

COUNCIL ACTION FORM

SUBJECT: PROPOSED DOWNTOWN REINVESTMENT DISTRICT URBAN RENEWAL AREA AND PLAN

BACKGROUND:

At its February 23, 2021 meeting, City Council voted to proceed with the process to create an Urban Renewal Area that would have the same boundaries as the area included in the Iowa Reinvestment District Program Application (See Attachment A). Urban Renewal Areas (URA) allow for a city to use a variety of powers and authorities to remove slum and blight and support economic development within an URA, as defined by Chapter 403 of the Code of Iowa. An Urban Renewal Plan for an Urban Renewal Area may also establish Tax Increment Financing (TIF) districts to financially support the objectives and projects of the Urban Renewal Plan.

The proposed URA comprises approximately 75 acres of land in and near downtown Ames (Attachment 1). The proposed boundaries overlap with the Downtown area as well as the Lincoln Way Corridor Plan. Downtown is highlighted within the City's Land Use Policy Plan as an Urban Core and point of emphasis for supporting amenities and high levels of commercial. The Lincoln Way Corridor Plan along with the Downtown Gateway Commercial (DGC), zoning district were created and adopted with the intent to foster redevelopment within this general area and to support reinvestment in Downtown.

The proposed Urban Renewal Plan (URP) is intended to improve blighted areas and promote economic development for the City of Ames with this urban core areas of the City. (Attachment 2) This will be done through a combination of public and private activities within over the life of the Plan. The URP identifies potential projects that include private redevelopment, construction of new public facilities, land acquisition, and new or replaced public infrastructure.

The proposed URP contemplates use of General Obligation Bonds and Tax Increment Financing (TIF) as tools to assist in the construction of public facilities and public infrastructure such as, but not limited to, an indoor aquatics center, parking, plazas, water, sewer, stormwater, streets, and pedestrian and bicycle facilities. TIF may also be approved to support private redevelopment projects as developer property tax rebates, notably the Lincoln Way Mixed Use project between Clark Avenue and Kellogg Avenue.

It is important to emphasize that approval of the proposed Downtown Reinvestment District Urban Renewal Plan does not directly commit the City to any of the projects described in the plan as they will be subsequently and individually approved by the City Council on a case-by-case basis.

URBAN RENEWAL AREA:

The creation of an urban renewal area first requires the City Council to adopt a resolution of necessity to initiate the process of adopting the Urban Renewal Plan for an area. Approving the resolution of necessity kicks off a number of steps including public notice for a hearing to adopt the Plan.

Subsequent steps include a referral to the Planning and Zoning Commission for recommendation on conformance to the Land Use Policy Plan, formal consultation with affected taxing entities (e.g. Story County and Ames Community School District) and notice of a public hearing to adopt the Plan. Important dates and steps are outlined below:

July 27th:

Staff presents the URA and draft URP to the City Council. Council adopts a resolution of necessity to initiate the statutory process for the URA.

August 5th:

City staff meets with interested taxing entities for consultation related to tax increment financing. The taxing entities have 7 days to make written recommendations for modifications to the plan.

August 18th:

The Planning and Zoning Commission must make a recommendation as to whether the Urban Renewal Plan is consistent with the Land Use Policy Plan. No official public hearing is required, but public input may be gathered.

August 24th:

The City Council conducts a public hearing in order to approve the Plan. The Council then approves a resolution adopting the URA and URP.

URBAN RENEWAL PLAN:

The proposed Plan includes the necessary components described by the Code of Iowa. The draft URP identifies its purpose to remove blight within the area and support economic development. It describes the projects and its objectives. The draft URP identifies those components of the Land Use Policy Plan that support the proposed URA.

The Urban Renewal Plan must reflect if, and how, TIF funds will be used. The identified amount of TIF funds is a cap on the amount of TIF that can be collected in support of Urban Renewal Projects. Additional projects, or any increase in TIF that exceeds what is authorized in the Plan, would require an amendment to the Plan. The Plan identifies up to \$30 million dollars for use in facilitating private development. The Reinvestment District Application identified \$25 Million Dollars for the Lincoln Way Mixed Use Development and \$3.5 million for the future Kellogg Hotel. Based upon escalated costs, staff has increased the potential amount of TIF that could be applied to private development projects. The Plan also includes

\$2 million dollars for property acquisition to either remediate blight or for economic development purposes. The total amount of potential TIF is \$32 million.

