

TITLE VI – URBAN RENEWAL AREA/TIF

CHAPTER 51

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51.01 PURPOSE. An ordinance providing that general property taxes levied and collected each year on all property located within the Ortonville Business Park Urban Renewal Area, in the County of Dallas, State of Iowa, by and for the benefit of the State of Iowa, County of Dallas, Adel Community School District and other taxing districts, be paid to a special fund for payment of principal and interest on loans, monies advanced to and indebtedness, including bonds issued or to be issued, incurred by said County in connection with said Urban Renewal Development project.

51.02 DESCRIPTION OF DALLAS COUNTY INDUSTRIAL URBAN RENEWAL PLAN AREA.

The Board of Supervisors of the County of Dallas, Iowa, after public notice and hearing as prescribed by law and pursuant to Resolution No. 2000-077 passed and approved on the 6th day of June, 2000, adopted an Urban Renewal Plan (the "Urban Renewal Plan") for an urban renewal area known as the Ortonville Business Park Urban Renewal Area (the "Urban Renewal Project Area"), which Urban Renewal Project Area includes the lots and parcels located within the area legally described as follows:

The East One-half of the Southeast Quarter (E1/2 SE1/4) of Section Twenty-seven (27), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5<sup>th</sup> PM, Dallas County, Iowa,

and,

The South One-half (S1/2) except the East Thirty-three Feet (E33') of Section Twenty-six (26), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5<sup>th</sup> PM, Dallas County, Iowa,

and,

The North One-half (N1/2) of Section Thirty-five (35), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5<sup>th</sup> PM, Dallas County, Iowa,

and,

The West One-half of the Northwest Quarter (W1/2 NW1/4) of Section Thirty-six (36), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5<sup>th</sup> PM, Dallas County, Iowa.

51.03 PROVISIONS FOR THE DIVISION OF REVENUE FROM TAXATION IN URBAN RENEWAL PROJECT AREA.

Expenditures and indebtedness are anticipated to be incurred by the County of Dallas, Iowa in the future to finance urban renewal project activities carried out in furtherance of the objectives of the Urban Renewal Plan; and

The Board of Supervisors of the County of Dallas, Iowa desires to provide for the division of revenue from taxation in the Urban Renewal Project Area, as above described, in accordance with the provisions of Section 403.19 of the Code of Iowa, as amended.

51.04 USE OF TAXES LEVIED IN URBAN RENEWAL PROJECT AREAS.

That the taxes levied on the taxable property in the Urban Renewal Project Area legally described in the preamble hereof, by and for the benefit of the State of Iowa, County of Dallas, Adel Community School District, and all other taxing districts from and after the effective date of this Ordinance shall be divided as hereinafter in this Ordinance provided.

That portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Project Area, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the County of Dallas certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue described herein, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid.

51.05 USE OF FUNDS IN EXCESS OF INDEBTEDNESS. That portion of the taxes each year in excess of the base period taxes determined as provided in Section 2 of this Ordinance shall be allocated to and when collected be paid into a special tax increment fund of the County of Dallas, Iowa hereby established, to pay the principal of and interest on loans, monies advanced to, indebtedness, whether funded, refunded, assumed or otherwise, including bonds or obligations issued under the authority of Section 403.9 or 403.12 of the Code of Iowa, as amended, incurred by the County of Dallas, Iowa, to finance or refinance, in whole or in part, urban renewal projects undertaken within the Urban Renewal Project Area pursuant to the Urban Renewal Plan, except that taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the Urban Renewal Project Area without any limitation as hereinabove provided.

Unless or until the total assessed valuation of the taxable property in the Urban Renewal Project Area exceeds the total assessed value of the taxable property in the Urban Renewal Project Area as shown by the assessment roll referred to in Section 2 of this Ordinance, all of the taxes levied and collected upon the taxable property in the Urban Renewal Project Area shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes.

At such time as the loans, advances, indebtedness, bonds and interest thereon of the County of Dallas, Iowa referred to in Section 3 hereof have been paid, all monies thereafter received from taxes upon the taxable property in the Urban Renewal Project Area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

51.06 REPEALER. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed. The provisions of this Ordinance are intended and shall be construed so as to fully implement the provisions of Section 403.19 of the Code of Iowa, as amended, with respect to the division of taxes from property within the Urban Renewal Project Area as described above. In the event that any provision of this Ordinance shall be determined to be contrary to law, it shall not affect other provisions or application of this Ordinance which shall at all times be construed to fully invoke the provisions of Section 403.19 of the Code of Iowa with reference to the Urban Renewal Project Area and the territory contained therein.

