

**WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM**

Date: 02/23/2023 Weekly Agenda Date: 2/28/2023

**ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN:** Mark Nahra and Dennis Butler

**WORDING FOR AGENDA ITEM:**

Review proposed language for a city-county agreement for Southbridge Interchange project

**ACTION REQUIRED:**

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

**EXECUTIVE SUMMARY:**

The attorney for Woodbury County has proposed language for an agreement with Sioux City and Sergeant Bluff in regard to repayment of project funding. Draft terms are presented for board comment.

**BACKGROUND:**

Staff has been working with city staff members and the Dorsey law firm to prepare an agreement for assistance with the retirement of bonds used to fund the construction of a new Southbridge Interchange near 135th Street. The attorney has recommended terms for the agreement and staff is presenting this information for board comment and guidance

**FINANCIAL IMPACT:**

No impact at this time.

**IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?**

Yes  No

**RECOMMENDATION:**

- 1) Request that the board provide comment to county staff prior to presenting the agreement to the cities for consideration.
- 2) Recommend a motion to approve a 10 year period for the agreement.

**ACTION REQUIRED / PROPOSED MOTION:**

- 1) Staff will receive comments and give direction to the attorney for the county.
- 2) Motion to approve the staff recommendation to set the period for county bonds for the project at 10 years.

**Term Sheet** Proposal for intergovernmental accord amongst the City of Sergeant Bluff, Iowa (“Sergeant Bluff”), the City of Sioux City, Iowa (“Sioux City”) and Woodbury County, Iowa (“County”) (collectively hereinafter these entities shall be referred to as the “Parties”).

This Term Sheet is intended to highlight the preliminary understanding amongst the Parties with respect to the major business points of an intergovernmental agreement (the “Agreement”) that will be drafted to govern the financing of the public improvements described on Exhibit A hereto (the “I-29 Interchange Project”). Amongst other matters, the Agreement will cover the use of incremental property tax revenues derived pursuant to action of the Parties under the authority of Chapter 403 of the Code of Iowa (“TIF Revenues”). The terms set forth herein will be evolved and incorporated into a more detailed agreement amongst the Parties. This Term Sheet is aspirational and non-binding. It is not to be interpreted as creating fiscal liability for Sergeant Bluff, Sioux City and/or the County. This Term Sheet is a present statement of intent by the Parties to negotiate and enter into the Agreement so as to bring about the swift and satisfactory completion of the I-29 Interchange Project”.

Business Terms:

A) County’s Intended Covenants:

- 1) The County shall take fiscal responsibility for making full and timely payment of the local share of the I-29 Interchange Project costs.
- 2) The County shall expand the boundaries of its Grow Woodbury County Urban Renewal Area (the “GWC URA”) to include the real property (the “I-29 Addition”) highlighted in green on Exhibit B hereto.
- 3) The County shall declare the I-29 Interchange Project to be an authorized urban renewal project of the County to be undertaken within the GWC URA.
- 4) The County shall issue its bonded indebtedness (the “County Bonds”) to pay the local government share of the costs of the I-29 Interchange Project. The County Bonds shall be issued in a manner so as to be payable from incremental property tax revenues to be derived from the GWC URA. Furthermore, the County will use best efforts to (i) structure the County Bonds to be amortized over a period not exceeding 20 years; and issue the County Bonds at the most commercially reasonable pricing and rates as shall be available at the time of their sale.
- 5) Pursuant to Section 403.19 of the Code of Iowa, the County shall establish an ordinance (the “TIF Ordinance”) providing for the division of TIF Revenues from certain taxable parcels included in the I-29 Addition. As development occurs on the I-29 Addition real estate, the County shall take action to include such parcels as are projected (using roll back percentages and property tax levy rates in place at the time of such projection) to provide sufficient incremental taxable valuation to produce annual TIF Revenues in an amount equal to 110% of the principal of and interest on the County Bonds as will become due in any fiscal year of the County while such Bonds are outstanding. Once parcels bearing a sufficient amount of incremental taxable valuation to meet the conditions of the preceding sentence have been included under the TIF Ordinance, the

County will not add additional real estate to the TIF Ordinance, thus allowing for Sioux City and/or Sergeant Bluff to take urban renewal action and utilize TIF Revenues derived from the remainder of the I-29 Addition for their city urban renewal projects.

- 6) Until such time as the I-29 Addition supplies sufficient TIF Revenues as set forth in the preceding section, the County shall apply TIF Revenues derived from taxable property situated in the GWC URA prior to the I-29 Addition for the full or supplemental payment of principal of and interest on the County Bonds.

B) Sergeant Bluff's Intended Covenants.

- 1) Sergeant Bluff will provide consent to the County's undertaking of the urban renewal action identifies in Section A.2, A.3 and A.5 above as contemplated in the "Area of Operation" definition of Section 403.17 of the Code of Iowa.
- 2) Sergeant Bluff may, at its discretion and subject to any annexation agreements with Sioux City, pursue annexation of the real property in the I-29 Addition lying east of Interstate 29.
- 3) Unless otherwise agreed to in writing by the County, Sergeant Bluff will refrain from taking any action, including the establishment of property tax abatement or exemption programs, that might interfere with the production of TIF Revenues in the I-29 Addition. This restriction shall remain in-place until such time as full provision has been made for the retirement or defeasance of the County Bonds.