The Plan itself does not define the specific parameters of TIF; subsequent TIF ordinances will define the location where TIF will be generated and how it will be used. TIF funds can be generated from a smaller area than the entire URA. As noted in the Plan, individual evaluation of a proposed redevelopment project and negotiations would occur prior to authorization of any TIF for a redevelopment project.

The Iowa Code also requires that the Plan contain a summary of the City's current debt obligations, the City's limits on issuing debt, and an estimate of the amount of TIF debt that would be incurred. Any projects that are funded without TIF funds, such as the indoor aquatics facility, are not part of the cap on funding described with TIF.

The Plan does identify use of GO Bond funds for other public facility and infrastructure. Specifically the Plan identifies costs for the Indoor Aquatic Center at \$31.2 million dollars. This reflects the full cost of the project with a 15% cost escalation. This figure does not account for other funding sources, such as the Reinvestment District funding or private fundraising.

It should be emphasized that the Plan is still in draft form. Some portions of the plan may change when tentative dates are confirmed and events happen as well as after our Bond Attorney reviews the document. The appendices will be completed as the process moves forward. **All of these draft items will be finalized prior to the City Council being asked to adopt the Plan on August 24, 2021.**

REPRESENTATIVE TO CONSULTATION:

Since this proposed urban renewal area will also include tax increment financing, the Code of Iowa requires that the City hold a consultation with the other affected taxing entities (the School District and the County). Following the consultation, the taxing entities are allowed to make recommendations for any changes to the Urban Renewal Plan. The City must then respond to those recommendations for changes.

The City Council may appoint a representative to the consultation and to respond back regarding any requests by the taxing entities for modifications to the plan. The Planning and Housing Director, or his designee, can be appointed to fulfill this role as the Council's representative to the consultation. In this instance, the consultation is tentatively scheduled for August 5th. Any comments from the taxing entities would then be received within seven days (August 12th). The City's representative would then respond back to those comments no later than seven days prior to the public hearing planned for August 24th.

ALTERNATIVES:

1. Adopt a resolution of necessity that City desires to remediate blight and support economic development within the described URA boundaries and to initiate the proceedings for creating the urban renewal area, and
 - a. Forward the draft Urban Renewal Plan to the Planning and Zoning Commission for a recommendation, and
 - b. Appoint the Planning and Housing Director or designee as the City's representative to the consultation with the affected taxing entities on August 5, and
 - c. Set the public hearing date for the Urban Renewal Plan on August 24th, 2021.
2. Do not adopt a resolution of necessity and ask for more information or direct specific changes to the plan before proceeding.
3. Decline to initiate creating an Urban Renewal Area for the Downtown Redevelopment area and direct the City staff to identify another funding source for the mixed use development.

CITY MANAGER'S RECOMMENDED ACTION:

This is a unique endeavor for Ames with the State Reinvestment District requirement for an Urban Renewal Area in order to receive the State's 10-million-dollar incentive in support of the indoor aquatics facility. The URA and URP are consistent with the City's LUPP goals supporting Downtown and with goals for reinvestment along the Lincoln Way Corridor.

The proposed Plan includes a diverse set of activities that may be needed to support remediation of blight and economic development goals for the area. The Plan also authorizes future use of Tax Increment Financing (TIF) that will be decided on case-by-case evaluation of funding needs for redevelopment projects and property acquisition.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT 1: PROPOSED DOWNTOWN URBAN RENEWAL AREA



Downtown Reinvestment District Urban Renewal Area

Attachment 2

URBAN RENEWAL PLAN DOWNTOWN REINVESTMENT DISTRICT URBAN RENEWAL AREA

CITY OF AMES, IOWA

July 27, 2021

I. INTRODUCTION

Chapter 403 of the Code of Iowa authorizes cities to establish areas within their boundaries known as "urban renewal areas," and to exercise special powers within these areas. The City of Ames (the "City") recently applied to the state for a Reinvestment District designation for which the state program requires an Urban Renewal Area as a prerequisite for awarding funding to the City. The purposes of Reinvestment District overlaps with the intent of Urban Renewal Areas in support of city actions for removal of slum and blight and for economic development purposes.

