

**KETTLESTONE RESIDENTIAL
URBAN RENEWAL PLAN**

for the

**KETTLESTONE RESIDENTIAL
URBAN RENEWAL AREA**

WAUKEE, IOWA

2023

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**Kettlestone Residential Urban Renewal Plan
for the
Kettlestone Residential Urban Renewal Area
City of Waukee, Iowa**

A. INTRODUCTION

The Kettlestone Residential Urban Renewal Plan ("Plan" or "Urban Renewal Plan") is being created to help local officials respond to and promote economic development in the City of Waukee (the "City"). The primary goal of the Plan is to stimulate, through public involvement and commitment, private investment in new housing and residential development as defined in Iowa Code Section 403.17(12). The City has determined that there is a shortage of affordable and appropriate housing and that providing such housing is important for any or all of the following objectives: retaining existing industrial or commercial enterprises; attracting and encouraging the location of new industrial or commercial enterprises; meeting the needs of special elements of the population, such as the elderly or persons with disabilities; and providing housing for various income levels of the population which may not be adequately served.

In order to achieve these objectives, the City intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapter 403 and Chapter 15A of the Code of Iowa, as amended.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The Kettlestone Residential Urban Renewal Area ("Area" or "Urban Renewal Area") is described in Exhibit "A" and illustrated in Exhibit "B." Note: The property was previously included in the Waukee Consolidated Urban Renewal Area but was never developed as an urban renewal housing project and was not subject to the division of revenue within the Waukee Consolidated Urban Renewal Area. The property was removed in 2022.

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 of Waukee will designate this Urban Renewal Area as an economic development area that is appropriate for the provision of public improvements related to housing and residential development and potentially low and moderate housing.

D. BASE VALUE

Once the Kettlestone Waukee Residential Urban Renewal Area is legally established, a TIF ordinance is adopted, and debt is certified to the County, the taxable valuation within the area covered by the TIF ordinance as of January 1 of the year before debt is first certified will be considered the frozen "base valuation." It may be that more than one TIF ordinance will be adopted on property within the Area as part of this multiple phase project. If so, the frozen base values may vary by TIF ordinance areas.

E. DEVELOPMENT PLAN

Waukee has a general plan for the development of the City as a whole outlined in the Waukee Comprehensive Land Use Plan, adopted in 2019. The goals and objectives and urban renewal projects identified in this Plan are in conformity with the 2019 Comprehensive Plan and the land use policy and priorities that were adopted as part of the planning process. Specific housing objectives identified in the Comprehensive Plan include, but are not limited to, maintaining a balanced housing supply with housing available for people at all income levels and unit types that meet the varying life-cycle needs of Waukee residents; establishing a housing pattern that respects the natural environment while striving to meet local housing needs and the community's share of metropolitan area housing growth; and establishing a community of well-maintained housing and neighborhoods including ownership and rental housing.

This Urban Renewal Plan does not change or in any way replace the City's current land use planning or zoning regulation process. Currently, the Area contains land which is zoned K-MF Stacked High (Kettlestone Multi Family Stacked High), K-MF Stacked Med (Kettlestone Multi-Family Stacked Medium) and K-MU (Kettlestone Mixed Use).

The need 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 develops, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

F. RESIDENTIAL DEVELOPMENT

One of the City's objectives for the Kettlestone Residential Urban Renewal Area is to promote new multi-family residential development. The City realizes that the availability of housing is an important component of attracting new business and industry, responding to new development, and retaining existing businesses.

In anticipation of employment trends and demographic projections, the City has taken the position of providing support to increase the availability of certain market rate rental housing opportunities in the community. After review, the City has concluded that the City's central location, strong demographics, and the potential for major employers to continue with steady job opportunities has resulted in verified demand for more market rate rental housing in Waukee.

In summary, the plans presented for the Kettlestone residential development will include a total of approximately 572 housing units with a number of amenities including garages, recreational facilities for the development's residents, further expansion of the City's parks system and integrated pedestrian recreational trails. New growth anticipated within the Kettlestone Residential area as well as other surrounding areas and completion and opening of Kettleview Office development and Keetown Loop have and will add increased employment opportunities which will create the need and demand to make further investment in the City's infrastructure.

