

## ORDINANCE NO. 2023-05

### An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the Elkader Commercial Urban Renewal Area, Pursuant to Section 403.19 of the Code of Iowa

BE IT ENACTED by the members of the City Council of the City of Elkader, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the Elkader Commercial Urban Renewal Area, 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 such area.

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

“City” shall mean the City of Elkader, Iowa.

“County” shall mean Clayton County, Iowa.

“Urban Renewal Area” shall mean the real property situated in the Elkader Commercial Urban Renewal Area, the boundaries of which are set out below, such property having been identified in the Urban Renewal Plan approved by the City Council by resolution adopted on May 22, 2023:

811 High Street NE (Dollar General store):

Lot One (1) of Lot Two (2) of Lot Two (2) and Lot One (1) of Lot Four (4) of Lot Two (2) in the Southwest quarter (SW ¼) of the southeast quarter (SE ¼) of section fourteen (14); and Lot One (1) of Lot Five (5) in the Northwest quarter (NW ¼) of the Northeast quarter (NE ¼) of Section Twenty-three (23); all in the township Ninety-three (93) North, Range Five (95) West of the 5<sup>th</sup> P.M., in Clayton County, Iowa, According to the Plat recorded in Book 35, Plats, Page 27 (Instrument No. 2012R00758).

Parcel ID number: 25-14-459-001

206 Johnson Street NE (location of new CJ Moyna building) (Lot 5 of Lot 11 and Lots 12, 14, 13)

Lot Five (5) of Lot Eleven (11) of Johnson Park – 2000 Addition in the Southeast Quarter (SE ¼) of Section Fourteen (14), Township Ninety-three (93) North, Range Five (5) West of the Fifth Principal Meridian, in the City of Elkader, Clayton County, Iowa containing 4.25 acres, more or less, and more particularly described by metes and bounds as follows:

Commencing at the East ¼ Corner of Section 14, Township 93 North, Range 5 West of the 5<sup>th</sup> P.M.; thence N 89°-54'-49" W, 652.07 feet along the north line of the SE ¼ of said Section 14; thence S 03°-10'-29" E, 841.28 feet along the east line of Johnson Park 2000 Addition to the City of Elkader; thence S 86°-47'-04" W, 166.75 feet to the Point of Beginning; thence S 86°-47'-04" W, 191.46 feet; thence S 03°-12'-56" E, 930.76 feet along the west line Lot 11 of said Johnson Park – 2000 Addition; thence N 86°-46'-56" E, 142.25 feet; then N 07°-12'-34" E, 425.21 feet; thence N 00°-30'16" E, 134.91 feet; thence N 08°-43'-45" W, 379.70 feet to the Point of Beginning. Said described parcel

contains 4.25 acres, more or less. Bearings are based on the Iowa State Plane Coordinate System North Zone (1401) Horizontal NAD 83 (1996).

Lots 12, 14 and 13 of Johnson Park – 2000 Addition to the City of Elkader, Clayton County, Iowa, according to the Plats recorded in Book 21, Plats, Page 16 (Instrument No. 2000R03930)

Parcel ID numbers: 25-14-401-057

Lots 15 of Johnson Park – 2000 Addition to the City of Elkader, Clayton County, Iowa, according to the Plats recorded in Book 21, Plats, Page 16 (Instrument No. 2000R03930)

Parcel ID number: Lot 15 = 25-14-401-015

Lot One (1) of Lot Sixteen (16) of Johnson Park – 2000 Addition to the City of Elkader, Clayton County, Iowa, according to the Plats recorded in Book 48, Plats, Page 87 (Instrument No. 2023R01312)

Parcel ID number: Lot 15 = 25-14-401-050

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area. After the effective date of this ordinance, the taxes levied on the taxable property in the Urban Renewal Area 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 Urban Renewal Area 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 Urban Renewal Area, 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 Urban Renewal Area 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 Urban Renewal Area 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 levy 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 Urban Renewal Area 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 Urban Renewal Area 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 Urban Renewal Area 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.

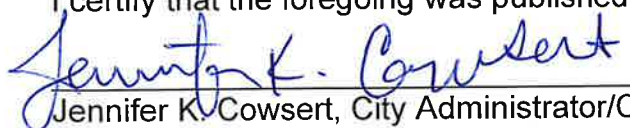
Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed and approved by the City Council of the City of Elkader, Iowa, on June 26, 2023.