The process by which an urban renewal area may be created begins with the preparation of an urban renewal plan for a proposed geographic area. Due to regulations of the Reinvestment District program, the proposed URA matches the boundaries of the proposed Reinvestment District and is approximately 75 acres in size. In addition to defining an area, Iowa Code requires preparation of a Plan identifying the purpose of the URA and the types of projects and activities that will occur within the URA. A City's Planning and Zoning Commission must review the draft plan and inform the City Council if it is consistent with the City's general plan, for Ames this is the Land Use Policy Plan (LUPP). Additionally, all affected taxing entities, such as counties and school districts, must be notified and given an opportunity to comment on the proposed plan. The City Council must hold a public hearing on the urban renewal plan, following which, the Council may approve the plan and designate an area.

This document is intended to serve as the Urban Renewal Plan for an urban renewal area to be known as the Downtown Reinvestment District Urban Renewal Area (the "Urban Renewal Area"). It is intended that this Urban Renewal Plan will guide the City in promoting economic development and the for the construction of public improvements and facilities. This document is an Urban Renewal Plan within the meaning of Chapter 403 of the Code of Iowa, and it sets out proposed projects to be undertaken within the Urban Renewal Area.

II. DESCRIPTION OF URBAN RENEWAL AREA

The Downtown Urban Renewal Area would include approximately 75 acres of land located

in the downtown area of Ames and parts of Lincoln Way as depicted in Attachment A. A legal description of the property is attached hereto as Exhibit B.

III. AREA DESIGNATION

The Urban Renewal Area is being designated with a mixed designation. The URA is designated as both an economic development area appropriate for the promotion of commercial development and as an area in which blighted conditions exist and is suitable for remediation activities.

Appropriateness for commercial development is based upon the City's Land Use Policy Plan and zoning designations that support commercial and mixed-use development.

Blight conditions apply to a subset of properties within the overall area that meet the Code of Iowa definition of blight. Properties located between Oak Street and Grand Avenue and Lincoln Way and the railroad tracks consist of outdated, deteriorated, and nonconforming buildings and site improvements. Properties between Clark Avenue and Kellogg Avenue north of Lincoln Way and south of the railroad tracks that are primarily vacant land and include lot layouts that are not conducive on their own to development allowed by zoning. Properties between Kellogg Avenue and Commerce Avenue are a mix of outdated, deteriorated, and nonconforming buildings and site improvements as well as properties with limited street access or substandard alley access for purposes permitted in the zoning district.

IV. BASE VALUE

If the Urban Renewal Area is legally established, and a Tax Increment Financing (TIF) ordinance is adopted, then the "base value" of the Area will be the assessed value of the taxable property within the TIF Ordinance area as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt of the Area pursuant to Iowa Code Section 403.19.

V. URBAN RENEWAL OBJECTIVES

The primary objectives for development within the Urban Renewal Area are:

1. To protect the health, safety, and general welfare of City residents through the removal or elimination of substandard conditions that exist in the Area.
2. To contribute to a diversified, well-balanced local economy by retaining and creating job opportunities and strengthening the property tax base, sales tax base, and hotel/motel tax base.
3. To stimulate private investment in Downtown and the Lincoln Way Corridor through public action and potential use of various incentives.

4. To help finance the cost of constructing public facilities and infrastructure and improvements in support of commercial development.
5. To provide tax increment financing incentives in the form of economic development payments or other methods authorized by state law.
6. To improve recreational, tourism, and cultural opportunities.
7. To promote development utilizing any other objectives allowed by Chapter 403 of the *Code of Iowa*.

VI. RENEWAL PROJECTS AND ACTIVITIES

The purpose of this Urban Renewal Plan is to facilitate and complement redevelopment in the Urban Core of Ames related to the Iowa Reinvestment District Grant application and other future redevelopment and infill projects consistent with City plans and zoning. To this end the City may engage in planning and design studies, acquire property, provide private development incentives, apply or implement building and property maintenance programs for remediation of or prevention of blight, and finance and construct improvements. Nothing in this section should be construed as limiting the range or types of activities or powers granted to the City under Chapter 403 or any other provisions of the Code of Iowa in furtherance of the Urban Renewal Plan.

