

# City of Bancroft Urban Renewal/ TIF Policy

In July 2002, the City of Bancroft adopted an Urban Renewal Plan for the Bancroft Urban Renewal Area. The primary goal of this plan is to stimulate, through public involvement and commitment, private investment in revitalization and new development within the Urban Renewal District.

As a means to achieve this objective, Bancroft (the City) intends to undertake Urban Renewal activities, pursuant to powers granted to it under Chapter 403 and 15A of the Code of Iowa, as amended. To foster economic development activities within the Urban Renewal Area, the City may assist in infrastructure development. It may also offer property tax rebates, low interest loans, grants, or other types of assistance as determined by the City Council using Tax Increment Financing.

It is the policy of the City to consider the use of Tax Increment Financing (TIF) under section 403.2(3) of the Iowa Code as an economic development tool for those projects which demonstrate a substantial and significant public benefit. The fundamental principle behind using public funds under TIF for Economic Development is to encourage development that would otherwise not occur. Public assistance for commercial or industrial development under Urban Renewal should serve as the tipping point between making a project feasible or not feasible.

The City of Bancroft encourages any developer seeking assistance to submit an application. While any project may be submitted to the City for consideration, development that leads to new well paying jobs, retains existing jobs, eliminates blight, strengthens the economic base of the city, increases property values and tax revenues, creates economic stability, and stabilizes and upgrades existing neighborhoods and areas are favored. Eligibility for assistance through TIF is project specific. No urban renewal agreement can exceed the life of the TIF District. In addition, all projects should comply with the City of Bancroft Comprehensive Development Plan.

To receive public assistance, a completed application with requested supporting documentation must be submitted to the city Administrator and a signed Developmental Agreement must be approved by the city council *prior* to the start of the project. The application and supporting materials will be basis for determining assistance and the creation of the Development Agreement. Unless otherwise specified, all administrative and legal expenses will be the responsibility of the applicant.

Applicants may be asked to demonstrate, through a business plan, proof of financing, or other appropriate documentation, that the project is viable however, is not feasible and would not otherwise be completed without public assistance.

To be eligible for TIF, the project should result in an increase in taxable valuation of at least 20%.

Preference will be given to applicants who contribute significant equity to the project.

Projects that create jobs and wages that exceed the median income level for Kossuth County at the time application is made are favored.

Projects involving retail development that is targeted to encourage an inflow of customers from outside the city, that result in exported goods, or that provide services or fill retail markets that are currently unavailable or underserved in the City are viewed more favorably.

## **Procedures to Request Public Assistance under Urban Renewal**

1. Prospective developer submits application for Urban Renewal assistance and supporting documentation. The city will not proceed with a decision before a complete application with all requested supporting documentation has been submitted.
2. City Administrator or other designated official will contact the developer to discuss the proposal within 10 days.
3. Within 30 days of submitting a complete application, the City will offer a formal response to the proposal. This will include offers of assistance and terms of a potential development agreement.
4. Once agreement has been reached on terms, a Development Agreement will be drawn up and a Public Hearing scheduled. Following the Public Hearing, the City Council will consider and vote on the Development Agreement.
5. Once the agreement is signed by all parties involved, it is considered approved and in force.