One of the priorities identified within the Comprehensive Plan is to mitigate traffic congestion and improve traffic flow and safety in all areas of the community. With the

addition of these new housing developments and the location of existing and proposed new commercial development, school facilities, and recreational facilities that will serve these new neighborhoods, it is important that the City continues to build out and improve its transportation network for the safety and well-being of existing and new residents. Increment generated from the Kettlestone Residential Urban Renewal Area will go towards paying for the extension of SE Westown Parkway between Grand Prairie Parkway and SE Waco Place/98th St, the expansion of 98th St./SE Waco Place between SE Pleasant view Dr. to SE Westown Parkway; the construction of SE Glacier S. Trail between SE Westown Pkwy and SE Tallgrass; and the construction of SE Tallgrass from Grand Prairie Parkway to SE Glacier S, all of which will provide direct access from these new residential developments to places of employment, schools, and recreation. The improvements also include the construction of storm sewer mains, storm sewer structures, water mains, water main fixtures, sanitary sewer mains, sanitary sewer structures, pedestrian ramps and miscellaneous associated work.

When a City utilizes tax increment financing to support residential development, a percentage of the incremental revenues (or other revenues) generated by the project (not to exceed the project costs which are limited to reimbursement of "public improvement" costs as defined by Iowa law) must be used to provide housing assistance to low or moderate income ("LMI") individuals or families. LMI individuals or families are generally those whose incomes do not exceed 80% of the median Dallas County income.

Unless a reduction is approved by the Iowa Economic Development Authority, the percentage of incremental revenues used to provide LMI assistance must be at least equal to the percentage of LMI families living in Dallas County. That percentage is currently 26.22%. ("LMI Set-Aside Fund")

The requirement to provide assistance for LMI housing may be met by one, or a combination, of the following three options:

- Providing that at least 26.22% of the units constructed in the Area are occupied by residents and/or families whose incomes are at or below 80% of the median county income;
- Setting aside 26.22% of the project costs for LMI housing activities anywhere in the City; or
- Ensuring that 26.22% of the houses constructed within the Area are priced at amounts affordable to LMI families.

If funds are set aside, as opposed to constructing a sufficient percentage of LMI housing in the Area, the assistance for low and moderate income family housing may be provided anywhere within the City. The type of assistance provided must benefit LMI residents and/or families and may include, but is not limited to:

1. Construction of LMI affordable housing.
2. Owner/renter-occupied housing rehabilitation for LMI residents and/or families.
3. Grants, credits or other direct assistance for LMI residents and/or families.
4. Homeownership assistance for LMI residents and/or families.

5. Tenant-based rental assistance for LMI residents and/or families.
6. Down payment assistance for LMI residents and/or families.
7. Mortgage interest buy-down assistance for LMI residents and/or families.
8. Under appropriate circumstances, the construction of public improvements that benefit LMI residents and/or families.

G. AREA OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for new residential development within the Area. More specific objectives for development within the Kettlestone Residential Urban Renewal Area are as follows:

1. To increase the availability of housing opportunities, which may, in turn, attract and retain local industries and commercial enterprises that will strengthen and revitalize the economy of the State of Iowa and the City of Waukee.
2. To stimulate, through public action and commitment, private investment in new housing and residential development.
3. To plan for and provide sufficient land for residential development in a manner that is efficient from the standpoint of providing municipal services.
4. To help finance the cost of constructing public utility and infrastructure extensions and improvements in support of new housing and residential development.
5. To provide a more marketable and attractive investment climate.
6. To improve the housing conditions and housing opportunities, including LMI income families and/or individuals.
7. To encourage residential growth and expansion through governmental policies which make it economically feasible to do business.
8. 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.
2. To arrange for or cause to be provided the construction or upgrade of public infrastructure improvements, including streets and sidewalks, traffic lights, pedestrian safety measures, water, sanitary sewer, and storm sewer systems, public utilities or other facilities or physical improvements in connection with urban renewal projects.