Within the Urban Renewal Area, the Plan includes a publicly owned indoor aquatics center; improvements to public gathering space and a downtown plaza; construction or replacement of public parking, public infrastructure improvements for pedestrians and bicyclists; construction of or replacement of facilities for water, sewer, stormwater, streetscapes, and roads; Lincoln Way Mixed Use Development, removal of or enhancement of blighted building conditions, and other possible future private redevelopment projects.

The City's Land Use Policy Plan identifies the Urban Core, of which Downtown is a part of, as an area where unique development, community facilities and design, among other things, should be prioritized. (Page 36). The LUPP includes several Urban Core policy options that support the proposed Urban Renewal Plan that will support redevelopment that is in alignment with the vision proposed in the LUPP. It envisions a mix of uses that creates a downtown that is a 24-hour commercial center, a public space that provides the opportunity for organized activities and informal, organic gatherings, and a Downtown Gateway Focus Area. All of which was presented in the City's application to the Iowa Economic Development Authority for the Reinvestment District.

Additionally, the LUPP includes ten goals in broad categories, as well as a number of objectives to meet those goals. Two that more greatly influence the development of the Downtown area are quoted below.

Goal No. 4. It is the goal of Ames to create a greater sense of place and

connectivity, physically and psychologically, in building a neighborhood and overall community identity and spirit. It is the further goal of the community to assure a more healthy, safe, and attractive environment.

Goal No. 8. It is the goal of Ames to enhance the role of Downtown as a community focal point.

To support these goals and objectives the City land use policy calls to create a strong central place in Downtown that will become a 24-hour center with a mix of uses that includes commercial uses, cultural amenities, dining and entertainment, and a public space. Within the Urban Core are smaller sub-areas identified as areas for change (i.e., public space, Downtown Gateway Focus Area).

The Downtown Gateway Focus Area is part of the 2018 Lincoln Way Corridor Plan and the primary area planned for new development, including the Lincoln Way Mixed Use Development project. This area is intended to foster redevelopment with a commercial focus that may include residential development. It has been identified as a priority redevelopment area. The Corridor Plan also identifies the area between Oak Avenue and Grand Avenue, the planned location of the Indoor Aquatics Center as focus area for encouraging redevelopment.

The character and vision of Downtown Gateway area should be complimentary to the existing downtown character. The Downtown Gateway Area includes opportunity for collective parking, reduced parking, increased design scrutiny in order to create appealing massing and height through building materials, architectural features, etc., minimizing automotive service-oriented uses, wide sidewalks and improved streetscape along Lincoln Way. This would include uses like, but not limited to, boutique hotel, entertainment and retail, outdoor open space for events and commercial uses, office and employment. Kellogg Avenue is to be the focal point providing a strong connection to the heart of Downtown at Main Street.

The combination of projects and consistency with the City's Comprehensive Plan will address the objectives and purposes of the URA and Plan. The objectives and proposed projects outlined in this Urban Renewal Plan are consistent with the above goals and policies identified and adopted as part of the City's planning process and identified below:

Public Improvement Projects:

Project	Estimated Costs* (<i>does not include financing costs</i>)	Rationale
Two-story Indoor Aquatics Center with other recreational amenities	\$31.2 million, note that the financing of the project anticipates multiple sources of funding, including Reinvestment District funds from the state.	The Indoor Aquatics center is a recreational amenity and attraction that is a foundational project for the state's Reinvestment District program funding. The facility will attract users from not just Ames but the surrounding area in support of making the area an attractive area for visitors and commercial activities.
Reconstruction or construction of roadways and public parking, including adjacent landscaping and public sidewalks.	Undetermined	The City is anticipating the need to improve the access and function of roadways for vehicular traffic routes with reconfiguration of intersections, on-street parking, and streetscapes throughout the Area. This includes improvements to public parking lots located both to the south of the railroad tracks and north of the railroad tracks.
Downtown Plazas – Construct new 1-acre plaza located at 5th Street and Clark Avenue, and other smaller plazas or public spaces within the Area.	Undetermined	Public space downtown was contemplated in the LUPP to attract users to Downtown. Spaces are for organized multi-purpose public activities geared toward pedestrian traffic. A main plaza is proposed to be in the heart of downtown with water features and ice skating to attract visitors. Other smaller plaza spaces, i.e. Tom Evans, may be expanded and improved over the life of the plan as future redevelopment occurs.

