

**CHAPTER 66****ECONOMIC DEVELOPMENT AUTHORIZED FOR URBAN RENEWAL***H.F. 494*

**AN ACT** authorizing economic development as a purpose for approval of an urban renewal plan and an urban renewal project.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 403.2, Code 1985, is amended by adding the following new subsection after subsection 2:

NEW SUBSECTION. 3. It is further found and declared that there exists in this state the continuing need for programs to alleviate and prevent conditions of unemployment; and that it is accordingly necessary to assist and retain local industries and commercial enterprises to strengthen and revitalize the economy of this state and its municipalities; that accordingly it is necessary to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in locating, purchasing, constructing, reconstructing, modernizing, improving, maintaining, repairing, furnishing, equipping, and expanding in this state and its municipalities; that accordingly it is necessary to authorize local governing bodies to designate areas of a municipality as economic development areas for commercial and industrial enterprises; and that it is also necessary to encourage the location and expansion of commercial enterprises to more conveniently provide needed services and facilities of the commercial enterprises to municipalities and the residents of the municipalities. Therefore, the powers granted in this chapter constitute the performance of essential public purposes for this state and its municipalities.

Sec. 2. Section 403.4, subsections 1 and 2, Code 1985, are amended to read as follows:

1. One or more slum ~~or~~, blighted or economic development areas exist in ~~such the~~ municipality.

2. The rehabilitation, conservation, redevelopment, development, or a combination thereof, of ~~such the area or areas~~ is necessary in the interest of the public health, safety, ~~morals~~ or welfare of the residents of ~~such the~~ municipality.

Sec. 3. Section 403.5, subsection 1, Code 1985, is amended to read as follows:

1. A municipality shall not approve an urban renewal project for an urban renewal area unless the governing body has, by resolution, determined ~~such the area~~ to be a slum area, ~~or a~~ blighted area, economic development area or a combination ~~thereof of those areas~~, and designated ~~such the area~~ as appropriate for an urban renewal project. The local governing body shall not approve an urban renewal plan until a general plan for the municipality has been prepared. For this purpose and other municipal purposes, authority is hereby vested in every municipality to prepare, to adopt and to revise from time to time, a general plan for the physical development of the municipality as a whole, giving due regard to the environs and metropolitan surroundings. A municipality shall not acquire real property for an urban renewal project unless the local governing body has approved the urban renewal project in accordance with subsection 4 ~~hereof~~.

Sec. 4. Section 403.7, Code 1985, is amended to read as follows:

403.7 CONDEMNATION OF PROPERTY.

A municipality shall have the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project under this chapter. A municipality may exercise the power of eminent domain in the manner provided in chapter 472, and ~~aets Acts~~ Acts ~~amendatory thereof to that chapter~~ or supplementary thereto to ~~that chapter~~, or it may exercise the power of eminent domain in the manner now or which may be hereafter provided by any other statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner: ~~Provided, that no.~~ However, real property belonging to the state, or any political subdivision thereof of this state, ~~may shall not~~ be acquired without its consent, ~~provided further that no and~~ real property or any right or interest therein in the property owned by any public utility company, pipeline company, railway or transportation company vested with the right of eminent domain under the laws of this state, shall not be acquired without the consent of ~~sueh the~~ such the company, or without first securing, after due notice to ~~sueh the~~ such the company and after hearing, a certificate authorizing condemnation of ~~sueh the~~ such the property from the board, commission or body having the authority to grant a certificate authorizing condemnation. In a condemnation proceeding, if a municipality proposes to take a part of a lot or parcel of real property, the municipality shall also take the remaining part of the lot or parcel if requested by the owner.

Sec. 5. Section 403.17, subsection 9, Code 1985, is amended to read as follows:

9. "Blighted area" ~~shall mean means~~ means an area of a municipality within which the local governing body of the municipality determines that by reason of the presence of a substantial number of slum, deteriorated or deteriorating structures, ~~predominance of~~ defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of ~~sueh these~~ such these factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, ~~morals,~~ or welfare in its present condition and use: ~~Provided, that if such blighted area consists of open land, the conditions contained in the proviso in section 403.5, subsection 4, shall apply: And provided further, that any.~~ A disaster area referred to in section 403.5, subsection 7, shall ~~constitute constitutes~~ constitutes a "blighted area".

Sec. 6. Section 403.17, subsection 10, unnumbered paragraph 1 and paragraph a, Code 1985, are amended to read as follows:

"Urban renewal project" may include undertakings and activities of a municipality in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, may include the designation and development of an economic development area in an urban renewal area, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal program. ~~Sueh~~ The undertakings and activities may include:

a. Acquisition of a slum area, ~~or a blighted area~~, economic development area, or portion thereof of the areas;

Sec. 7. Section 403.17, subsection 11, Code 1985, is amended to read as follows:

11. "Urban renewal area" means a slum area, ~~or a blighted area~~, economic development area, or a combination thereof of the areas, which the local governing body designates as appropriate for an urban renewal project.

Sec. 8. Section 403.17, subsection 12, paragraph b, Code 1985, is amended to read as follows:

b. Be sufficiently complete to indicate ~~such~~ the land acquisition, demolition and removal of structures, redevelopment, development, improvements, and rehabilitation as ~~may be~~ proposed to be carried out in the urban renewal area, and to indicate zoning and planning changes, if any, land uses, maximum densities, building requirements, and the ~~plans~~ plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.

Sec. 9. Section 403.17, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 20. "Economic development area" means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises.

Sec. 10. This Act, being deemed of immediate importance, takes effect from and after its publication in The Cedar Rapids Gazette, a newspaper published in Cedar Rapids, Iowa, and in The Sioux City Journal, a newspaper published in Sioux City, Iowa.

Approved May 1, 1985

I hereby certify that the foregoing Act was published in The Sioux City Journal, Sioux City, Iowa on May 10, 1985 and in The Cedar Rapids Gazette, Cedar Rapids, Iowa on May 11, 1985.

MARY JANE ODELL, *Secretary of State*