



Economic Development Policy

Adopted on: 9/21/17



Table of Contents

Economic Development Policy	1-4
TIF Policy Strategy Statement	5-8
Urban Renewal Areas Map (all areas)	9
29 th Avenue Urban Renewal Area Map	10
29 th Avenue Urban Renewal Area Guidelines	11-12
Highway 13 Urban Renewal Area Map	13
Highway 13 Urban Renewal Area Guidelines	14-15
Highway 13 North Urban Renewal Area Map	16
Highway 13 North Urban Renewal Area Guidelines	17-18
Central Corridor Urban Renewal Area Map	19
Central Corridor Urban Renewal Area Guidelines	20-23
Collins Road Extension Urban Renewal Area Map	24
Collins Road Extension Urban Renewal Area Guidelines	25-27
Tower Terrace West Urban Renewal Area Map	28
Tower Terrace West Urban Renewal Area Guidelines	29-31
Winslow Road Urban Renewal Area Map	32
Winslow Road Urban Renewal Area Guidelines	33-35
Urban Revitalization Strategy Statement	36
Appendix A: TIF Application Form	37



City of Marion Economic Development Policy

It shall be the policy of the City of Marion to use the City Council Adopted Strategic Plan, Comprehensive Plan, Urban Renewal Plans, market sector studies, and area-specific development plans as the framework for ~~the~~ economic development activities. The Strategic Plan calls for specific support of the following economic development activities, accomplished by specific related action steps as follows:

- Redevelop the Central Corridor into a Vibrant City Center
 - Complete the next phase of the Central Corridor plan
 - Design Uptown portion of Central Corridor project
 - Develop a parking plan for Central Corridor
 - “Freshen-up” Uptown Marion
 - Enhance gateway/entryway beautification features/signage
 - Enhance facilities for recreation (city square park)
 - Move forward with Library expansion project
 - Expand the trail system
- Improve Transportation System, Including Comprehensive Trail System
 - Continue to move forward with Tower Terrace Road and Construct Major Transportation Corridors
 - Expand the trail system
 - Invest in the Marion Airport
 - Improve Connectivity of Major Streets (Alburnett Road, Echo Hill, 44th Street, 35th Avenue)
- Lead Planned Growth
 - Enhance facilities for recreation (pools, gyms, library, performing arts center, etc.)
 - Move Forward with Prospect Meadows
 - Move Forward with Community Recreation Center (Functions & Fitness project)
 - Complete branding project
- Become Zero Waste and Energy Independent
 - Convert Public Service Fleet to Compressed Natural Gas (CNG)
 - Begin Eco Industrial Park Project
 - Investigate Alternative Energies (ex. solar, wind)

The City also provides support to area organizations that help to incubate, foster and grow



business operations by providing non-traditional collaborative environments.

The expected result of these activities are: increased economic activity, more jobs, lower unemployment, higher wages, greater property values, more tax revenues, more ownership and entrepreneurial opportunities and revitalization of underutilized or blighted areas.

The City will consider the use of financial incentive programs including City, State and Federal economic development funds, tax increment financing, public private partnerships and other tools in order to achieve the expected results.

It will be the policy of the City of Marion to endeavor to assist Marion-based businesses with expansion and to attract, recruit, retain, foster and develop business that is new to our region or metropolitan statistical area (MSA) through the use of incentives. The City will not actively recruit business from other jurisdictions within our MSA unless a business is seeking to expand or a business is considering relocation outside the regional laborshed or the state. Should businesses from jurisdictions within our MSA wish to locate in Marion we will notify our neighboring jurisdiction of the interest per the terms of adopted Fair Play Agreements and Resolutions. It will be the general practice of the City of Marion to not provide economic incentives to businesses wishing to relocate from another jurisdiction within our MSA unless said business is seeking to expand or considering a relocation outside the regional laborshed or the state.

Projects requesting City financial assistance will be subject to a financial analysis which determines if City financial assistance is necessary. The analysis will examine all financing sources for a project and the project costs, with scrutiny of the developer's return based largely on developer equity and the maximization of project debt. Analysis will focus specifically on cash on cash rate of return and debt coverage requirements for the private financing. This process allows consideration of public financing that fills a gap and precludes undue enrichment to the developer. Special consideration may be given to projects where the City is competing outside our MSA for businesses, projects supporting development plans for a specific geographic area, and businesses identified by the Council as high quality jobs.

The use of TIF (tax increment financing) rebates shall be considered highly preferable to the alternative, "cash upfront" TIF. Cash-based incentives shall be considered only as a last resort if the financial analysis dictates that it is needed to make the project succeed and if it meets the goals of the Council's adopted plans for a TIF area. This type of assistance shall only be utilized



Economic Development Financing Policy

for projects that exceed \$2.75m in capital investment, unless this provision is waived by the City Council. This shall be considered the minimum threshold necessary to provide enough annual increment to justify the city seeking out financing means to provide a cash incentive. Additionally, cash incentives may only be awarded in the following order of preference:

- Direct loan repayable to the City of Marion as a residual receipts loan with full repayment by the developer at such time as sufficient equity exists in the project for the developer to refinance and repay the City in full;
- Direct loan repayable to the City of Marion as an interest-only loan with a balloon with full repayment by the developer at such time as sufficient equity exists in the project for the developer to refinance and repay the City in full;
- Forgivable loan based on achievement of milestones by the developer;
- Economic development incentive grant (only available if required by a companion source of public funding for a project, such as assistance provided through the State of Iowa).