Pedestrian and bicycle facility enhancements	Undetermined	Improved connectivity is needed for the area and it is goal of the City to support enhanced multi-modal transportation options. Improved connections will facilitate commerce at the street level between retailers. A pedestrian bridge over the existing railroad will provide a pedestrian connection from the Downtown Gateway area to Main Street allowing pedestrians to bypass and directly cross an active railroad. These improvements may be built in conjunction with a development project or as a standalone project.
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Other Projects and Development Agreements:

Project	Estimated Incentive	Rationale
<p>The City expects to enter a Development Agreement(s) for private redevelopment projects. Notably the site between Clark and Kellogg on Lincoln is planned to have a Master Developer, which the City would provide economic development using tax increment financing for up to 20 years. The Lincoln Way Mixed Use project will consist of offices, retail, restaurants, apartments, hotel, and conference space. This development is expected to start construction in FY 22-23 and is a financial generator of Reinvestment District funding for the City.</p>	<p>Incentives will be negotiated on an individual basis with a developer based upon a financial need analysis and consistency with development goals for the area. The actual amount is unknown at this time as the specific project has not been proposed, for planning purposes the amount of TIF could be up to \$30,000,000 depending on the size and scale of a final proposal.</p>	<p>A full service hotel and conference space is desirable to promote tourism and visitors downtown and to meet existing needs of the business community. Office and mixed use development are needed to provide a urban live and work opportunity not presently in Ames to retain workforce. Additional office space is needed for new and existing businesses to grow or relocate.</p>
<p>Property Acquisition</p>	<p>The City may acquire property to address conditions of blight. The City may also acquire property for economic development purposes. Specific properties and costs are unknown, but not to exceed \$2,000,000.</p>	<p>To spur property improvements and remove blight, the City may need to acquire properties. The City in some cases may acquire facilitate land assemblage for economic development purposes.</p>

The City may also determine to use tax increment financing to provide other incentives such as tax rebates to developers in connection with blight remediation and/or commercial development or other urban renewal projects. The City may determine to use tax increment financing to reimburse the City for any obligation 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 403.

VII. TYPES OF RENEWAL ACTIVITIES

A. Tax Increment Financing

Under the Iowa Urban Renewal Law, in order to assist in the development of new private enterprises, the City may be requested to provide a property tax incentive in the form of an agreement that returns certain incremental property tax revenues to a developer as economic development payments. As part of the establishment of an urban renewal area, the City may adopt an ordinance to create a tax increment district (the "TIF District"), within which the property taxes eventually paid by new private development will be used to pay costs of urban renewal projects, including economic development agreements. The use of these tax revenues in this manner is known as tax increment financing ("TIF").

Depending on the date on which a TIF District is legally established and the date on which debt is initially certified within a TIF District, an original taxable valuation is established for the property within a TIF District, which is known as the "base valuation." The "base valuation" is the assessed value of the taxable property in a TIF District as of January 1 of the calendar year preceding the calendar year in which a City first certifies the amount of any obligations payable from TIF revenues to be generated within that TIF District. When the value of the property inside a TIF District increases by virtue of new construction or any other reason, the difference between the base valuation and the new property value is the "tax increment" or "incremental value."

Procedurally, after tax increment debt has been incurred within a TIF District, property taxes levied by the city, the county, the school district and the area college against the incremental value, with the exception of taxes levied to repay debt incurred by those jurisdictions and the school district physical plant and equipment and instructional support levies, are allocated by state law to the City's tax increment fund rather than to each jurisdiction. These new tax dollars are then used to repay any tax increment obligations incurred in the Urban Renewal Area.

Review of the proposed projects by City has resulted in a determination that financial assistance is likely required in order to make the projects financially viable through the use of Tax Increment Financing outlined in Chapter 403 of the Code of Iowa for public improvements and private development.

