

RESOLUTION NO. SPV-09-25-18A

Resolution to Declare Necessity and Establish an Urban Renewal Area, Pursuant to Section 403.4 of the Code of Iowa and Approve Urban Renewal Plan and Projects for the 2018 Madison County Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa counties by Chapter 403 of the Code of Iowa (the “Urban Renewal Law”) a county must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the county and that the development of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the county; and

WHEREAS, it has been proposed by the Board of Supervisors of Madison County, Iowa (the “County”), that the 2018 Madison County Urban Renewal Area (the “Urban Renewal Area”) be established on the property (the “Property”) described in Exhibit A to this Resolution; and

WHEREAS, the proposal demonstrates that sufficient need exists to warrant finding the Urban Renewal Area to be an economic development area; and

WHEREAS, a proposed urban renewal plan (the “Plan”) has been prepared for the governance of projects and initiatives to be undertaken in the Urban Renewal Area and which authorizes certain initial urban renewal projects (the “Projects”) to be undertaken thereon consisting of (1) using tax increment financing to pay the costs of constructing exterior improvements to the Madison County Courthouse; (2) using tax increment financing to pay the costs of constructing a new Madison County Conservation Center in Pammel Park; and (3) using tax increment financing to pay the costs of constructing an ambulance garage; and

WHEREAS, notice of a public hearing by the Board of Supervisors on the question of establishing the Urban Renewal Area and on the Plan and the Projects was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Board has conducted said hearing on September 25, 2018; and

WHEREAS, the Planning and Zoning Commission of the County has reviewed and commented on the proposed Plan; and

WHEREAS, copies of the Plan, notice of public hearing and notice of a consultation meeting with respect to the urban renewal plan were mailed to the Winterset Community School District, the Orient-Macksburg Community School District, the City of Macksburg, and the City of Winterset; the consultation meeting was held on 11th September, 2018; and responses to any comments or recommendations received following the consultation meeting were made as required by law; and

WHEREAS, a portion of the Property lies within two miles of the incorporated limits of the City of Winterset, Iowa and the City of Macksburg, Iowa (the “Cities”), and joint agreements (the “Joint Agreements”) have been prepared and delivered to the Cities to be executed in satisfaction of the consent requirement of Section 403.17 of the Code of Iowa; and

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Madison County, Iowa, as follows:

Section 1. An economic development area as defined in Chapter 403 of the Code of Iowa is found to exist on the Property.

Section 2. The Property is hereby declared to be an urban renewal area, in conformance with the requirements of Chapter 403 of the Code of Iowa, and is hereby designated the 2018 Madison County Urban Renewal Area.

Section 3. The development of the Property is necessary in the interest of the public health, safety or welfare of the residents of the County.


Section 4. It is hereby determined by this Board of Supervisors as follows:

- A. The proposed urban renewal plan and the proposed projects and initiatives described therein conform to the general plan of the County as a whole;
- B. Proposed development in the Urban Renewal Area is necessary and appropriate to facilitate the proper growth and development of the County in accordance with sound planning standards and local community objectives.

Section 5. The Plan is made a part hereof and is hereby in all respects approved in the form presented to this Board, and the County is hereby authorized to undertake the projects and initiatives described therein, provided, however that the establishment of the Urban Renewal Area is hereby made contingent upon the receipt of the executed Joint Agreements, which is hereby, in all ways ratified and approved. The Chairperson and County Auditor are hereby authorized and directed to execute said Joint Agreements on behalf of the County. Upon the receipt of such executed Joint Agreements, the establishment of the Urban Renewal Area will become effective and final without further action by the Board, and the County will be then vested with authority to carry out the powers granted under Chapter 403 of the Code of Iowa for the carrying out of the urban renewal projects and initiatives therein.

Section 6. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved 25th September, 2018.