51.07 URBAN RENEWAL PLAN

**Urban Renewal Plan  
Ortonville Business Park Urban Renewal Area  
Dallas County, Iowa**

**A. INTRODUCTION**

Chapter 403 of the Code of Iowa authorizes cities and counties to establish areas within their boundaries known as “urban renewal areas,” and to exercise special powers within these areas. Urban renewal powers were initially provided to cities in order that conditions of deterioration within cities might be brought under control. Gradually, urban renewal has been found to be a useful tool, as well, for economic development in cities and counties.

In order to facilitate the use of urban renewal for economic development, in 1985, the Iowa General Assembly amended Chapter 403 to authorize cities to create “economic development” areas. During the 1990’s, the General Assembly gradually extended urban renewal and economic development powers to counties.

An economic development urban renewal area may be any area of a county which has been designated by the Board of Supervisors as an area which is appropriate for commercial and industrial enterprises and in which the county seeks to encourage further development.

The Board of Supervisors of Dallas County has developed this Urban Renewal Plan in order to take advantage of an opportunity to attract new private development, increase the tax base, and create new job opportunities in the County.

In order to achieve this objective, Dallas County intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapter 403 and Chapter 15A of the Code of Iowa, 1999, as amended.

**B. TAX INCREMENT DISTRICT**

One of the most significant and widely used powers given to cities and counties under the Urban Renewal Act is the authority to utilize “tax increment financing (TIF).” TIF enables the county to use the property tax dollars produced from new private development to pay for certain public improvements and to provide assistance for private development within an Urban Renewal Area.

In order to utilize TIF, the Urban Renewal Area will be designated by ordinance as a special taxing district. Assuming the district is legally established and debt is certified prior to December 1, 2000, the total taxable valuation within the district as of January 1, 1999 will be considered the “base valuation.” Any increase in the value of the property inside the special district above the base valuation, whether due to new construction or reevaluation, is called the “increment value.”

After the County incurs tax increment debt to finance improvements or provide incentives within the district, property taxes levied by local jurisdictions (county, school district, area college) against the increment value, with the exception of taxes levied to repay current or future debt incurred by local jurisdictions and the school district physical plant levy, are allocated to the County's tax increment fund rather than to each jurisdiction. These new tax dollars are then used to retire any tax increment debt incurred by the County. Only the portion of the increment needed to pay off the County's tax increment debt is affected. Any additional incremental taxes go to the usual taxing bodies. Once the County tax increment debt is paid off, property taxes provided from the increment, as well as from the base valuation, will be allocated to the local jurisdictions in the regular fashion.

### **C. AGREEMENT TO INCLUDE AGRICULTURAL LAND**

Because the proposed Ortonville Business Park Urban Renewal Area contains land that is currently being used for agricultural purposes as defined by Iowa Code Section 403.17(2A), the County and property owners will enter into an Agreement in which the property owners agree to allow the County to include real property defined as "agricultural land" in the proposed Urban Renewal Area. The Agreement is attached as Exhibit C.

### **D. DESCRIPTION OF THE URBAN RENEWAL AREA**

The Ortonville Business Park Urban Renewal Area is described in Exhibit A and illustrated in Exhibit B.

### **E. DISTRICT DESIGNATION**

With the adoption of this plan, the Dallas County Board of Supervisors will designate this Urban Renewal Area as an economic development district that is appropriate for the promotion of new commercial and industrial development.

### **F. DEVELOPMENT PLAN**

Dallas County has a general plan for the physical development of the County outlined in the 1998 Dallas County Comprehensive Plan. The goals and objectives of the Urban Renewal Plan are consistent with the goals and land use policy, which were identified and adopted as part of the planning process.

This plan does not in any way replace the County's current land use planning or zoning regulation process.

**G. PROJECT AREA OBJECTIVES**

Objectives for development within the Ortonville Business Park Urban Renewal Area include:

1. To stimulate through public action and commitment, private investment in new development.
2. To plan for and provide sufficient land for commercial and industrial development in a manner that is efficient from the standpoint of providing municipal services.
3. To help finance the cost of streets, water, sanitary sewer, or other public improvements in support of new development.
4. To provide a more marketable and attractive investment climate.