3. To make loans, grants or rebates to developers to construct public infrastructure on such terms as may be determined by the City Council.
4. To finance programs that will directly benefit housing conditions and promote the availability of housing in the community.
5. To borrow money and to provide security therefor.
6. To make or have made surveys and plans necessary for the implementation of the urban renewal program or specific urban renewal projects.
7. To use tax increment financing for a number of objectives, including, but not limited to, achieving a more marketable and competitive land offering price and providing for necessary physical improvements and infrastructure.
8. To use tax increment for LMI housing assistance.
9. 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 Waukee and the State of Iowa.

I. ELIGIBLE URBAN RENEWAL PROJECTS

1. Development Agreements

- A. *Development Agreement with KETTLESTONE CENTRAL L.C., and CALIBER LAND COMPANY, LLC (or related entities):* The City expects to enter into a Development Agreement (the “Agreement”) with KETTLESTONE CENTRAL L.C., and CALIBER LAND COMPANY, LLC (or related entities) (the “Developer”), pursuant to which the Developer will construct 572 housing units over four phases/projects with a number of amenities including garages, recreational facilities and related parking and site improvements on certain real property within the Urban Renewal Area (“Housing Units”) along with the extension of SE Westown Parkway between Grand Prairie Parkway and SE Waco Place/98th St, the expansion of 98th St./SE Waco Place between SE Pleasant view Dr. to SE Westown Parkway; the construction of SE Glacier S. Trail between SE Westown Pkwy and SE Tallgrass; and the construction of SE Tallgrass from Grand Prairie Parkway to SE Glacier S, all of which will provide direct access from these new residential developments to places of employment, schools, and recreation. The improvements also include the construction of storm sewer mains, storm sewer structures, water mains, water main fixtures, sanitary sewer mains, sanitary sewer structures, pedestrian ramps and miscellaneous associated work (collectively “Infrastructure Improvements”). Upon completion and acceptance by the City, the Infrastructure Improvements would be dedicated to the City. The City expects to make Economic Development Grants to Developer in the form of rebates of incremental taxes generated by the Housing Units, over a period of up to ten (10) years per phase. The cost of such Grants are not expected to exceed the lesser of \$9,000,000 or the Qualified Costs incurred to complete the Infrastructure Improvements. Unless LMI housing is constructed as a part of this project, the City

will set aside an amount equal to 26.22% of the incentives provided to the Developer from the incremental taxes generated by the Housing Units and use those funds to support LMI housing anywhere in the community. The payment of the Grants will be subject to annual appropriation and the terms and conditions of a detailed Development Agreement which is still in the process of being finalized.

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

Project	Date	Estimated Cost
Fees and costs	Undetermined	Not to Exceed \$ 200,000.00.

J. FINANCIAL INFORMATION

1.	July 1, 2022 constitutional debt limit:	\$ 127,379,974
2.	Outstanding current general obligation debt:	\$ 101,657,587
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 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:	\$9,200,000 This estimate does not include financing costs which may be incurred over the life of the Plan nor does it include the LMI assistance costs

K. URBAN RENEWAL FINANCING

The City of Waukee intends to utilize various financing tools, such as those described below, to successfully undertake the proposed urban renewal actions. The City of Waukee 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, 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(s).

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 or urban renewal projects within the Area and for 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 Waukee. 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.

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 the Urban Renewal Plan.

L. PROPERTY ACQUISITION/DISPOSITION

Other than easements and public right-of-ways, no property acquisition by the City is anticipated at this time. However, if property acquisition/disposition becomes necessary to accomplish the objectives of the Plan, urban renewal powers will be carried out, without limitation, in accordance with the State of Iowa Urban Renewal Law.

M. AGREEMENTS TO INCLUDE AGRICULTURAL LAND

Because some of the area included in the Kettlestone Residential Urban Renewal Area contains land that is defined as "agricultural land" by Iowa Code Section 403.17(3), the property owner(s) of the agricultural land have entered (or will enter) into an agreement in which the property owner agrees to allow the City to include real property defined as "agricultural land" in the Urban Renewal Area. A copy of the agreement is or will be attached as Exhibit "C". The original signed agreement will be on file at the City Clerk's office.

N. 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.

O. STATE AND LOCAL REQUIREMENTS

All provisions necessary to conform to State and local laws will be complied with by the City in 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, unauthorized 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 Area 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 will remain in effect until it is repealed by the City Council.