Phillip Clifton, Chairman Board of
Supervisors

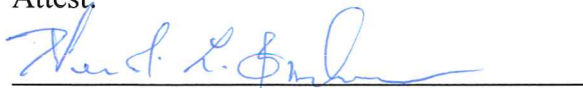


Aaron Price, Supervisor



Robert Duff, Supervisor

Attest:

A handwritten signature in blue ink, appearing to be "Ther. S. L. ...", is written over a horizontal line.

County Auditor

(Attach a copy of the urban renewal plan to this resolution)

MADISON COUNTY, IOWA
URBAN RENEWAL PLAN
2018 MADISON COUNTY URBAN RENEWAL AREA

September, 2018

I. INTRODUCTION

Chapter 403 of the Code of Iowa authorizes 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 blight and 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 previously undeveloped areas and for retention of enterprises and jobs in other areas.

In order to facilitate the use of urban renewal for economic development, in 1985, the Iowa General Assembly amended Chapter 403 to authorize boards of supervisors to create “economic development” areas. 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, industrial and/or residential housing enterprises and in which the county seeks to encourage further development.

As an additional expression of the role for local governments in private economic development, the General Assembly also enacted Chapter 15A of the Code of Iowa, which declares that economic development is a “public purpose” and authorizes local governments to make grants, loans, guarantees, tax incentives and other financial assistance to private enterprise. The statute defines “economic development” as including public investment involving the creation of new jobs and income or the retention of existing jobs and income that would otherwise be lost.

The process by which an economic development urban renewal area may be created begins with a finding by the board of supervisors that such an area needs to be established within the county. An urban renewal plan is then prepared for the area, which must be consistent with the county’s existing comprehensive or general plan. All other affected taxing entities must be notified and given an opportunity to comment on the plan. The board of supervisors must hold a public hearing on the urban renewal plan, following which, the board of supervisors may approve the plan.

This document is intended to serve as the Urban Renewal Plan for Madison County’s (the “County”) 2018 Madison County Urban Renewal Area (the “Urban Renewal Area”) and will guide the County in promoting economic growth through the encouragement of commercial, industrial and agri-business development in such Urban Renewal Area as detailed herein. This document is an Urban Renewal Plan within the meaning of Chapter 403 of the Code of Iowa and sets out proposed projects and activities within the Urban Renewal Area.

II. DESCRIPTION OF URBAN RENEWAL AREA

A description of all property (the "Property") that has been included within the Urban Renewal Area is attached hereto as Exhibit A.

III. URBAN RENEWAL OBJECTIVES

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

1. To contribute to a diversified, well-balanced local economy by creating job opportunities and strengthening the property tax base.
2. To assist in providing land and resources for new and expanded commercial, industrial and agri-business development in a manner that is efficient from the standpoint of providing municipal services.
3. To stimulate through public action and commitment, private investment in commercial, industrial and agri-business development, and to encourage commercial, industrial and agri-business job retention, growth and expansion through the use of various federal, state and local incentives, including tax increment financing.
4. To provide municipal infrastructure, services and facilities that enhance possibilities for economic development and community attractiveness to private enterprise.
5. To help finance the cost of streets, water, sanitary sewer, storm sewer, or other public improvements in support of new commercial, industrial and agribusiness development.
6. To provide a more marketable and attractive investment climate.
7. To provide public facilities to enhance County services and enhance the economic attractiveness of the community.

IV. URBAN RENEWAL PROJECTS AND ACTIVITIES

The following types of activities are examples of the specific actions which may be undertaken by the County within the Urban Renewal Area:

1. Preparation of plans related to the development and implementation of the Urban Renewal Area and specific urban renewal projects.
2. Construction of public improvements and facilities, including streets, public utilities or other facilities in connection with an urban renewal project.
3. Construction of buildings or specific site improvements such as grading and site preparation activities, access roads and parking, railroad spurs, fencing, utility connections, and related activities.
4. Acquisition, preparation and disposition of property for development and/or redevelopment.

5. Making available, as appropriate, financing for development projects, including conventional municipal borrowing and tax increment financing resulting from increased property values in the Urban Renewal Area.

6. Pursuant to state law, provision of direct financial assistance, including grants, loans and tax increment rebate agreements, to private persons engaged in economic development, in such form and subject to such conditions as may be determined by the Board of Supervisors.

V. SPECIFIC URBAN RENEWAL PROJECTS

The County has determined to undertake the following initiatives in the Urban Renewal Area as economic development urban renewal projects:

A)

Name of Project: Madison County Courthouse Improvements Project

Date of Board Approval of Project: September 25, 2018

Description of Project: The County will undertake the construction of certain Courthouse Improvements to the Madison County Courthouse (the “Courthouse Improvements Project”), including historical preservations improvements, the restoration or replacement of soffit, cornice, brackets, limestone, windows, doors, dome, porch, ramp access, and entrance plaza.

It is expected that the completed Courthouse Improvements Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced County services and facilities.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the County will acquire real property in connection with the Courthouse Improvements Project.

Description of Use of TIF: It is anticipated that the County will pay for a portion of the Courthouse Improvements Project with either borrowed funds or the proceeds of an internal advance of County funds on-hand. In either case, the County's obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the County's use of incremental property tax revenues for the Courthouse Improvements Project will not exceed \$2,300,000.

Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the County has analyzed its proposed use of incremental property tax revenues for the funding of the Courthouse Improvements Project and alternative development and funding options for the Courthouse Improvements Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The Board of Supervisors has determined that a need exists for the renovation historical preservation of the Madison County Courthouse. The Courthouse Improvements Project will contribute to revitalization of tourism and commercial development in the County and will provide improved administrative services facilities. The improvement of the existing Courthouse to its highest and best use is more cost effective than the construction of a new Courthouse. There are no other development options feasible on the property on which the Courthouse is currently located.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are unavailable to assist with the Courthouse Improvements Project because such Revenues have been allocated to other projects in the County.

* Property Tax Levies/General Fund: The annual proceeds from the County's property tax levies are fully committed to maintain the operational integrity of the County. Further The County cannot access its General Fund reserves to aid in the Courthouse Improvements Project funding without risking unsound fiscal practice.

* Debt Service Levy: It is not feasible for the County to issue general obligation indebtedness for the Courthouse Improvements Project without the ability to assure the taxpayers of the County that tax increment financing will be available to assist with a portion of the financing for the Courthouse Improvements Project. The use of tax increment financing will lessen the burden on individual taxpayers that would result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the County's successful economic development initiatives in the Urban Renewal Area.

* The Madison County Courthouse Preservation Commission has undertaken fundraising initiatives to aid in the funding of the Courthouse Improvements Project.

* Grant Funding: The County will apply for a grant from the Jeffris Foundation to aid in the funding of the Courthouse Improvements Project.

B)

Name of Project: Madison County Conservation Center Project

Date of Board Approval of the Project: September 25, 2018

Description of the Project and Project Site: The Madison County Conservation Center Project (the "Conservation Center Project") will consist of the construction of an environmental learning center situated at 2508 Pammel Park Trail. It is expected that the completed Conservation Center Project will have a direct, positive impact on increased and improved commercial and industrial development in the Urban Renewal Area through the provision of enhanced recreational amenities in the County.

Description of Properties to be Acquired in Connection with the Project: The County will acquire such easement territory and rights-of-way as are necessary to successfully undertake the Conservation Center Project.

Description of Use of TIF: It is anticipated that the County will pay for the Conservation Center Project with either borrowed funds or the proceeds of an internal advance of County funds on-hand. In either case, the County's obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the County's use of incremental property tax revenues for the Conservation Center Project will not exceed \$1,750,000.

Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the County has analyzed its proposed use of incremental property tax revenues for the funding of the Conservation Center Project and alternative development and funding options for the Conservation Center Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The Board of Supervisors has determined the provision of superior recreational facilities are essential to the economic development of the County. The construction of an environmental learning center will positively impact commerce, growth and development in the Urban Renewal Area. The Board of Supervisors has determined that the property on which the environmental learning center is to be constructed is the appropriate location for the Conservation Center Project because the promotion of other types of development on the Conservation Center Project will not meet the public need being addressed by the Conservation Center Project.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues are unavailable to assist with the Conservation Center Project because such Revenues have been allocated to other projects in the County.

* Property Tax Levies/General Fund: The annual proceeds from the County's property tax levies are fully committed to maintain the operational integrity of the County. Further The County cannot access its General Fund reserves to aid in the Conservation Center Project funding without risking unsound fiscal practice.

* Debt Service Levy: It is not feasible for the County to issue general obligation indebtedness for the Conservation Center Project without the ability to assure the taxpayers of the County that tax increment financing will be available to assist with a portion of the financing for the Conservation Center Project. The use of tax increment financing will lessen the burden on individual taxpayers that would result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the County's successful economic development initiatives in the Urban Renewal Area.

* Fundraising: The County has undertaken fundraising initiatives to aid in the funding of the Conservation Center Project.

C)

Name of Project: Madison County Ambulance Garage

Date of Council Approval of the Project: September 25, 2018

Description of the Project: The County will undertake the construction of a new ambulance garage on one of three parcels situated in the City of Winterset and bearing Madison County Property Tax Parcel Identification Numbers 820004500010000; 820004500211000; and 821005202111300 (the “Proposed Ambulance Garage Property”). It is anticipated that the completed Madison County Ambulance Garage Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced emergency medical services and facilities.

Description of Properties to be Acquired in Connection with the Project: The County will acquire the Proposed Ambulance Garage Property, if necessary, and such easement territory and rights-of-way as are necessary to successfully undertake the Madison County Ambulance Garage Project.

Description of Use of TIF: It is anticipated that the County will pay for the Madison County Ambulance Garage Project with either borrowed funds or the proceeds of an internal advance of County funds on-hand. In either case, the County’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the County’s use of incremental property tax revenues for the Madison County Ambulance Garage Project will not exceed \$3,000,000.

Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the County has analyzed its proposed use of incremental property tax revenues for the funding of the Madison County Ambulance Garage Project and alternative development and funding options for the Madison County Ambulance Garage Project. The results of that analysis are summarized as follows:

1) Alternate Development Options: The Board of Supervisors has determined that a need exists for the provision of a new and improved ambulance barn and enhanced emergency medical services in the County. There is no conceivable way for the County to outsource or privatize emergency medical services, and the use of one of the parcels comprising the Proposed Ambulance Garage Property as the site for the Madison County Ambulance Garage Project is an optimal use for such Proposed Ambulance Garage Property.

2) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues are unavailable to assist with the Madison County Ambulance Garage Project because such Revenues have been allocated to other projects in the County.

* Property Tax Levies/General Fund: The annual proceeds from the County's property tax levies are fully committed to maintain the operational integrity of the County. Further The County cannot access its General Fund reserves to aid in the Madison County Ambulance Garage Project funding without risking unsound fiscal practice.

* Debt Service Levy: It is not feasible for the County to issue general obligation indebtedness for the Madison County Ambulance Garage Project without the ability to assure the taxpayers of the County that tax increment financing will be available to assist with a portion of the financing for the Madison County Ambulance Garage Project. The use of tax increment financing will lessen the burden on individual taxpayers that would result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the County's successful economic development initiatives in the Urban Renewal Area.

VI. LAND USE PLAN AND PROPOSED DEVELOPMENT

The County's long range development plans for this Urban Renewal Area are matched to its general plan for development in the County and will be tailored to comply with the overall land use needs. All urban renewal activities within the Urban Renewal Area will be consistent with the County's general land use plans.