**H. TYPE OF RENEWAL ACTIVITIES**

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

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction of infrastructure including streets, water and sewer systems, public utilities or other facilities in connection with urban renewal projects.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear, or prepare the property for development.
5. To dispose of property so acquired.
6. To borrow money and to provide security therefor.
7. To make rebates, loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the Board of Supervisors.
8. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific urban renewal projects.

9. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for Dallas County and the State of Iowa.

**I. PROPOSED PROJECT**

The proposed project is designed to promote and concentrate new commercial and industrial development in the Ortonville Area.

In order to help pay for the cost of new water, sewer and street extensions, the County is establishing an urban renewal/tax increment financing district. Increased property taxes generated from new private development in the area will be used to pay back the cost of constructing those improvements.

Tax increment financing may also be used to provide direct incentives to companies or developers who agree to locate in the area.

**J. COUNTY FINANCIAL DATA**

- 1) Current constitutional debt limit: \$75,448,860.
- 2) Current general obligation debt: \$1,940,000.
- 3) Proposed amount of indebtedness to be incurred: Although a specific amount of indebtedness to be incurred in the district has not yet been determined, the cost of infrastructure improvements and direct assistance to encourage business expansion is not expected to exceed \$5,000,000.

**K. PROPERTY ACQUISITION/DISPOSITION/RELOCATION**

To facilitate development, the County may acquire various parcels of land in the area through a variety of means (i.e., purchase, lease, option) to hold, clear, or prepare the property for development. Easements and public right-of-ways for roads, water, sewer or other public utilities may also be acquired.

Land acquired may be made available to developers after approval by the Board of Supervisors. Selection of proposals will be based on, but not limited to, the following criteria:

1. The greatest benefit for the County as a whole and within the Ortonville Business Park Urban Renewal Area in particular.
2. Compatibility with neighboring land uses, architecture and design.
3. Conformance to the Urban Renewal Plan and Zoning Ordinance.

- 4. Establishment of a development agreement, which provides acceptable assurance to both the City and the developer that the project will be completed and that contingencies for default are adequately provided for.
- 5. Specific proposal, prepared by the developer, which is found to be compatible with the urban renewal goals and is found to be in the best interest of Dallas County.
- 6. Commitment and ability to complete the project proven by the developer.
- 7. Any other conditions and criteria developed and adopted with respect to specific property dispositions.

**L. URBAN RENEWAL PLAN AMENDMENTS**

The Board of Supervisors may amend this plan by resolution after holding a public hearing on the proposed change in accordance with applicable state law.

**M. EFFECTIVE PERIOD**

This Urban Renewal Plan will become effective upon its adoption by the Board of Supervisors and will remain in effect as a plan until it is repealed by the Board. During the life of this plan, the Board of Supervisors may designate all or any portion of the property covered by this plan as a “tax increment area.” With respect to any property covered by this plan which is included in an ordinance which designates that property as a tax increment area, 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 twenty (20) years from the calendar year following the calendar year in which the County first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the incremental property tax revenue attributable to that property.

**EXHIBIT A**

DALLAS COUNTY ORTONVILLE BUSINESS PARK  
URBAN RENEWAL AREA

DESCRIPTION

The East One-half of the Southeast Quarter (E½ SE¼) of Section Twenty-seven (27), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5th P.M., Dallas County, Iowa,

AND

The South One-half (S½) except the East Thirty-three Feet (E33’) of Section Twenty-six (26), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5th P.M., Dallas County, Iowa,

AND

The North One-half (N $\frac{1}{2}$ ) of Section Thirty-five (35), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5th P.M., Dallas County, Iowa,

AND

The West One-half of the Northwest Quarter (W $\frac{1}{2}$  NW $\frac{1}{4}$ ) of Section Thirty-six (36), Township Seventy-nine (79) North of Range Twenty-seven (27) West of the 5th P.M., Dallas County, Iowa