With respect to the property included within the Kettlestone Residential Urban Renewal Area, which is also included in an ordinance which designates that property as a tax increment area and is designated based on an economic development finding, to provide or to assist in the provision of public improvements related to housing and residential development, 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, is limited to ten (10) years for each project, beginning with the second fiscal year following the 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 incremental property tax revenues attributable to that property within the Kettlestone Residential Urban Renewal Area.

It is also anticipated that separate TIF ordinances for separate phases/projects may be adopted as development in the Area warrants such that property in each TIF ordinance may have a separate base value year and the division of revenue in each TIF ordinance may have a separate expiration date.

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 Kettlestone Residential Urban Renewal Plan shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

S. 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 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.

EXHIBIT "A"
LEGAL DESCRIPTION OF KETTLESTONE RESIDENTIAL
URBAN RENEWAL AREA

Parcel 22-120 of the Plat of Survey recorded in Book 2022 Page 20744, City of Waukee, Dallas County, Iowa (Parcel #1603100047); and,

Parcel 22-121 of the Plat of Survey recorded in Book 2022 Page 20745, City of Waukee, Dallas County, Iowa (Parcel #1604200029); and,

Parcel 22-122 of the Plat of Survey recorded in Book 2022 Page 20745, City of Waukee, Dallas County, Iowa (Parcel #1604200031); and,

Parcel 22-123 of the Plat of Survey recorded in Book 2022 Page 20743, City of Waukee, Dallas County, Iowa (Parcel #1603300022); and,

Parcel A of the Plat of Survey recorded in Book 2009 Page 18393, City of Waukee, Dallas County, Iowa, EXCEPT Parcel 22-123 of the Plat of Survey recorded in Book 2022 Page 20743, Dallas County, Iowa and EXCEPT Parcel 19-12 of the Plat of Survey recorded in Book 2019, Page 2401, Dallas County, Iowa (Parcel #1603300021); and,

Parcel 23-22 and 23-24 of the Plat of Survey recorded in Book 2023 Page 3367, City of Waukee, Dallas County, Iowa and Parcel 23-37 of the Plat of Survey recorded in Book 2023 Page 5011 which is a part of Parcel 23-22 as shown on the Plat of Survey recorded in Book 2023, Page 3367, City of Waukee, Dallas County, Iowa (Parcel #1604200038, 1604200035, 1604200037);

Parcel 23-27 of the Plat of Survey recorded in Book 2023 Page 3368, City of Waukee, Dallas County, Iowa (Parcel #1604200036); and,

A part of Parcel 21-96 of the Plat of Survey recorded in Book 2021 Page 31554, City of Waukee, Dallas County, Iowa and more particularly described as follows: Beginning at the Southwest Corner of said Parcel 21-96; thence North 00°27'16" East along the westerly line of said Parcel 21-96, a distance of 58.33 feet; thence South 51°03'50" East, 25.38 feet; thence North 83°56'10" East, 148.38 feet; thence North 89°28'40" East, 51.78 feet; thence North 83°56'10" East, 326.90 feet; thence South 06°07'23" East, 35.00 feet to the Southerly line of said Parcel 21-96; thence South 83°56'10" West along said southerly line 551.42 feet to the Point of Beginning and containing 0.47 acres .