All projects shall be expected to create minimum increases in taxable value to be eligible for assistance. Projects in the Uptown Main Street District and in the Central Corridor Urban Renewal Area must increase the value of a property by at least \$250,000, unless the use of the incentive is for specific purposes outlined elsewhere in this policy (ex. Safety improvements). Projects in all other districts must increase the assessed value of a property by at least \$500,000, with the additional requirement that speculative development must increase the value by \$750,000.

Evaluative tools expected to be submitted shall include a financial pro-forma highlighting the developer equity contribution, cash on cash rate of return, and the relationship between expected project cash flow and the debt coverage ratio required by the private lender for the project. Verification of the debt coverage ratio and lending terms required by the private lender shall be required. Based on the initial analysis, the city reserves the right to request other written evaluation reports, established benefit metrics, and other performance tools as may be used to evaluate the use of economic incentives from the early stages of project development through the issuance of an incentive and post incentive to make sure the objectives are met.

Developers who receive incentives will be required to enter into development agreements which delineate the terms, conditions, understandings, expected results and the performance



Economic Development Financing Policy

measures required for receiving incentives. For up front financing security is required.

When incentive programs are used, they will be used to maximize the benefits to the City of Marion. The dollar amount and time duration of the incentive shall be the smallest amount necessary to achieve the maximum amount of city benefit as determined by the City.

In return for public financial assistance, developers will be expected to meet all or some of the following minimum standards (not in priority order):

- Achieve high quality architectural and site design
- Offer energy efficiency and sustainability features beyond what is required through adopted building codes
- If a residential project, the contribution to an affordable housing fund or the provision of a certain percent of affordable housing units within the project that fill a need identified by the City
- Creation and/or retention of high quality jobs
- Developer equity (not including debt) to be equal to or greater than the public financing requested
- The redevelopment of underutilized and/or blighted properties
- Projects achieving public purposes as detailed in the Comprehensive Plan, Adopted Sub-area plans, Urban Renewal Area planning documents, market sector studies, and/or the City Council adopted Strategic Plan (or other plans as applicable).

Despite the need for the program to be flexible in order to respond to the ever changing economic conditions of the marketplace, it will be the policy of the City to ensure that the underwriting of incentives is an open and transparent public process which instills confidence in the public's understanding of how economic development incentives are utilized.

See also companion documents:

- City of Marion Strategic Plan
- City of Marion Comprehensive Plan
- City of Marion Central Corridor Plan
- City of Marion Uptown Plan
- Neighborhood at Indian Creek Development Plan
- Marion Enterprise Center Zoning Ordinance
- Urban Renewal Plans for the following Urban Renewal Areas: Winslow Road, Tower Terrace West, 29th Avenue, REC, Marion Commerce Corridor, and Secrist Road.
- Urban Renewal Strategy Plan



- City of Marion Hotel Market Analysis
- City of Marion Housing Market Study
- City of Marion Retail Analysis
- City of Marion Complete Streets Policy
- City of Marion Active Living Policy

City of Marion Tax Increment Financing Strategy Statement

The City of Marion has several different Urban Renewal Areas (URA's) that provide the opportunity for the City to use Tax Increment Financing (TIF). Each area was adopted with a particular focus to meet a specific need or set of needs in the community. This document outlines the intent of each district and sets the parameters for City-provided incentives in each URA. It is the intent of the Council that this be a basic guideline and act as a living document that changes as the needs of the community change over time.

Use of TIF requires a finding of Public Purpose for the use of City funds to support private development. By adopting this strategy statement, the Council is documenting that projects meeting the stated goals herein meet the Public Purpose test by achieving one or all of the following criteria: Addressing a public safety hazard; Expansion of the employer base; Expansion of the property tax base; Diversification of the property tax base; Diversification of Marion's employer base; Elimination of competitive barriers; Consistency with adopted plans for the URA; Meeting an identified community need; Remediation of brownfield areas; Meeting requirements for funding from other governmental entities; and specific purposes as the Council may outline for a particular project. Examples of the criteria may include, but are not limited to:

- Addressing a public safety hazard. Construction of public infrastructure to address a public safety need. Examples would include building a road to allow access to an area that has been cut off from emergency services during flooding events, building a road that will reduce the response time of emergency services, provision of a safe room in public buildings, installation of outdoor warning sirens, installation or replacement of bridges to provide access to emergency equipment.



