

Floyd County Board of Supervisors Meeting  
July 9, 2018, 9:00 AM

UNAPPROVED MINUTES

The Floyd County Board of Supervisors met in the Board Room of the Floyd County Courthouse with the following in attendance: Supv Linda Tjaden, Supv Doug Kamm, and Supv Mark Kuhn.

Kamm/Kuhn moved to approve the agenda as presented. Motion carried 3-0.

Public comment: None

Updates on various boards/commissions/activities: Supv Tjaden attended a Department Head meeting.

The Board will review claims individually after the meeting.

Tim Fox, Area Development Corp Executive Director, Connie Parson, ADC board site selection committee representative, and Steve Diers, Charles City- City Administrator, presented information on the SW Bypass TIF site certification, land acquisition, amendment to Urban Renewal Plans, suggestions for a development agreement, and bonding for the project. A site selection committee, made up of several members of the ADC Board, narrowed 11 parcels within a 5-mile radius having potential for a new industrial development site to one parcel owned by Steve Swartzrock. The plan is to complete a 2-year certification with the Iowa Economic Development Authority on the proposed 75-acres, providing a shovel ready site, ready for a developer to build on the property within six months following certification. Water, sewer and fiber infrastructure are close to the proposed site. A natural gas pipeline divides the 75 acre parcel limiting development to this area to parking lot. In the existing SW Bypass area there are three lots on the east side and one on the corner of Grove Ave, each having certain issues and otherwise not eligible for a minimum 50-acre IEDA certification. The S Grand Urban Renewal Area does not have enough value to generate property tax revenue from the increment to cover debt. The SW Bypass and S Grand urban renewal plans would need to be amended to remove the area out of S Grand into SW Bypass, leaving the amended portion of the SW Bypass limited to 20-years of tax incremental financing (TIF). Current TIF revenue in SW Bypass has Valero's rebate ending in one year and Mitas's rebate ending in the next year. The cost to fund the land acquisition is \$2,156 million. Parson waives real estate services for ADC projects. Per Diers, the City of Charles City has approximately \$9.5 million and have a likely fiber project coming up and would be interested in the county using its bonding capacity for this land acquisition project.

Supv Kuhn has four issues to be addressed: 1) If the County is bonding for the land acquisition, a fair market value should be determined and done so by an appraisal conducted by a certified land appraisal, paid for by the ADC since ADC would like to hold the deed holder of the property. Parson explained the process of comparing land values and sales to determine the value of this site for industrial property with infrastructure versus ag land value prices. A list of developed sites throughout the state and their asking prices for developers. Kuhn commented that this is a good list but the initial purchase price is one thing, there will be additional expenses above the purchase price before you have a developer to sell property to. 2) There are two methods of financing. One being to levy debt against the existing increment which comes at a higher rate of interest because it is less secure debt and it doesn't allow for any input other than a public hearing from the citizens. The second option is through general obligation bonds by the county where the citizens would have the opportunity to petition for a reverse referendum on a ballot but interest rates would be lower. 3) A development agreement should be written to have cash rent and any land sale proceeds applied toward the debt. Fox mentioned that possibly cash rent less property taxes but Kuhn is more interested in the debt being paid first. Kuhn also suggested adding two more members appointed by the Board of Supervisors be added the Area Development Corporation Board. There are 19 members currently on the ADC Board of which the County appoints four and the cities appoints one and other representatives are businesses. 4) In regard to the perpetual nature of the original SW Bypass urban renewal area, Kuhn would like to see a cap put on amount levied on the increment. Schools do not have a seat at the table regarding these issues but are affected. Rebate agreements have worked work well. Our TIF projects have been successful and jobs created have benefit the housing market.

Auditor Carr inquired if Swartzrock would be interested in working with ADC to certify the 75-acre property with Swartzrock retaining ownership of the property only covered with extending the current options to purchase to match the state's 5-year certification period and extended if needed. Carr's concern is the 20-year clock starts once debt is incurred on the land acquisition at a prime price and may never have an

industrial/commercial developer or have an interested developer near the end of the 20-year TIF and have limited opportunities to incent the developer.

Additional discussion and considerations include the county, cities and schools have other essential government purposes equally as important as economic development, the Iowa legislature was close to passing a bill last year that reduced or eliminated the backfill for the commercial property tax credit, the state of Iowa is working with a revenue issue with de-appropriating money last year, factors of the productivity formula is lowering farm land values, soybean rates are the lowest in nine years, tariffs will affect farmers and manufacturing. Parson and Fox will be meeting with the City Council this evening and then the next step will be for the SW TIF Board to make a recommendation to the City and the County.

Fox informed the Board of the low bid from Maxfield Research and Consulting in response to a request for proposal to prepare a comprehensive housing needs assessment for Floyd County at a cost of \$25,000 for the assessment plus estimated travel and copies. The other bid was for \$46,700.

The Board discussed revisions to the Floyd County Employee and County Owned Vehicle Policy. This proposed draft moves the county owned vehicles to the Davico lot and opens the upper west lot to employees on a first come, first serve basis. It was suggested that signage be removed.

The Board noted the resignation of Sadie Kellogg effective July 5 and the hiring of Diania Rankin effective July 9, both Public Health/Home Health Care Aides.

Future agenda items: nothing discussed.

Kamm/Kuhn moved to adjourn. Motion carried 3-0.

ATTEST: \_\_\_\_\_

Gloria A. Carr  
Floyd County Auditor

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Linda Tjaden, Chair  
Floyd County Board of Supervisors