EXHIBIT "B"
MAP OF URBAN RENEWAL AREA

Exhibit B
Map of Kettlestone Central Residential
Urban Renewal Area

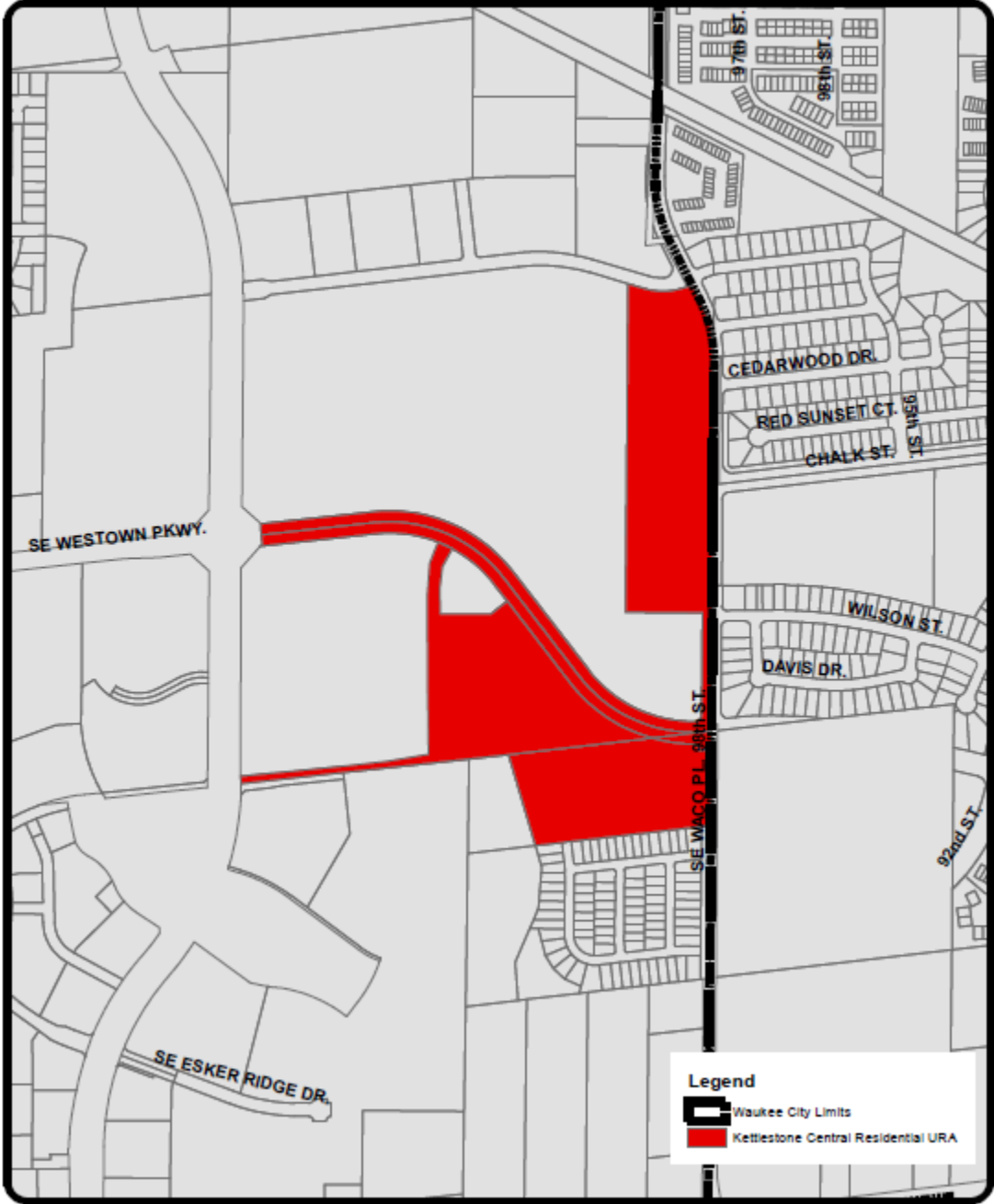


EXHIBIT "C"

AGRICULTURAL LAND CONSENT

**AGREEMENT TO INCLUDE AGRICULTURAL LAND IN THE
KETTLESTONE RESIDENTIAL URBAN RENEWAL AREA**

WHEREAS, the City of Waukee, Iowa, (the "City") has proposed to establish the North Waukee Residential Urban Renewal Plan ("Plan") for the North Waukee Residential Urban Renewal Area (the "Urban Renewal Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of land included in the Urban Renewal Area will contain certain property owned by the undersigned Agricultural Land Owner; and

WHEREAS, Section 403.17(10) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that a portion of the property located within the Urban Renewal Area and owned by the Agricultural Land Owner listed below meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain property within the proposed Urban Renewal Area and agrees that the City of Waukee, Iowa, may include such property within the Urban Renewal Area.

2. The Agricultural Land Owner further authorizes the governing body of the City of Waukee, Iowa, to pass any resolution or ordinance necessary to designate property as part of the Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this ____ day of _____, 2023.

Name of Agricultural Land Owner: _____

1) Signature:

Date: _____

Witness:
