

LOCAL GOVERNMENT FINANCING OPTIONS FOR ECONOMIC DEVELOPMENT

SMART CONFERENCE – MAY 6, 2010

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I. Constitutional and Statutory Basis for Local Government Role in Economic Development – Chapter 15A

II. Property Tax Tools for Economic Development

A. Property Tax Abatement

1. Chapter 404 Urban Revitalization Tax Abatement
2. Chapter 427B Industrial/Warehousing Tax Abatement
3. Section 427.1(27) Speculative Shell Buildings
4. Chapter 15E – Enterprise Zones (10 years)
5. Section 15.332 – High Quality Job Creation Act (20 years)
6. Chapter 368 – Annexation – Phase-in of City tax levy

B. Tax Increment Financing – Chapter 403

1. Traditional City TIF to relieve blighted conditions
2. Economic Development designations: TIF Rebate Agreements
3. Special circumstances in use of TIF:
 - a) County use of TIF from wind farms to fund county roads
 - b) Public/private ownership
 - c) County/City cooperative urban renewal/TIF

III. Financing Infrastructure to Serve Private Development

- A. Streets: General Obligation, Special Assessment, Road Use Tax Revenues
- B. Utilities: General Obligation, Special Assessment, Utility Revenues
- C. Use of Local Option Sales Tax Revenues

IV. Possible Future Legislative Action to Restrict TIF