

CITY OF ANAMOSA

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM



CITY OF ANAMOSA – ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM

The City of Anamosa considers using public funds to help incentivize private economic development investments in commercial, industrial, and targeted residential projects to improve economic sustainability. The economic development incentives, or assistance, provided by the City of Anamosa include Tax Increment Financing and Tax Abatement. These incentives are basically contrary to one another and are not provided simultaneously or in combination with each other. Both incentives are “tools” that municipalities may use, in accordance with the Iowa Code, to assist with local economic development. These incentives are complex, often misunderstood, and are evaluated according to the following “public purpose” requirements:

- Expansion of the employer base
- Expansion of the property tax base
- Money for infrastructure
- Public improvements
- Slum and blight removal
- Diversification of the property tax base
- Diversification of the City’s employer base
- Economic development projects

Both incentive options require that a formal application be submitted to the City Clerk, which initiates a comprehensive review process. This process involves the coordination of multiple entities and generally may take 12-16 weeks. The review process includes one or more preliminary meetings with the Development Committee and various City personnel, presentation of the business plan to the City Council, drafting of the development agreement by the City’s bond attorney, meeting legislative process requirements, consultation with other taxing entities (*i.e. Anamosa Community School District and Jones County Auditor*), and final approval of the Anamosa City Council.

Tax increment financing (TIF) is a method of reallocating property tax revenues which are produced as a result of an increase in taxable valuation above a “base valuation” figure within a tax increment area. TIF is authorized and governed by Chapter 403 of the Iowa Code.

Property tax abatement provides an incentive for property owners to make improvements to property by exempting the resulting increase in valuation from property taxation for a period of time. Tax abatement is authorized and governed by Chapter 404 and Chapter 427B of the Iowa Code. The new valuation is “abated” and is, therefore, not subject to tax by any local taxing jurisdiction.

TAX INCREMENT FINANCING/TIF REBATE

- Property owner pays full property tax levy, as soon as improvements to the property are “placed on the tax rolls (may be 2-3 years following construction.
- A portion of the tax revenue, based on current property tax levies are sent to the city and credited to the City’s TIF fund.
- The City can rebate requested TIF refunds to property owners.
- TIF Rebates are generally for a period of 10 years, for some amount less than 100% of the maximum.

TAX ABATEMENT

Option 1:

- 100% abatement for 3 years

Option 2:

- Sliding scale abatement for 10 years, ranging from 80% in the first year to 20% in the tenth year.

• *Example:*

Year 1 – 80%	Year 6 – 40%
Year 2 – 70%	Year 7 – 30%
Year 3 – 60%	Year 8 – 30%
Year 4 – 50%	Year 9 – 20%
Year 5 – 40%	Year 10 – 20%

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INVESTMENT LEVELS

Projects come in many shapes and sizes. However, when determining eligibility for public funding, a higher level of investment is preferred. Below is an outline showcasing the levels of total investment, the cumulative total generation of increment over the life of the Area, the rebate range for that level of investment, and any other qualifying factors that the City will use to determine economic development incentives.

- Level 1
 - \$15,000,000 or more in total investment.
 - Generate a cumulative total of \$280,000 or more of increment over the remaining life of the Area.
 - Rebates will range from 50%-75% of annual net incremental increases.
- Level 2
 - \$10,000,000 or more in total investment.
 - Generate a cumulative total of \$200,000 or more of increment over the remaining life of the Area.
 - Rebates will range from 50%-65% of annual net incremental increases.
- Level 3*
 - \$5,000,000 or more in total investment.
 - Generate a cumulative total of \$125,000 or more of increment over the remaining life of the Area.
 - Rebates will range from 30%-60% of annual net incremental increases.
- Level 4*
 - \$1,000,000 or more in total investment.
 - Generate a cumulative total of \$75,000 or more of increment over the remaining life of the Area.
 - Rebates will range from 30%-50% of annual net incremental increases.

* *The City may require an applicant to verify matching funds to qualify for benefits, only one Redevelopment Agreement per parcel of land will be considered, and verification of past and projected business revenues may be required.*

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GOALS

The goals of Anamosa's Economic Development Incentive Program include the following:

- To encourage quality economic development and enhance the City's commercial and industrial tax base by providing incentives to businesses and developers that want to locate, relocate, or expand in Anamosa.
- To provide adequate public facilities and infrastructure, through public action and commitments, including sanitary sewers, storm water management, potable water, streets, pedestrian walkways, and other priorities which facilitate public health, safety, and welfare.
- To provide assistance and economic incentives for commercial and industrial development and targeted residential redevelopment which may not otherwise occur without such assistance and incentives.
- Other goals as stated in the City's urban renewal plans.