  
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 Josh R. Pope, Mayor

Attest:   
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 Jennifer K. Cowser, City Administrator/Clerk

I certify that the foregoing was published as Ordinance No. 2023-05 on the July 5, 2023.

  
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 Jennifer K. Cowser, City Administrator/Clerk

First Reading	Y	N	Second Reading	Y	N	Third Reading	Y	N
5/22/2023			6/12/2023			6/26/2023		
Lane	+		<del>Lane</del>			Lane	x	
Henning	+		Henning	+		Henning	x	
Hauber			Hauber	+		Hauber	x	
Grau			Grau	+		Grau	x	
Schmidt	+		Schmidt	+		Schmidt	x	

CITY OF ELKADER, IOWA  
URBAN RENEWAL PLAN  
ELKADER COMMERCIAL URBAN RENEWAL AREA

May, 2023

**I. INTRODUCTION**

Chapter 403 of the Code of Iowa authorizes cities 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 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 City Councils to create “economic development” areas. An economic development urban renewal area may be any area of a city which has been designated by the City Council as an area which is appropriate for industrial, commercial and/or residential enterprises and in which the city 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 City Council that such an area needs to be established within the City. An urban renewal plan is then prepared for the area, which must be consistent with the City’s existing comprehensive or general plan. All other affected taxing entities must be notified and given an opportunity to comment on the plan. The City Council must hold a public hearing on the urban renewal plan, following which, the Council may approve the plan.

This document is intended to serve as the Urban Renewal Plan for Elkader Commercial Urban Renewal Area (the “Urban Renewal Area”) of the City of Elkader, Iowa (the “City”) and will guide the City in promoting economic growth through the encouragement of commercial and industrial development in such 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**

The real property included in the Urban Renewal Area includes all of the real property described on Exhibit A hereto.

## **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 costs of street, 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.

## **IV. URBAN RENEWAL PROJECTS AND ACTIVITIES**

The following types of activities are examples of the specific actions which may be undertaken by the City 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 City Council.

**V. SPECIFIC URBAN RENEWAL PROJECTS**

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

**A.**

**Name of Project:** Mobile Track Solutions, LLC Development Project

**Date of Council Approval of Project:** May 22, 2023

**Description of the Project and Project Site:** Mobile Track Solutions, LLC (the “Company”) has undertaken the construction of improvements (the “Mobile Track Project”) to its existing facilities situated on a portion of the Property described in Section II hereof and the creation of new jobs in connection therewith.

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

The costs incurred by the City in providing tax increment financing assistance to the Company will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$6,000.

**Description of Use of TIF for the Project:** The City intends to enter into a Development Agreement with the Company with respect to the construction of the Mobile Track Project and to provide annual appropriation economic development payments (the “Payments”) to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Urban Renewal Area. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Mobile Track Project will not exceed \$50,000, plus the Admin Fees.

**B.**

**Name of Project:** CJ Moyna & Sons, Inc. Manufacturing Facility Development Project

**Date of Council Approval of Project:** May 22, 2023

**Description of the Project and Project Site:** CJ Moyna & Sons, Inc. (the “Company”) has undertaken the construction of a new manufacturing facility (the “CJ Moyna Project”) on a portion (the “CJ Moyna Property”) of the Property described in Section II hereof.

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

The costs incurred by the City 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 for the Project:** The City intends to enter into a Development Agreement with the Company with respect to the construction of the CJ Moyna Project and to provide annual appropriation economic development payments (the “Payments”) to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the CJ Moyna Property. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the CJ Moyna Project will not exceed \$1,00,000, plus the Admin Fees.

## **VI. LAND USE PLAN AND PROPOSED DEVELOPMENT**

The City has adopted a Comprehensive Land Use Plan which guides the establishment of commercial, residential and industrial land uses throughout the incorporated area. Land use in the Urban Renewal Area will be carried out in a manner that will maintain consistency with the Comprehensive Land Use Plan and the City’s zoning regulations.