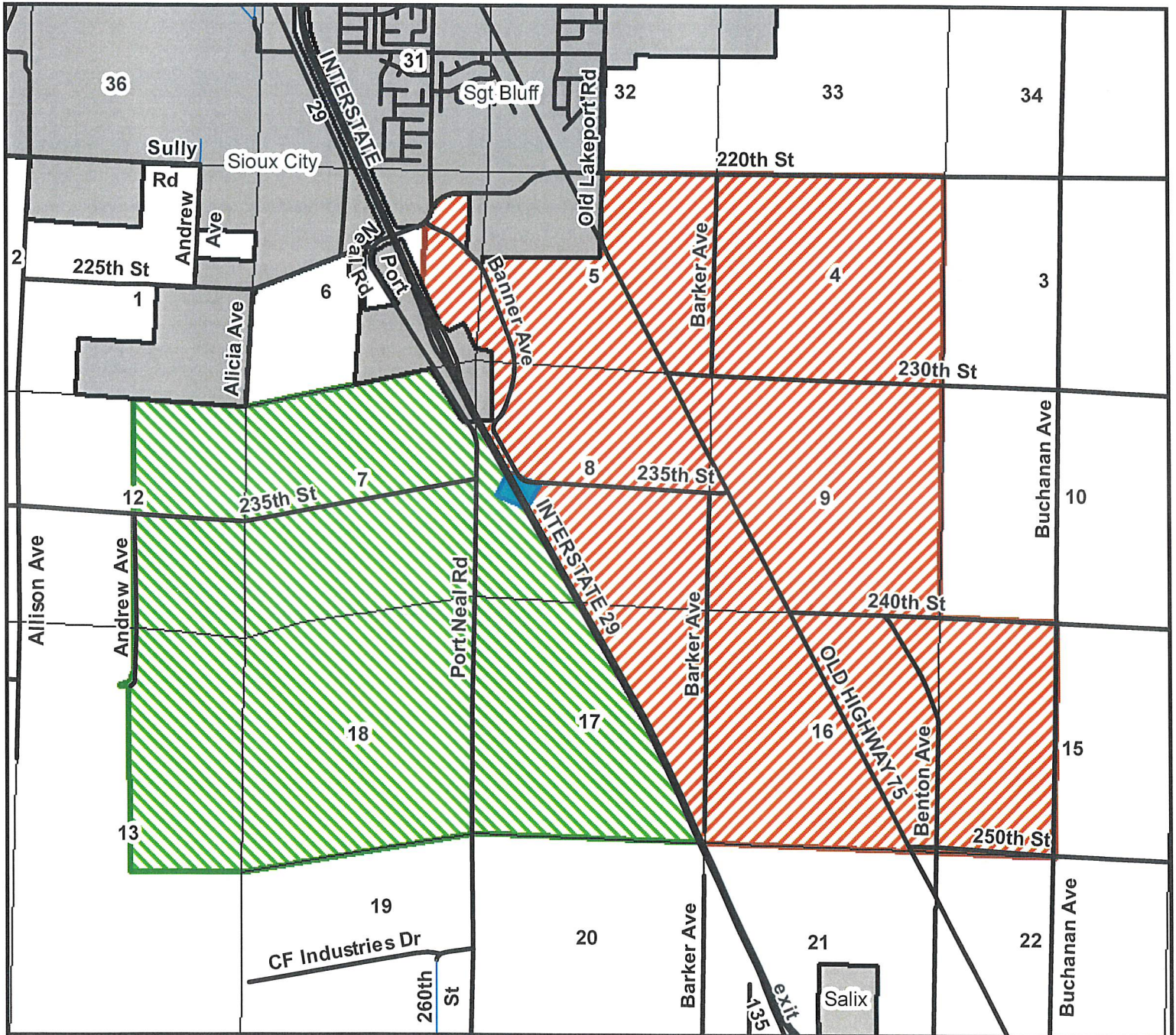
C) Sioux City's Intended Covenants.



- 1) Sioux City will provide consent to the County's undertaking of the urban renewal action identifies in Section A.2, A.3 and A.5 above as contemplated in the "Area of Operation" definition of Section 403.17 of the Code of Iowa.
- 2) Sioux City may, at its discretion and subject to any annexation agreements with Sioux City, pursue annexation of the real property in the I-29 Addition lying east of Interstate 29.
- 3) Unless otherwise agreed to in writing by the County, Sioux City will refrain from taking any action, including the establishment of property tax abatement or exemption programs, that might interfere with the production of TIF Revenues in the I-29 Addition. This restriction shall remain in-place until such time as full provision has been made for the retirement or defeasance of the County Bonds.

**EXHIBIT A – DETAILS OF I-29 INTERCHANGE PROJECT**



# Exhibit A



-  Interchange Site
-  Project Benefit Area, Sergeant Bluff
-  Project Benefit Area, Sioux City

**EXHIBIT B – MAP OF TERRITORY BEING ADDED AS THE I-29 ADDITION TO THE GROW WOODBURY  
COUNTY URBAN RENEWAL AREA**