

ECONOMIC DEVELOPMENT PROGRAM

I. PURPOSE

- a.** The City strives to maintain a superior quality of life for its citizens, enhance the community's resources, attract new capital investment, broaden the City's tax base and insure economic stability for the City of Avoca.
- b.** The City of Avoca is faced with the challenges of a lack of growth, a depressed marketplace, and conditions generally requiring urban renewal efforts.
- c.** It will be necessary for the City of Avoca to provide additional financial support to make it economically feasible to recruit, grow and expand industry and business for the community.
- d.** The Economic Development Program will utilize the authority granted the City by Chapter 15A of the Code of Iowa to promote businesses, retain and create employment for the community and to achieve the goals of the Comprehensive Plan and other official development policies.
- e.** In order to stay current with local code and Iowa or Federal statutes, the City of Avoca retains the right to amend the Economic Development Program. Amendments can only be made by a majority vote of the City Council.

II. TYPES OF ASSISTANCE AND PROGRAM ACTIVITIES

- a.** This Economic Development Program provides that monies may be used to fund any qualifying project. Types of assistance and activities under this program shall include:
 - i.** Incentives for existing qualified business and industry investment, job creation, and retention.
 - ii.** Direct grants to qualifying business or industry.
 - iii.** Direct grants for the historical preservation and re-use of significant existing structures.
 - iv.** Grants for public works and improvements essential to the location of qualified projects.
 - v.** Grants for job training.
 - vi.** Use of eminent domain as allowed by law.
 - vii.** Purchase of real estate, or extension of such options.
 - viii.** Payment for salaries or support of City staff to implement the Urban Renewal Plan.

III. PROJECT ELIGIBILITY

- a. A qualifying business or industry shall mean any corporation, partnership, or sole proprietorship, principally engaged in any of the following:
 - i. Corporate headquarters facilities.
 - ii. Manufacturing or industrial operations, unless the environmental impact of such is adversarial to the City's quality of life.
 - iii. Research and development.
 - iv. Value-added agricultural operations.
 - v. Sales and services supporting agricultural.
 - vi. Processing, storage, transport, or sale of goods or commodities, which are sold or traded in interstate commerce.
 - vii. Sale of services in interstate commerce.
 - viii. Cultural, recreational, entertainment and tourism-related activities.
 - ix. Businesses located in the Elm Street downtown area and meeting the goals of the downtown development plan.
 - x. Multiple family housing projects consisting of four (4) or more units
 - xi. Any business which creates or retains 10 or more Full Time Equivalent (FTE) positions in City of Avoca that pay 100% or more of the average wage for Pottawattamie County.
 - xii. Any business or industry which would fulfill the goals of the Comprehensive Plan or other development policies.

- b. An ineligible business or industry shall mean any corporation, partnership, or sole proprietorship, principally engaged in any of the following:
 - i. Mobile home sales
 - ii. Check cashing services
 - iii. Auto title loan services
 - iv. Restaurants with drive-thru services, except when included in a mixed use development
 - v. Private clubs
 - vi. Salvage yards
 - vii. Sanitary landfills
 - viii. Adult entertainment or sex industry businesses
 - ix. Parking lot facilities
 - x. Telecommunications towers
 - xi. Gas stations
 - xii. Any non-profit or tax exempt operations, unless such projects satisfy the job creation criteria.
 - xiii. Public owned facilities

