



City of Urbana, Iowa

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Economic Development Assistance Program

Goals, Policies, Criteria and Procedure

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Goals:

The City of Urbana, Iowa, has developed the following guide for businesses seeking economic development incentives available under Chapters 15A and 403 of the Code of Iowa. The goals of the Economic Development Policy Statement and the Tax Increment Financing (TIF) Program are to encourage quality economic development and to enhance the City's commercial and industrial tax base by providing incentives to businesses and developers that want to expand or locate in Urbana and by extending the City's infrastructure to promote commercial and industrial development. The City of Urbana, Iowa, has developed the following guide for businesses seeking economic development incentives available under Chapters 15A and 403 of the Code of Iowa.

Policies:

- TIF is a discretionary program. Each project/development will be considered on a case by case basis by the Urbana Economic Development Committee which consists of the Mayor, two (2) Council Members, City Clerk/City Treasurer. The City Council will make all final and binding decisions relating to economic development assistance.
- Tax increment financing is also subject to required legislative process (public notice and public hearing).
- TIF funds may be used for improving City infrastructure as well as for improvements to private commercial and industrial properties.
- If the City has already committed TIF funds to benefit a property through infrastructure or building improvements, the City may reduce the amount of TIF assistance for subsequent improvements to the property or decline to provide any TIF assistance.
- Whenever possible TIF project/developments will be funded on a rebate basis, with the owner or developer receiving a refund of a portion of the incremental property taxes according to the specific provisions of the development agreement.
- Rebate agreements will be reviewed by the city bond attorney and may be subject to an annual appropriations review subject to the specific language in the TIF rebate agreement.
- The Economic Development Committee may recommend any TIF incentive(s) allowable under this Policy, State law and the Urbana Urban Renewal Plan as adopted and amended. If awarded, rebates normally range from one (1) year to a maximum of five (5) years based on the following schedule:
 - Year 1 75% rebate
 - Year 2 60% rebate
 - Year 3 40% rebate
 - Year 4 30% rebate
 - Year 5 15% rebate

- The Economic Development Committee may consider issues beyond those mentioned in this policy when deemed to be in the public interest, including impacts of natural disaster.

Criteria: The following factors will be considered in determining whether a project/development may be eligible for TIF funding:

- Demonstration by the applicant that the project/development will not occur or will be reduced in scope if TIF funds are not advanced.
- Commercial development and rehabilitation
- Commercial development that directly serves the needs of the City's current industrial base
- Industrial development that enhances the community
- Infrastructure project/developments that enhance development
- The project/development is a new business or existing business located in Urbana that is improving property with infrastructure or building expansion.
- The project/development complies with the City of Urbana's Comprehensive Plan, Design Standards, and Zoning ordinances
- The project/development will not deter from the quality of life in, or the environment of, the community
- The project/development is in the best interest of the public and the business community
- The project/development must contribute to the development of a sound economic base that will serve as a foundation for future growth and economic development in the community
- The project/development creates additional tax base and creates or maintains quality employment.
- The project/development will not cause undue stress or demand on City infrastructure or services and is sensitive to the environment.
- The project/development does not create an unfair advantage for the applicant over any existing business in the community.
- The project/development meets or exceeds the architectural standards established by the City and is compatible with surrounding development.
- The project/development incorporates low impact design, green infrastructure and/or LEED construction. Examples are porous pavement, native landscape, bioswales, rain gardens and green roofs.

- Other considerations determined by the City Council to be relevant.

Application Procedures:

- Requests for Tax Increment Financing (TIF) assistance will be made on application forms provided by the City. Application forms are available at Urbana City Hall, 102 Capitol Avenue, Urbana, Iowa, 52345. Completed applications should be returned to the attention of the Economic Development Committee at the City Hall. The Economic Development Committee will review applications and forward recommended project/developments to the City Council for their consideration. The City Council will make all final and binding decisions relating to economic development assistance.
- A TIF application should be submitted to the City as early as possible in the planning process. At a minimum, the application must be submitted prior to submittal of a site plan, building plans, as applicable.
- All requests for TIF assistance must be submitted and approved by the City Council **prior** to the issuance of a building permit. A request for TIF assistance will **not** be considered once a building permit has been issued or construction has commenced.
- Upon submittal of the application, the Economic Development Committee will review the project/development. If the committee finds the application acceptable for funding, the committee will then make a proposal to the applicant. If and when the proposal is accepted, staff will be directed to prepare an appropriate development agreement.
- If the proposal is made by the committee and there is no response from the applicant within six (6) months, the applicant will need to re-apply for TIF assistance.
- When a draft of the development agreement has been reviewed and accepted by the applicant and City staff, the City Council will review the urban renewal plan for any required amendments, conduct all required public hearings, after due notice, and consider public input before taking final action on the development agreement.

Disclaimer:

This policy and procedure is only a guideline and does not obligate the City of Urbana to approve a TIF district or project/development or to pay any costs incurred by any developer prior to a final approval of a development agreement, which has been executed by the City after the required legislative process, including notice and a public hearing. The City of Urbana, in its sole discretion, reserves the right to reject any and/or all applications for tax increment financing if it is in the City's best interests to do so. **The City of Urbana may at any time amend or rescind this Economic Development Policy for any reason without notice. This policy shall be reviewed and amended by the city council on an annual basis or as need be.**