the Area, including foundations, decks, and porches, show signs of deterioration or aging, which create unsafe conditions.
- Photos in the report evidence the overgrowth of vegetation and mold around and on several structures in the Area, which can contribute to the deterioration of improvements.

In the course of preparing this Plan, City staff evaluated current conditions within the Area and identified the following additional conditions within the Area which are consistent with a “blighted area”:

- The layout of lots in the Area is faulty in relation to accessibility, as several lots within the Urban Renewal Area are not easily accessible for emergency vehicles. Furthermore, the faulty layout of the lots and inadequate size of Fenno Drive create conditions which endanger life and property by fire and other causes because emergency vehicles cannot appropriately respond to fires or other emergencies in this Area. Accordingly, these combined conditions impair the sound growth of the City in this Area and present a menace to the public health, safety, and welfare.
- There are vacant/abandoned structures within the Area. Vacant structures are prone to deterioration and can house unknown dangerous conditions.

Based in part on the conditions confirmed to exist within the Area by the Engineering Assessment for Slum & Blight Inventory – August 2020 report and by City staff review of current conditions (as summarized above), the City Council has determined that the Urban Renewal Area qualifies as a blighted area under Section 403.17(5) of the *Code of Iowa* (2019).

Accordingly, the City Council has designated the Urban Renewal Area as a blighted area as well as an economic development area suitable for commercial economic development.

E. BASE VALUE

If the Urban Renewal Area is legally established, a Tax Increment Financing (TIF) Ordinance is adopted, and debt is certified prior to December 1, 2021, the taxable valuation as of January 1,

2020, will be considered the frozen “base valuation” of the taxable property within that area covered by the TIF ordinance. If a TIF Ordinance is not adopted until a later date, or debt is not first certified prior to December 1, 2021, the frozen “base value” will be the assessed value of the taxable property within that area covered by the TIF Ordinance as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt on the Area.

F. DEVELOPMENT PLAN

Riverdale has a general plan for the physical development of the City as a whole, outlined in the 2012-2032 Comprehensive Plan, adopted November 7, 2012. The goals and objectives proposed in this Plan, and the urban renewal projects described herein, are in conformity with the land use policies and plans for the development of the City as a whole established in the 2012-2032 Comprehensive Plan.

The Urban Renewal Plan does not in any way replace the City’s current land use planning or zoning regulation process. The land being included in the Urban Renewal Area is currently zoned as R-1 residential, but may be rezoned to R-2 multi-family, if needed, in accordance with the City’s standard zoning processes.

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

G. PLAN OBJECTIVES

Renewal activities are designed to eliminate blighting influences and to provide opportunities, incentives, and sites for community economic development purposes. More specific objectives for development, revitalization, and alleviation of blight conditions within the Urban Renewal Area are as follows:

1. To eliminate blighting influences and promote revitalization, through public action and commitment, or by providing incentives to private persons or businesses, to acquire, rehabilitate, renovate, demolish, and/or redevelop existing structures or property.
2. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.
3. To plan for and provide sufficient land for commercial development and for redevelopment of blighted properties in a manner that is efficient from the standpoint of providing municipal services.
4. To help develop a sound economic base that will serve as the foundation for future growth, development, and revitalization.

5. To provide for the installation and upgrade of public works, infrastructure, storm water, sanitary sewer treatment, water treatment, and related facilities which alleviate blighting influences and contribute to the development of the Area.
6. To provide a more marketable and attractive investment climate through the use of various federal, state, and local incentives.
7. To stimulate through public action and commitment, private investment in new development in order to revitalize the community.
8. To enhance the health, safety, living environment, general character, and general welfare of Riverdale, Iowa.
9. To promote development utilizing any other objectives allowed by Chapter 403 of the *Code of Iowa*.

H. TYPES OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage the development of the Area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, *Code of Iowa* including, but not limited to, tax increment financing. Activities may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments, including blight remediation projects.
2. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear, or prepare the property for redevelopment.
3. To dispose of property so acquired.
4. To provide for the construction of site-specific improvements, such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
5. To demolish existing blighted structures and to clear property for future development in order to alleviate blighting conditions.
6. To arrange for or cause to be provided the construction or repair of public infrastructure, and facilities including, but not limited to, streets and sidewalks, traffic lights, pedestrian safety measures, water mains, sanitary sewers, storm sewers, or other public facilities in connection with urban renewal projects which serve to revitalize the Area and alleviate blighting conditions and/or promote development within the Area.
7. To make loans, forgivable loans, grants, tax rebate payments, or other types of grants or incentives to private persons or businesses for economic development, revitalization or blight remediation purposes, on such terms as may be determined by the City Council.

