

RESOLUTION 2023-20

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 Lyon County DTI 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 Lyon County, Iowa (the “County”) that the Lyon County DTI 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 a certain initial urban renewal project (the “Project”) to be undertaken thereon consisting of providing tax increment financing support to Diversified Technologies, Inc. (the “Company”) in connection with the construction by the Company of a new facility including a 150,000 square feet manufacturing structure and a 9,600 square feet two-story office space for use in its business operations on the Property; 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 Project 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 May 9, 2023; 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 George-Little Rock Community School District; the consultation meeting was held on April 21, 2023; 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 George, Iowa (the “City”), and a joint agreement (the “Joint Agreement”) has been executed by the City to satisfy the consent requirements of Section 403.17 of the Code of Iowa;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Lyon 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 Lyon County DTI 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.

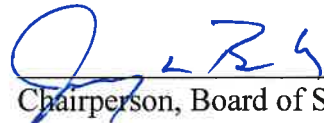
Section 4. It is hereby determined by this Board of Supervisors as follows:

- 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.
- C. It is not anticipated that any families will be displaced in connection with the County's undertakings under the Plan. Should such issues arise, then the County will develop a feasible method of relocating any displaced persons into decent, safe and sanitary dwelling accommodations within their means and without undue hardship.

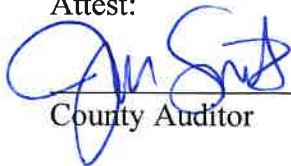
Section 5. The Plan is made a part hereof and is hereby in all respects approved in the form presented to this Board, and the County is hereby authorized to undertake the projects and initiatives described therein. The Joint Agreement is hereby approved, and the Chairperson and County Auditor are hereby authorized and directed to execute said Joint Agreement on behalf of the County, and all action heretofore taken in this regard is hereby ratified and affirmed.

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

Passed and approved May 9, 2023.

  
\_\_\_\_\_  
Chairperson, Board of Supervisors

Attest:

  
\_\_\_\_\_  
County Auditor

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

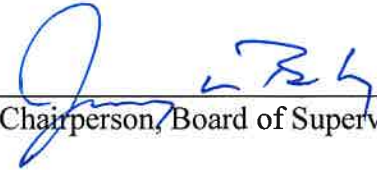
EXHIBIT A  
Legal Description  
Lyon County DTI Urban Renewal Area

Certain real property in Lyon County, State of Iowa more particularly described as follows:

Lot 1 in Parcel A in the Fractional Northwest Quarter (Frac. NW  $\frac{1}{4}$ ) of Section Thirty-one (Sec. 31), Township 99 North, Range 43 West of the 5<sup>th</sup> P.M., Lyon County, Iowa being recorded in Plat Book 2022, Page 2986.

•••••

Upon motion and vote, the meeting adjourned.

  
\_\_\_\_\_  
Chairperson, Board of Supervisors

Attest:

  
\_\_\_\_\_  
County Auditor

LYON COUNTY, IOWA  
URBAN RENEWAL PLAN  
LYON COUNTY DTI URBAN RENEWAL AREA

May 9, 2023

**I. INTRODUCTION**

Chapter 403 of the Code of Iowa authorizes counties to establish areas within certain boundaries known as “urban renewal areas,” and to exercise special powers within these areas. In order to facilitate the use of urban renewal for economic development, Chapter 403 of the Code of Iowa authorizes 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 provide 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 the Lyon County DTI Urban Renewal Area (the “Urban Renewal Area”) for Lyon County, Iowa (the “County”) and will guide the County in promoting economic growth through the encouragement of commercial and industrial 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 and industrial 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 and industrial development, and to encourage commercial and industrial 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 and industrial 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:

**Name of Project:** Diversified Technologies, Inc. Development Project

**Date of Board Approval of Project:** May 11, 2023

**Description of Project:** Diversified Technologies, Inc. (the “Company”) will undertake the construction (the “Project”) of a new facility including a 150,000 square feet manufacturing structure and a 9,600 square feet two-story office space for use in its business operations on the Property (as defined in Section II of this Urban Renewal Plan).

It has been requested that the County provide tax increment financing assistance to the Company in support of its efforts to complete, operate and maintain the Project.

The costs incurred by the County in providing tax increment financing assistance to the Company will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$8,000.

**Description of Use of TIF:** The County intends to enter into a Development Agreement with the Company with respect to the Project and to provide economic development payments (the “Payments”) to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Property. It is anticipated that the County’s total commitment of incremental property tax revenues with respect to the Project will not exceed \$800,000, plus the Admin Fees.

## 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 will adopt 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, city, 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: \$81,469,377
- 2. Outstanding general obligation debt: \$



3. Proposed amount of debt to be incurred\*:       \$ 808,000

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