

**November 17, 2014**

**To: Mayor Bemrich and City Council**

**From: David Fierke, City Manager**

**Subject: TIF Ordinance Amendment**

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**ACTION: For Vote Monday, November 24, 2014**

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**Brief History**

In December of 2012 the City Council approved an amendment to the TIF District to include property owned by TJK Enterprises LLC and Decker Investments, east of South 32<sup>nd</sup> Street. This amendment included a portion of Parcel No. 0722476004. Because the County cannot put part of a parcel in a TIF District without having the parcel divided through a plat of survey, we are proposing to amend the TIF District to include the entirety of this parcel

In October of 2013 the City Council approved an amendment to the Urban Renewal Plan, which allowed for an incentive payment to Dennis and Jean Johnson (dba Wendy's). This property was inadvertently missed from being added to the TIF District.

**Analysis of Issue**

In order to collect TIF off of these properties, they need to be added to the TIF District.

**Budget Impact**

Additional TIF funds will be generated from these parcels.

**Strategic Plan Impact**

Policy C.1.5: The rehabilitation, reuse, or removal of currently unused or underutilized structures, sites and infrastructure shall be accomplished.

Policy C.1.6: City government shall be an active participant, facilitator and partner in the creation of large and small business and industrial development opportunities capitalizing upon the unique human and economic resources of the area.

Policy C.1.7: Economic development efforts shall protect, enhance and encourage a high quality of life, image and cultural amenities as critical factors in business retention, recruitment and economic growth.

**Existing Plan Impact**

Consistent with the City's Urban Renewal Plan.

**Subcommittee or Commission Review / Recommendation**

None

**Staff Conclusions / Recommendations**

Staff recommends approval of the amendment to the TIF Area.

**Alternatives**

The only alternative would be to not amend the TIF Area, which would prohibit the City from collecting TIF revenue off of the listed parcels to repay any debt incurred.

**Implementation and Accountability**

If approved, staff requests a waiver of the 2<sup>nd</sup> and 3<sup>rd</sup> readings.

Signed



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Vickie L. Reeck  
Community Development Manager

Approved



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David R. Fierke, City Manager

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE PROVIDING FOR THE DIVISION OF TAXES LEVIED ON TAXABLE PROPERTY IN THE NOVEMBER 2014 ADDITION TO THE CENTER CITY AND INDUSTRIAL PARK URBAN RENEWAL AREAS, PURSUANT TO SECTION 403.19 OF THE CODE OF IOWA

WHEREAS, the City Council of the City of Fort Dodge, Iowa (the “City”) previously enacted an ordinance entitled “An Ordinance Providing For The Division Of Taxes Levied On Taxable Property In The Center City and Industrial Park Urban Renewal Areas, Pursuant To Section 403.19 of the Code of Iowa”; and

WHEREAS, pursuant to that ordinance, the Center City and Industrial Park Urban Renewal Areas in the City of Fort Dodge were previously designated a “tax increment district”; and

WHEREAS, the City Council now desires to increase the size of the “tax increment district” by adding additional property;

BE IT ENACTED by the City Council of the City of Fort Dodge, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the November 2014 Addition to the Center City and Industrial Park Urban Renewal Areas of the City each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City to finance projects in the such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

“City” shall mean the City of Fort Dodge, Iowa.

“County” shall mean Webster County, Iowa.

“November 2014 Urban Renewal Area Addition” shall mean the November 2014 Addition to the Center City and Industrial Park Urban Renewal Areas of the City of Fort Dodge, Iowa, the legal description of which is set out below:

Certain real property situated in the City of Fort Dodge, County of Webster, State of Iowa bearing Webster County Property Tax Parcel Identification Number 0728101004; and

The entirety of the parcel comprising the real property situated in the City of Fort Dodge, County of Webster, State of Iowa bearing Webster County Property Tax Parcel Identification Number 0722476004 (a portion of which was previously

included under the ordinance, but which is hereby being included in its entirety by request of Webster County).

“Urban Renewal Area” shall mean the entirety of the Center City and Industrial Park Urban Renewal Areas, as amended from time-to-time.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the November 2014 Urban Renewal Area Addition. After the effective date of this ordinance, the taxes levied on the taxable property in the November 2014 Urban Renewal Area Addition each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the November 2014 Urban Renewal Area Addition is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the November 2014 Urban Renewal Area Addition, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the November 2014 Urban Renewal Area Addition on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the November 2014 Urban Renewal Area Addition to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area, and to provide assistance for low and moderate-income family housing as provided in Section 403.22, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Section 298.2 of the Code of Iowa, taxes for the instructional support program of a school district imposed pursuant to Section 257.19 of the Code of Iowa and taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the November 2014 Urban Renewal Area Addition exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the November 2014 Urban Renewal Area Addition shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter

received from taxes upon the taxable property in the November 2014 Urban Renewal Area Addition shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed on first consideration by the City Council of the City of Fort Dodge, Iowa this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_  
Other: \_\_\_\_\_

Passed on second consideration by the City Council of the City of Fort Dodge, Iowa this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_  
Other: \_\_\_\_\_

Passed on third consideration by the City Council of the City of Fort Dodge, Iowa this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_  
Other: \_\_\_\_\_

BY: \_\_\_\_\_  
Matt Bemrich, Mayor

ATTEST:

\_\_\_\_\_  
Jeff Nemmers, City Clerk