8. To use tax increment financing to facilitate urban renewal projects, including, but not limited to, financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
9. To use tax increment revenues to help leverage grants, loans, or other assistance from the state and federal governments (such as providing the local match for such assistance) in support of projects or businesses that advance the objectives of this plan.
10. To borrow money and to provide security therefor.
11. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Plan or specific urban renewal projects.
12. To fund or help finance programs that will directly benefit blight remediation.
13. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic and housing conditions for the City of Riverdale and the State of Iowa.

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.

I. ELIGIBLE URBAN RENEWAL PROJECTS

Although certain project activities may occur over a period of years, the eligible urban renewal projects under this Urban Renewal Plan include:

1. Public Improvement Projects:

A. *Reconstruction of Fenno Drive:* The City expects to undertake the reconstruction of the portion of Fenno Drive included within the Area. The reconstruction project will remediate blighting conditions in the Area, as the current layout of Fenno Drive and surrounding lots makes Fenno Drive too narrow for emergency vehicle traffic to reach several lots. The City's costs for this project are anticipated not to exceed \$391,000.

B. *Reconstruction of Fenno Road:* The City expects to undertake the reconstruction of the portion of Fenno Road included within the Area. Fenno Road is currently in poor condition and has a steep grade. The steep grade, combined with the current surfacing of the road, creates difficulty for drivers attempting to stop at the intersection of Valley Drive, particularly in wintery or wet weather conditions. The reconstruction project will remediate blighting conditions in the Area, by resurfacing the road. The City's costs for this project are anticipated not to exceed \$215,000.

2. Land Acquisition and/or Redevelopment – 1147 Fenno Drive: The City may consider acquiring the property locally known as 1147 Fenno Drive in order to facilitate the redevelopment of the property, or the City may offer an incentive to a private entity willing

to acquire the 1147 Fenno Drive property and rehabilitate it for more beneficial uses. The City's costs for this project are anticipated not to exceed \$265,000.

3. Development Agreements:

A. *Development Agreement with Windmill Design Build, Inc. (or related entity):* The City expects to consider a development agreement with Windmill Design Build, Inc. (or a related entity) for the construction of a 12-unit apartment complex, and all related site improvements. Construction for this project is anticipated to be completed in 2021. In exchange for the obligations of Windmill Design Build Inc. (or a related entity) under the agreement, the City expects to make up annual payments of Economic Development Grants to Windmill Design Build, Inc. (or a related entity) in the form of Tax Increment rebates. The Economic Development Grants would be funded through tax increment generated by the construction of the apartment complex. The costs of this agreement are not to exceed \$436,000.

B. *Future Development Agreements:* The City expects to consider requests for development agreements for projects 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, infrastructure assistance and other incentives. The costs of such development agreements will not exceed \$425,000.

4. Planning, Engineering Fees (for Urban Renewal Plans), Attorney Fees, Administrative, and Other Related Costs to Support Urban Renewal Projects and Planning:

Project	Estimated Date	Estimated Cost to be Funded by TIF Funds
Fees and Costs	Undetermined	Not to Exceed \$85,000

J. FINANCIAL INFORMATION

1.	July 1, 2020, Constitutional Debt Limit	\$4,803,761
2.	Current Outstanding General Obligation Debt	\$305,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects has not yet been determined. This document is for planning purposes only. The estimated project costs in this Plan 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	\$1,817,000 This does not include financing costs related to debt issuance, which may be incurred over the life of the Area.

	<p>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 Eligible Urban Renewal Projects as described above will be approximately as stated in the next column:</p>	
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K. URBAN RENEWAL FINANCING

The City of Riverdale 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 *Code of Iowa*, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements, economic development incentives, 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 eligible 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 *Code of Iowa*, 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 or private entities in connection with the urban renewal projects identified in this Plan. 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 or other incentives related to 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.

L. PROPERTY ACQUISITION/DISPOSITION

The City will follow any applicable requirements for the acquisition and disposition of property within the Urban Renewal Area.

M. RELOCATION

The City does not expect there to be any relocation required of residents or businesses as part of the proposed urban renewal project; however, if any relocation is necessary, the City will follow all applicable relocation requirements.

N. PROPERTY WITHIN AN URBAN REVITALIZATION AREA

The Urban Renewal Area may (now or in the future) also be located within an established Urban Revitalization Area. Properties within the Urban Renewal Area shall not be eligible for tax abatement under an Urban Revitalization Plan without the Riverdale City Council's specific approval. The City Council, at its sole discretion, shall determine which incentives are available through either: (a) this Plan for urban renewal incentives, if any urban renewal incentives are offered by the City, at the City Council's sole discretion; or (b) tax abatement incentives through the City's Urban Revitalization Plan(s); or (c) a combination of urban renewal incentives and tax abatement incentives.

O. STATE AND LOCAL REQUIREMENTS

The City will comply with all State and local laws related to implementing this Urban Renewal Plan and its supporting documents.

P. SEVERABILITY

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

Q. URBAN RENEWAL PLAN AMENDMENTS

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

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

R. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and shall remain in effect until terminated by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, during the life of this Plan, the City Council may designate all or any portion of the property covered by this plan as a “tax increment area.” The Urban Renewal Area is designated as a mixed area for the promotion of both economic development, as well as blight remediation and therefore, the Urban Renewal Area has no statutory sunset under Iowa Code Section 403.19 (2021). The division of revenue shall continue on the Urban Renewal Area for the maximum period allowed by law.

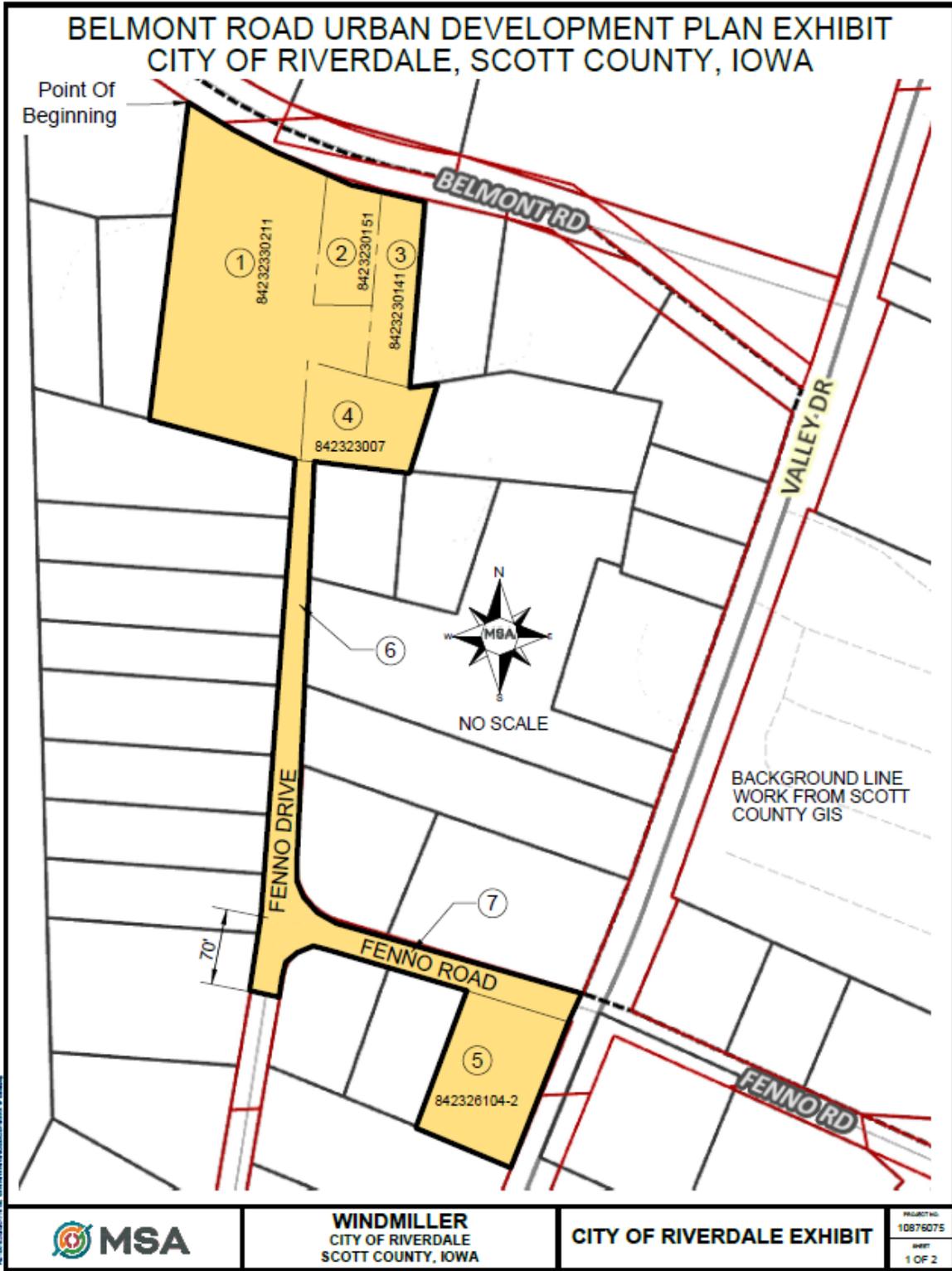
At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in Section 403.19 of the *Code of Iowa*) by the City for activities carried out under the Urban Renewal Area shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