The City intends to enter into a Tax Increment Financing (TIF) rebate agreement with

private developers for projects that meet the objectives of the plan. This may include a rebate of up to 100 percent of eligible incremental property taxes for a period of 20 years or an amount not to exceed \$32,000,000, whichever comes first. A TIF agreement will be structured such that the amount of the TIF rebate will not be included as debt subject to the state mandated debt limitation.

B. General Obligation Bonds

The Iowa Urban Renewal Law also allows a municipality 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 and facilities within the Area, including but not limited to the indoor aquatics facility.

Review of the proposed projects by City has resulted in a determination that financial assistance is required in order to make the projects economically viable through the issuance of General Obligation Bonds for the indoor aquatic center or other public improvements and other powers available through the use of Tax Increment Financing outlined in Chapter 403 of the Code of Iowa for public improvements and private development.

VIII. PROPERTY ACQUISITION/DISPOSITION

The City may acquire property within the area for purposes and objectives consistent with this Plan, which may include the use of eminent domain, as allowed under Chapter 403 and 6A. The City will follow any applicable requirements for the acquisition and disposition of property within the Urban Renewal Area.

IX. 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. State law allows the collection of incremental property taxes generated within the Urban Renewal Area to continue with no statutory sunset when an Urban Renewal Area's purpose is to address slum and blighted areas along with promoting economic development for commercial development. Each project or activity to which incremental property tax revenues will be devoted will be subject to such restrictions as may be deemed necessary and appropriate by the City Council.

X. PLAN AMENDMENTS

This Urban Renewal Plan may be amended in accordance with the procedures set

forth in Chapter 403 of the Code of Iowa in order to carry out any purposes consistent with state law.

XI. CITY DEBT INFORMATION

Chapter 403 of the Code of Iowa requires that any urban renewal plan include certain information with respect to City general obligation debt, ability to incur additional debt and the amount of proposed tax increment debt to be incurred.:

1.	FY 2021-22 Constitutional Debt Limit	\$184,211,468*
2.	Current Outstanding General Obligation Debt:	\$74,585,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for all of the Eligible Urban Renewal Projects has not yet been determined. This document is merely for planning purposes. 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 or the issuance of General Obligation Bonds through referendum. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects as described above will be approximately \$32,000,000 of TIF. (This total does not include financing costs related to debt issuance, which will be incurred over the life of the Area).	

