

AMENDED AND RESTATED
URBAN RENEWAL PLAN
CORWITH ECONOMIC DEVELOPMENT
DISTRICT

Corwith, Iowa

This AMENDED and RESTATED Urban Renewal Plan provides for the development of the Corwith Economic Development District originally established by Resolution #866 as authorized by the City Council of the City of Corwith on October 11, 2011, and subsequently amended and restated by Resolution # _____ on _____, 2013.

Prepared by the North Iowa Area Council of Governments

The second new project involves an asphalt street resurfacing project to Willow St. at an estimated cost of \$40,000.

The third new project involves asphalt street repairs and improvements to Ash, Wayne, Jay, Lynn, Standring and Clinton Streets at an estimated cost of \$76,448.

The fourth new project involves the construction of a new fire station at the corner of Elm and Second Streets partially funded with up to \$175,000 of tax increment revenue.

The fifth new project involves an electrical grid upgrade behind City Hall at an estimated cost of \$146,000.

The sixth new project involves the installation of diamond cuts on all city manholes, cementing around all storm water intakes within the District and placing culverts under all driveways on the east side of Standring Street at an estimated cost of \$140,000.

In accordance with Section 403.5 of the Code of Iowa, whenever a city proposes to use incremental property taxes to finance all or any part of a public building, a city is required to perform an analysis of alternative development options and funding for such a project and provide reasons those options would be less feasible than the proposed use of incremental property tax revenues.

The following is a discussion of possible revenue sources that could be available to the City in order to finance part or all of the fire station, as an alternative to using proceeds from General Obligation bonds:

1. Federal grants and loans. The City is not aware of any possible Federal grants or loans for which it might be eligible.

2. General Fund. The City is limited by State law to a levy for its General Fund in the amount of \$8.10 per one thousand dollars of taxable valuation, and the City is currently at the \$8.10 limit. Therefore, an increase in the General Fund levy is not legally possible, because it would exceed the statutory limit for the General Fund levy.

3. Issuing new General Obligation Bonds or Notes payable from a debt service tax levy. In order to be able to put a debt service property tax levy in place, it would be necessary for the City to follow state statutory rules that require giving notice to voters of their right to file a petition with the City requesting that a referendum be held on the issuance of bonds or notes for the fire station. If a referendum is requested, and if the necessary 60% favorable vote is not obtained, it is not likely that the City would be able to finance the construction of the fire station using this method. The City's plan to use available proceeds from tax increment revenues is a more feasible approach than issuing new bonds and will save money for future property taxpayers in the City.

4. Local Option Sales Tax (LOST) Revenues. The City of Corwith does benefit from a local option sales tax, but has designated use of the funds specifically for water

and sewer maintenance and repairs. Sixty percent of LOST revenues are earmarked for sewer and 40% for water as approved by resolution in July of 1995.

5. Tax Increment Financing. The use of available bond proceeds and the payment of debt service costs related to those proceeds from incremental property tax revenues that would be generated from increased property valuations within the Urban Renewal Area is the most feasible option available to the City.

POPULATION AND PAST TRENDS

Logical planning and development for the future of Corwith is not possible without some idea of what the population of the City will be. Precise predictions of future population are, of course, not possible, but a reasonably reliable forecast can be made on the basis of population trends over the past years and observable characteristics of the present.

Based on an estimate of future population, it is possible to determine the future demand for public services such as commercial and industrial areas that will be needed; the number of parks and public facilities; the extent of the transportation network; and the demand for public utilities/services. In addition, there can be the means of effectuating substantial savings in public expenditures. The advanced acquisition of roads or road rights-of-way before development prevents excessive site costs; and foresighted acquisition and design of public infrastructure to accommodate future needs are examples of the economic advantages of planning.

Trends

The population from 1940-2010 for Corwith is shown in Table 1 below. Corwith's population over the past 70 years peaked during the 1960's reaching a high of 488 persons, but still well below the 635 people that lived in Corwith in the 1920's. The population remained fairly steady over the next two decades, but after 1980, saw a steady decline of nearly thirty-six percent to its current population of 309.

Table 1
Population 1940-2010 for Corwith

	1940	1950	1960	1970	1980	1990	2000	2010
Corwith	481	480	488	438	480	354	350	309

Source: U.S. Census

Projections

Population projections based on Woods & Poole Economics, Inc., for a 30-year period, 2010-2040 has been developed for Hancock County. As illustrated in Table 1, Hancock County looks to reverse the declining population trend and reestablish a positive population gain over the next 30 years. A reasonable assumption based on this trend analysis is that Corwith will also grow its population base during this same time period. The population projections for Hancock County are shown in Table 2.