## **VII. TAX INCREMENT FINANCING**

In order to assist in the development or retention of private enterprises, the City may be requested to acquire land, construct public improvements or provide economic development loans, grants or other tax incentives for the benefit of private enterprises in order to enhance the value of property in the Urban Renewal Area. As part of the Urban Renewal Area, the City 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 City or paying debt service on obligations issued by the City. 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 City 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 entities, property taxes levied by all local jurisdictions (city, 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 City’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 City Council and will remain in effect until it is repealed by the City Council. 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 City Council.

**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**

1.	Current constitutional debt limit:	<u>\$ 4,199,110</u>
2.	Outstanding general obligation debt:	<u>\$</u>
3.	Proposed amount of debt to be incurred*:	<u>\$ 764,000</u>

\*It is anticipated that the some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.



EXHIBIT A  
Legal Description  
Elkader Commercial Urban Renewal Area

811 High Street NE (Dollar General store):

Lot One (1) of Lot Two (2) of Lot Two (2) and Lot One (1) of Lot Four (4) of Lot Two (2) in the Southwest quarter (SW ¼) of the southeast quarter (SE ¼) of section fourteen (14); and Lot One (1) of Lot Five (5) in the Northwest quarter (NW ¼) of the Northeast quarter (NE ¼) of Section Twenty-three (23); all in the township Ninety-three (93) North, Range Five (5) West of the 5<sup>th</sup> P.M., in Clayton County, Iowa, According to the Plat recorded in Book 35, Plats, Page 27 (Instrument No. 2012R00758).

Parcel ID number: 25-14-459-001

Mobile Track Solutions:

Lot Two (2) of Lot Twenty-seven (27), Lot Two (2) of Lot Twenty-eight (28), Lot Thirty (30), Lot Thirty-one (31), Lot Thirty-two (32), Lot Thirty-three (33) and Lot Thirty-four (34) of Johnson Park-2000 Addition to the City of Elkader, Clayton County, Iowa, according to the Plats recorded in Book 21, Plats, Page 16, and in Book 31, Plats, Page 15.

Parcel ID number: 25-14-401-033

206 Johnson Street NE (location of new CJ Moyna building) (Lot 5 of Lot 11 and Lots 12, 14, 13)

Lot Five (5) of Lot Eleven (11) of Johnson Park – 2000 Addition in the Southeast Quarter (SE ¼) of Section Fourteen (14), Township Ninety-three (93) North, Range Five (5) West of the Fifth Principal Meridian, in the City of Elkader, Clayton County, Iowa containing 4.25 acres, more or less, and more particularly described by metes and bounds as follows:

Commencing at the East ¼ Corner of Section 14, Township 93 North, Range 5 West of the 5<sup>th</sup> P.M.; thence N 89°-54'-49" W, 652.07 feet along the north line of the SE ¼ of said Section 14; thence S 03°-10'-29" E, 841.28 feet along the east line of Johnson Park 2000 Addition to the City of Elkader; thence S 86°-47'-04" W, 166.75 feet to the Point of Beginning; thence S 86°-47'-04" W, 191.46 feet; thence S 03°-12'-56" E, 930.76 feet along the west line Lot 11 of said Johnson Park – 2000 Addition; thence N 86°-46'-56" E, 142.25 feet; then N 07°-12'-34" E, 425.21 feet; thence N 00°-30'16" E, 134.91 feet; thence N 08°-43'-45" W, 379.70 feet to the Point of Beginning. Said described parcel contains 4.25 acres, more or less. Bearings are based on the Iowa State Plane Coordinate System North Zone (1401) Horizontal NAD 83 (1996).

Lots 12, 14 and 13 of Johnson Park – 2000 Addition to the City of Elkader, Clayton County, Iowa, according to the Plats recorded in Book 21, Plats, Page 16 (Instrument No. 2000R03930)

Parcel ID numbers: 25-14-401-057

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Parcel ID number: Lot 15 = 25-14-401-015

Lot One (1) of Lot Sixteen (16) of Johnson Park – 2000 Addition to the City of Elkader, Clayton County, Iowa, according to the Plats recorded in Book 48, Plats, Page 87 (Instrument No. 2022R01312)

Parcel ID number: Lot 15 = 25-14-401-050

All of the public right-of-way of Johnson Street NE situated in the corporate limits of the City of Elkader, Iowa; and

All of the public right-of-way of High Street situated in the corporate limits of the City of Elkader, Iowa.