EXHIBIT A
LEGAL DESCRIPTION OF FENNO DRIVE URBAN RENEWAL AREA

Part of the Northeast Quarter of the Northeast Quarter, part of the Southeast Quarter of the Northeast Quarter, and part of the Northeast and Southeast Quarter of Section 23, Township 78 North, Range 4 East of the Fifth Principal Meridian, City of Riverdale, Scott County, Iowa, more particularly described as follows:

Beginning at the Northwesterly corner of Parcel Number 84232330211; thence southeasterly along the Northerly line of said Parcel Number 84232330211 to the Northwesterly corner of Parcel Number 8423230151; thence Southeasterly along the Northerly line of said Parcel Number 8423230151 to the Northwesterly corner of Parcel Number 8423230141; thence Southeasterly along the Northerly line of said Parcel Number 8423230141 to the Northeasterly corner of said Parcel Number 8423230141; thence Southerly along the Easterly line of said Parcel Number 8423230141 to the Northerly line of Parcel Number 842323007; thence Northeasterly along the Northerly line of said Parcel Number 842323007 to the Northeasterly corner of said Parcel Number 842323007; thence Southwesterly along the Easterly line of said Parcel Number 842323007 to the Southeasterly corner of said Parcel Number 842323007; thence Westerly along the Southerly line of said Parcel Number 842323007 to the North end of the Easterly right of way line of Fenno Drive; thence Southerly along the Easterly right of way line of Fenno Drive to the Northerly right of way line of Fenno Road; thence Southeasterly along the Northerly right of way line of Fenno Road to the Westerly right of way line of Valley Drive; thence Southwesterly along the Westerly right of way line of Valley Drive to the Northeasterly corner of Parcel Number 842326104-2; thence Southwesterly along the Easterly line of said Parcel Number 842326104-2 to the Southeasterly corner of said Parcel Number 842326104-2; thence Northwesterly along the Southerly line of said Parcel Number 842326104-2 to the Southwesterly corner of said Parcel Number 842326104-2; thence Northeasterly along the Westerly line of said Parcel Number 842326104-2 to the Southerly right of way line of Fenno Road; thence Northwesterly along the Southerly right of way line of Fenno Road to the Easterly right of way line of Fenno Drive; thence Southerly along the Easterly right of way line of Fenno Drive to a point 75 feet South of the centerline of said Fenno Road; thence Westerly at a right angle to the last described course to the Westerly right of way line of Fenno Drive; thence Northerly along the Westerly right of way line of Fenno Drive to the Southerly line of Parcel Number 84232330211; thence Northwesterly along the Southerly line of said Parcel Number 84232330211 to the Southwesterly corner of said Parcel Number 84232330211; thence Northerly along the Westerly line of said Parcel Number 84232330211 to the point of beginning.

**EXHIBIT B
MAP OF FENNO DRIVE URBAN RENEWAL AREA**



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