VII. TAX INCREMENT FINANCING

In order to promote economic growth in the Urban Renewal Area, the County may be requested to acquire land, construct public improvements or provide economic development loans, grants or other tax incentives for the benefit of private and public enterprises in order to enhance the value of property in the Urban Renewal Area. As part of the Urban Renewal Area, the County has adopted an ordinance to create a tax increment district (the "TIF District"), within which the property taxes eventually paid by new private development may be used to pay costs of urban renewal projects for these types of activities, including reimbursing the County or paying debt service on obligations issued by the County. The use of these tax revenues is known as tax increment financing ("TIF").

Depending upon the date upon which the TIF District is legally established and the date on which debt is initially certified within the TIF District, an original taxable valuation is established for the property within the TIF District, which is known as the "base valuation." The "base valuation" is the assessed value of the taxable property in the TIF District as of January 1 of the calendar year preceding the calendar year in which the County first certifies the amount of any debt payable from TIF revenues to be generated within that TIF District. When the value of the property inside the 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 for the financing of improvements within the TIF District or for the payment of economic development incentives to private and public entities, property taxes levied by all local jurisdictions (County, county, school, area college) against the incremental value, with the exception of taxes levied to repay current or future debt incurred by local jurisdictions and the school district instructional support and physical plant and equipment levies, are allocated by state law to the County’s tax increment fund rather than to each local jurisdiction. These new tax dollars are then used to pay principal and interest on any tax increment debt incurred or to pay the costs of projects in the Urban Renewal Area.

VIII. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the Board of Supervisors and will remain in effect until it is repealed by the Board of Supervisors. The collection of incremental property taxes in the Urban Renewal Area will continue for the maximum number of years authorized by Chapter 403 of the Code of Iowa unless otherwise determined by action of the Board of Supervisors.

IX. PLAN AMENDMENTS

This Urban Renewal Plan may be amended in accordance with the procedures set forth in Chapter 403 of the Code of Iowa to, for example, change the project boundaries, modify urban renewal objectives or activities, or to carry out any other purposes consistent with Chapter 403 of the Code of Iowa.

X. FINANCIAL INFORMATION

COUNTY DEBT INFORMATION

1. Current constitutional debt limit:	<u>\$77,560,229</u>
2. Outstanding general obligation debt:	<u>\$ 1,095,000</u>
3. Proposed amount of debt to be incurred*:	<u>\$ 7,050,000</u>

*Some or all of the debt incurred hereunder may be subject to annual appropriation by the Board of Supervisors.

**EXHIBIT A
LEGAL DESCRIPTION
2018 MADISON COUNTY URBAN RENEWAL AREA**

Certain real property situated in Madison County, State of Iowa more particularly described as:

Madison County Courthouse, Public Square, bordered by Jefferson Street on the North, Court Avenue on the South, 1st Avenue on the West and 1st Street (John Wayne Dr) on the East, City of Winterset, Madison County, Iowa; and

The Southwest Quarter (1/4) of the Northeast Quarter (1/4) of the Southwest Quarter (1/4); the North Half (1/2) of the Southeast Quarter (1/4) of the Southwest Quarter (1/4); and the South Three-Fourths (3/4) of the West Half (1/2) of the Southwest Quarter (1/4), except the South 21 2/3 rods of the West 40 rods thereof, and except a tract of land described as follows: Commencing at a point 941.88 feet North of the Southwest corner of said West Half (1/2) of the Southwest Quarter (1/4), and running thence North 1020.61 feet to the Southwest corner of the North Half (1/2) of the Northwest Quarter (1/4) of the Southwest Quarter (1/4), thence East 600.80 feet, thence South 550.4 feet, thence South 41° West, 532.30 feet, thence South 56°22' West, 215.31 feet to the Place of Beginning, all in Section 15, Township 75 North, Range 28 West of the 5th P.M., Madison County, Iowa; and

All of the Madison County Property Tax Parcels serving as the site of wind turbines and substations in Grand River Township and Monroe Township; and

Certain real property situated in the City of Winterset, Madison County, State of Iowa bearing Madison County Property Tax Parcel Identification Numbers 820004500010000; 820004500211000; and 821005202111300.