IV. PROJECT REVIEW COMMITTEE

- a.** Each application will be evaluated on a case-by-case basis by the Project Review Committee.
- b.** The Project Review Committee will be the Community Development Committee of the City Council. The Project Review Committee will recommend to the City Council any of the following:
 - i.** Approve the project upon positive verification of applicant's information.
 - ii.** Disapprove the project.
 - iii.** Revise and resubmit project for future consideration.
- c.** The City Council may accept and follow the recommendation of the Project Review Committee.
- d.** The Project Review Committee will be responsible for development of procedures to insure the confidentiality of business information received from applicants for financial assistance. These will include a restriction on the number of people with access to the files with the responsibility for their safe keeping and requiring personnel involved in the Program review to sign statements of confidentiality regarding all personal and private submission of applicants.
- e.** To be considered for direct financial assistance under the Economic Development Program an applicant must provide the following:
 - i.** A detailed description of the proposed development/project.
 - ii.** A business plan or development/project pro-forma.
 - iii.** A completed Economic Development Program Application for financial assistance.
 - iv.** Additional information, as necessary to determine the economic viability of all proposed project(s), may be requested by the Project Review Committee.
- f.** The Project Review Committee will review applications and requests for direct financial assistance in the order in which they are received. Applications received by the Project Review Committee will be reviewed based on project feasibility as determined by review of the applicant's plan and other requested information, and the potential future economic benefit to the community of City of Avoca. Projects will be awarded assistance based on the availability of funds.
- g.** The Project Review Committee will make recommendations to the City Council, to determine the following:
 - i.** The amount of financial assistance that will be provided to any single qualifying business.

- ii.** The criteria and procedures that will be used to determine the necessary appropriations of permitting a qualifying business to participate in the Economic Development Program.
 - iii.** The criteria for determining the time within which a qualifying business must meet the goals set for it under its participation agreement.
- h.** The Project Review Committee will be responsible for verification of information in the applications. The City Council, based on the Project Review Committee's recommendation, has final say throughout the application process. A sample application form for prospective projects is attached hereto.

V. TIF AND DEVELOPMENT AGREEMENTS

- a.** The City will negotiate development agreements with each grantee to ensure that the each development meets the goals of the Comprehensive Plan, Urban Renewal Plan, and other official policies. Development agreements will describe the obligations of the City and the grantee under the terms of the grant. Typical terms of the development agreement will include minimum assessment agreements and minimum development standards.
- b.** The entire incorporated area of the City of Avoca is eligible for assistance through Tax Increment Financing (TIF).
- c.** The City will remain willing to assisting development and redevelopment projects, consistent with the goals of the Comprehensive Plan, utilizing Urban Renewal and TIF. The entire incorporated area of the City of Avoca is eligible for assistance through Tax Increment Financing.
- d.** As a matter of policy, grants for new commercial projects will not leverage T.I.F. beyond the capacity of the incremental value created by a project to fully fund any debt associated with a project. Grants for projects in the existing downtown may leverage T.I.F. beyond capacity of the incremental value of projects if sufficient increment is available from the wider existing district. Prior to committing any City funds to a T.I.F. project, staff will conduct an analysis of the ability of projected tax revenue to pay for any debt related to a project.

Exhibit A

**CITY OF AVOCA
ECONOMIC DEVELOPMENT PROGRAM
GENERAL APPLICATION**

BUSINESS NAME: _____ TAX ID#: _____
BUSINESS REPRESENTATIVE: _____ SOC. SEC. #: _____
BUSINESS MAILING ADDRESS: _____ PHONE: _____
BUSINESS SITE/PHYSICAL LOCATION: _____

_____ NEW BUSINESS _____ EXISTING BUSINESS (years in operation _____)

AMOUNT OF FUNDING REQUEST: _____

COMMUNITY/ECONOMIC IMPACT (#of local employees, community need, etc.): _____

ALL FUNDING SOURCES AND AMOUNT

REFERENCES (Please include name, address, and phone number):

Financial Institution _____ Acct # _____
Previous Employer _____
Personal/Character _____

PLEASE ATTACH THE FOLLOWING INFORMATION:

- **Detailed description of development/project, including any preliminary site plans or drawings for the development/project.
- **Pro-Forma for Development/Project
- **Signed Authorization for Credit History and Criminal Background Info.

Please return this application to the following address:

Clint Fichter, City Manager
City of Avoca
201 N Elm Street
Avoca, Iowa 51521
712-307-6414 phone
712-343-4304 fax