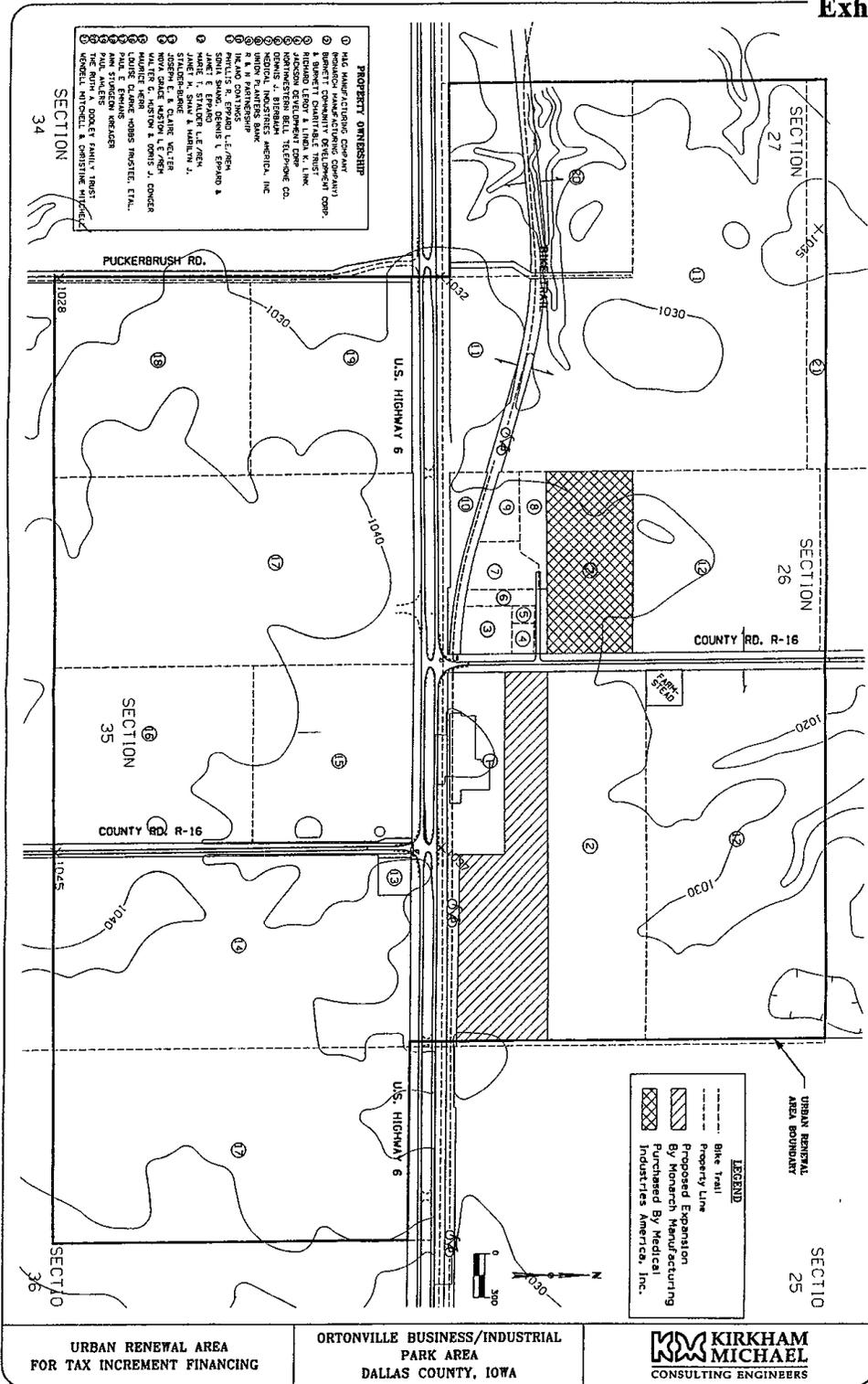


EXHIBIT C  
AGREEMENT TO INCLUDE AGRICULTURAL LAND  
IN THE ORTONVILLE BUSINESS PARK URBAN RENEWAL AREA

This Agreement made and entered into by and between Dallas County, Iowa (hereinafter called "County"), and the undersigned property owners in said County (hereinafter called "Property Owners"), WITNESSETH:

WHEREAS, the County proposes to adopt an Urban Renewal Plan under Iowa Code Chapter 403 and proceed with activities authorized under that Chapter in the area, including but not limited to the division of revenue under Iowa Code Section 403.19; and

WHEREAS, the undersigned property owner(s) own(s) agricultural land within said proposed Urban Renewal Area as defined by Iowa Code Section 403.17(2A).

NOW, THEREFORE, be it agreed among the parties hereto as follows:

1. The undersigned property owner(s) agree(s) that the County may include all real property owned by the undersigned property owner(s) in the proposed Urban Renewal Area, including any portions which may be defined as "Agricultural Land" under the provisions of Iowa Code 403.17(2A). (Signed Agreements maybe viewed in the Dallas County Board of Supervisors Office, 801 Court St, Suite 100, Adel, Iowa 50003.

2. The undersigned property owner(s) further authorize(s) the governing body of the County to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Iowa Code Chapter 403, and to proceed with activities authorized under said Chapter.