*Preliminary; subject to change

EXHIBIT A: DOWNTOWN URBAN RENEWAL AREA



Downtown Reinvestment District Urban Renewal Area

EXHIBIT B: LEGAL DESCRIPTION

Beginning at the southwest corner of 6th Street and Clark Avenue, point being the Northeast corner of Lot 1, Block 20, Blair's Addition; thence east on the south Right-of-Way of 6th Street to the southwest corner of 6th Street and Kellogg Avenue, point being the Northeast corner of Lot 1, Block 9, Original Town of Ames; thence southerly on the west Right-of Way of Kellogg Avenue to the north Right-of-Way of the formally known C.R. & M.R. Railroad; thence westerly on the north Right-of-Way of said Railroad to the east Right-of-Way of Clark Avenue; thence southerly on the said east Right-of-Way of Clark Avenue to the south Right-of-Way of said Railroad, point being the northwest corner of Parcel "E", Part of the South Half of the Southwest Quarter of Section 2, Township 83 North, Range 24 West of the 5th P.M.; thence easterly on the said south Right-of-Way of Railroad to the west Right-of-Way of Duff Avenue, point being the northeast corner of Duff Centre Subdivision; thence southerly on west Right-of-Way of Duff Avenue to the southeast corner of Lot 1, Block 1, Isaac Black's Addition; thence westerly on the south line of Blocks 1 and 2 of said Isaac Black's Addition to the southwest corner of Lot 6, Block 2 of said Addition, point being on the east Right-of-Way of South Kellogg Avenue; thence southwesterly to the southeast corner of Lot 6, Block 3, Isaac Black's Addition, point being on the west Right-of-Way Line of South Kellogg Avenue; thence westerly on the south line of said Block 3 to the southwest corner of Lot 4 of said Block 3, point being on the east Right-of-Way of Washington Avenue; thence northwesterly to the southeast corner of Lot 1, Block 4, Isaac Black's Addition, point being on the west Right-of-Way of Washington Avenue; thence westerly on the south line of said Block 4 to the southwest corner of Lot 6, Block 4, of said Isaac Black's Addition, point being on the east Right-of-Way of South Walnut Avenue; thence southwesterly to the northeast corner of Lot 8, Block A, of Black's 3rd Addition, point being a corner of Parcel "AM", point also being on the west Right-of-Way of South Walnut Ave; thence westerly to the northwest corner of Lot 7 of said Block A of said Black's 3rd Addition, point being a corner of said Parcel 'AM'; thence northerly on the west side of said Block A to the northwest corner of Lot 6 of said Block A, point being on the south Right-of-Way of Lincoln Way, point also being a corner of said Parcel "AM"; thence westerly on the south Right-of-Way of Lincoln Way to the extended east Right-of-Way of North Oak Avenue; thence northerly on the extended said east Right-of-Way to the northeast corner of Lincoln Way and North Oak Avenue, point being the southwest corner of Lot 7, Block 3, College Park Addition, point also being on the east Right-of-Way of North Oak Avenue; thence northerly to the southeast corner North Oak Avenue and North 4th Street, point being the northwest corner of Lot 6, Block 4, of said College Park Addition, point also being on the south Right-of-Way of North 4th Street; thence southeasterly to the southwest corner of North 4th Street and North Elm Avenue, point being the northeast corner of Lot 1, of said Block 4, of said College Park Addition, point also being on the west Right-of-Way of North Elm Avenue; thence southerly to the southwest corner of North Elm Avenue and North 2nd Street, point being the northeast corner of Lot 1, said Block 3, of said College Park Addition, point also being on the south Right-of-Way of North 2nd Street; thence easterly to the northeast corner of Lot Two-A (2A), Addition to Block 2, in said College Park Addition, point being on the south Right-of-Way of North 2nd Street; thence southerly to the southwest corner of Lot 8, Block 2, in said College Park Addition, point being on the north Right-of-Way of Lincoln Way; thence easterly on the north Right-of-Way line of Lincoln Way and an extended north Right-of-Way line of Lincoln Way to a point that is 97.70 feet east and 33.00 feet north of the southwest corner

of Section 2, Township 83 North, Range 24 West, of the 5th P.M., point being on the south line of Grand Junction Subdivision Second Addition; thence northerly on the east Right-of-Way of Grand Avenue to the northwest corner of said Grand Junction Subdivision Second Addition, point being on the south Right-of-Way of said Railroad; thence easterly on the south Right-of-Way of said Railroad to the northeast corner of Parcel "B" in the Southwest Quarter of the Southwest Quarter of Section 2, Township 83 North, Range 24 West of the 5th P.M., point being on the west Right-of-Way of Clark Avenue; thence northerly to the north Right-of-Way of said Railroad on said west Right-of-Way of Clark Avenue; thence westerly on said north Railroad Right-of-Way to the southwest corner of Parcel "A", point being on the east Right-of-Way of Grand Avenue; thence northerly to the northwest corner of said Parcel "A", point being on the south Right-of-Way of Main Street; thence easterly to the extended west line of the east 53 feet of Lot 3, Block 45, Blair's 3rd Addition, point being on the said south Right-of-Way of Main Street; thence northerly to southwest corner of the east 53 feet of said Lot 3, point being on the north Right-of-Way of Main Street; thence westerly to the northeast corner of Grand Avenue and Main Street, point being the southeast corner of west 25 feet of said lot 3, point also being on the east Right-of-Way of Grand Avenue; thence northerly to the southeast corner of Grand Avenue and 5th Street, point being the northeast corner of the west 25 feet of said Lot 3, point also being on the south Right-of-Way of 5th Avenue; thence easterly to the southwest corner of Clark Avenue and 5th Street, point being the northeast corner of Lot 1, Block 17, Blair's Addition, point also being the on the west Right-of-Way of Clark Avenue; thence northerly on said west Right-of-Way to the point of beginning, containing 73.2 acres +/-.