POLICIES

The following are the policies for the Economic Development Incentive Program

- The City's economic development incentives are not an entitlement program. This policy shall not be construed as obligating the City to provide incentives for any or all projects that satisfy the criteria set forth in this policy.
- Approval of economic development incentives for projects that have satisfied the criteria in this policy shall be at the sole discretion of the Anamosa City Council, on a case-by-case basis, upon the recommendation of the Development Committee.
- To receive economic development incentives, a business or developer must submit the required application to City Hall, which initiates the review process (*The process typically takes 12-16 weeks*).
- A business or developer shall only be allowed to apply for one incentive program for a particular project (*TIF or Tax Abatement*).
- Economic development incentives shall be subject to the required legislative processes (*i.e. public notices and hearings*).
- Any project making an application for TIF funds must be in a designated Urban Renewal District.
- The City may provide TIF funds for the purpose of improving public facilities and infrastructure as well as for structural and infrastructure improvements to privately owned commercial and industrial properties. If there is a need for improving public facilities and infrastructure, the City shall prioritize these improvements.
- The city may use TIF to invest in public facilities designed to improve the overall economic environment of the community and to provide quality services to its citizens.
- The economic development incentives granted to a business or developer shall not result in a benefit that exceeds market conditions and normal business expectations for finance terms or rate of return on investment. Applicants must be prepared to provide proof of their ability to finance the project contemplated in their TIF application.
- The City may consider the use of TIF funds for a project to ensure that Anamosa is not at a competitive disadvantage when competing for projects with other communities.
- The city may consider action to encourage investment in areas that have fallen into a state of blight as defined in the Iowa code Chapter 403.17(5).
- If the City has already provided economic development assistance to improve a property (infrastructure or buildings), the City may decline to provide economic development assistance, or reduce the amount of assistance, for subsequent improvements to the property.



APPLICATION FOR ECONOMIC DEVELOPMENT ASSISTANCE

To apply for economic development assistance from the City of Anamosa, a developer/business must submit the following documents to the Anamosa City Clerk:

- Application for Economic Development Assistance
- Site Plan
- Complete legal description of the property
- Executive Summary of Business Plan
- Financial Proforma

Note: The decision to provide economic development assistance shall be at the sole discretion of the Anamosa City Council, on a case-by-case basis, upon recommendation of the Development Committee.

CONTACT INFORMATION

Name of applicant (First, MI, Last): _____

Mailing Address: _____

Phone #: _____

Email: _____

BUSINESS INFORMATION

Name of business enterprise: _____

Type of business: _____

Form of entity:

_____ Corporation _____ General Partnership _____ Limited Partnership _____ Sole Proprietorship

State of Organization: _____ Taxpayer ID #: _____

Physical location of the project (address/description): _____

Please provide name, address, telephone number, and percent ownership for each owner of the business enterprise:

Name	Address	Phone #	% Owned



APPLICATION FOR ECONOMIC DEVELOPMENT ASSISTANCE

Zoning classification of the property:

- R-1 Residential Single-Family District
- R-2 Residential Multi-Family District
- C-1 Central Business Commercial District
- C-2 Arterial Commercial District
- M-1 Light Industrial District
- M-2 Heavy Industrial District

PROJECT INFORMATION

The request is for:

- Addition/Expansion of an existing business
- New construction/New business
- Rehabilitation/Residential redevelopment

Describe proposed project (include a general description of improvements to be made):

Estimated project start date (month/year): _____

Estimated project completion date (month/year): _____

How many jobs will this project create or retain?

Create: Full-time _____ Part-time _____

Retain: Full-time _____ Part-time _____

Indicate which economic development assistance option you are applying for:

- Tax Increment Financing (TIF) Rebate: 90% for 3 years
- Tax Increment Financing (TIF) Rebate: Sliding scale for 5 years (% TBD)
- Tax Increment Financing (TIF) Rebate: Sliding scale for 10 years (% TBD)
- Tax Increment Financing (TIF) Rebate: Sliding scale for 12 years (% TBD)

- Tax Abatement – Option 1: 100% for 3 years
- Tax Abatement – Option 2: Sliding scale abatement for 10 years (80%-20%)



APPLICATION FOR ECONOMIC DEVELOPMENT ASSISTANCE

On this _____ day of _____, _____ By the undersigned who hereby certifies under penalty of Perjury pursuant to the laws of the State of Iowa that the above application including the plans, financial information, and other supporting documents attached hereto and made a part of this application are factual and all circumstances Contained therein are true and correct. The undersigned also certifies that they have ready and understand all Instructions and additional rules outlined in this document.

Signed By: _____
Print Name: _____
On behalf of: _____
Date: _____

Send or deliver required documents to Penny Lode, City Clerk:

City of Anamosa
107 S. Ford Street, Anamosa, IA 52205
Telephone: (319) 462-6055
Fax: (319) 462-6081
Email: penny.lode@anamosa-ia.org