- Projects in the Uptown Main Street Area and Central Corridor URA are not subject to the minimum value threshold (see page 2) to be eligible for incentives related to expenses in this category.
- For projects outside the Main Street district, these expenses are eligible for reimbursement only if the developer is exceeding applicable code requirements.
- Expansion of the employer base. Projects that expand the community employer base in general include recruitment of new businesses and expansion of existing local employers. Preference will be given to projects that provide full-time positions that meet or exceed the laborshed average wage and benefit package and those projects that fit an identified niche in the community (ex. Senior housing, low to moderate incoming housing as determined by a market analysis).
- Expansion of the property tax base. An expanded property tax base is key to keeping property taxes at a reasonable level for existing property owners. Examples would include projects that expand the commercial and industrial property tax base, including the support of municipal or nonprofit facilities that drive private investment. Residential projects may only be considered if there is a concrete, identified need in the community or consistency with a targeted development plan that is part of a mixed use development. Specific examples would include the extension of infrastructure into areas to create development opportunities, regional stormwater detention, airport development, and partnerships to develop industrial or commercial business parks.
- Diversification of the property tax base. Reducing the community's reliance on the residential property tax base is a key priority of the city. Projects include business construction or expansion projects, commercial and mixed use historic preservation/restoration projects, and infrastructure projects needed to ready areas for private investment.
- Diversification of Marion's employer base. Robust communities are not overly dependent on a limited number of large employers to provide job opportunities. A diverse business sector reduces risk to a community from sudden changes in the economy. Projects that do not duplicate the products or services offered by existing Marion employers will be given preference. Expansion of existing employers will be eligible as well.
- Elimination of competitive barriers. Competitive barriers include infrastructure that cannot support a particular business, such as upgrading intersections. Additional



competitive barriers include incentives available in other communities that preclude Marion from being able to compete for a project, such as lack of available zoned and developed land. Specific projects examples include the Marion Enterprise Center, Industrial Center East, and the Tower Terrace West corridor.

- Consistency with adopted plans for the URA. Each urban renewal area has a statement of purpose provided when it was created. Additionally, some areas, such as the 29th Avenue URA and Marion Commerce Corridor URA, have plans that were adopted outlining specific development plans and priorities in those areas. Examples include multi-story mixed use buildings in the Marion Commerce Corridor URA, commercial at the 29th/35th intersection in the 29th Avenue URA, and commercial development in the Tower Terrace West URA.
- Meeting identified community need. Projects that fill a specific gap in the market will be considered based on studies conducted by the City or provided by others. Examples include senior housing that qualifies for tax credits through the State of Iowa, a hotel, or business projects that meet a local need.
- Remediation of brownfield areas. Eliminating hazards posed by brownfields is a longstanding public purpose. Projects include privately led redevelopment ~~that creates new investment in an area~~ of underutilized or vacant parcels, ~~direct municipal~~ city expenses needed to correct environmental conditions, and public projects to eliminate future hazards via land use controls.
- Meeting requirements for funding from other governmental entities. State and federal requirements for local matching funds shall be considered a public purpose. This would include direct financial assistance, tax credits, or other state and federal funding programs.
- Acceleration of tax base. Assistance may be provided if it can be shown to accelerate the construction of facilities into an earlier year,. Acceleration may be applied in all identified districts.
- Highest and best use. Should public assistance result in a higher use of property than otherwise contemplated, the city may provide assistance. Highest and best use may be applied in all districts.
- Height bonus. In certain districts, the city may identify areas in which it is in the public interest to foster higher density through vertical construction. Development may qualify



for additional incentives if needed to maintain project feasibility with additional floors. This may only be applied in identified districts or subareas within identified districts.

- *Specific purpose for a particular project.* The council may adopt a public purpose statement for an individual project or category of projects if they do not meet any of the criteria in this policy.
- *Publicly Owned Facilities.* It shall be the policy of the city to voluntarily restrict the use of TIF revenues for public facilities to only those projects necessary to support development. Examples would include public parking (including structures) and public safety facilities where continued development of the community creates a need. Public attractions that are unique to the market may also be eligible (ex. public plaza, Prospect Meadows).
- *Compliance with Active Living Policy.* The City of Marion has adopted an Active Living Policy that incorporates the principles of biophilic design and other concepts fostering the goal of an active community. Incentives may be used to provide assistance to projects that exceed city code requirements based on these principles, or similar principles (ex. Well Building Standards).
- *Public Art.* The City of Marion has adopted a Master Arts Plan calling for the installation of public art. Recipients of financial incentives from the city shall be required to provide a cash payment to the City equal to one-half of one percent of their total building construction cost to be used for a future public art installation.
 - ~~*An installed art piece that is viewable by the general public as part of their overall site and/or building development plan with a value equal to at least half of one percent of their overall project cost (maximum of \$50,000); or*~~
 - ~~*The recipient may provide a cash payment to the City of Marion equal to one half of one percent to be used for a future public art installation (maximum of \$50,000).*~~

The selection of the art shall be made through the process established by the City of Marion Public Arts Committee to ensure coordination with the Master Arts Plan. These costs are eligible for consideration during the negotiation of the development agreement.

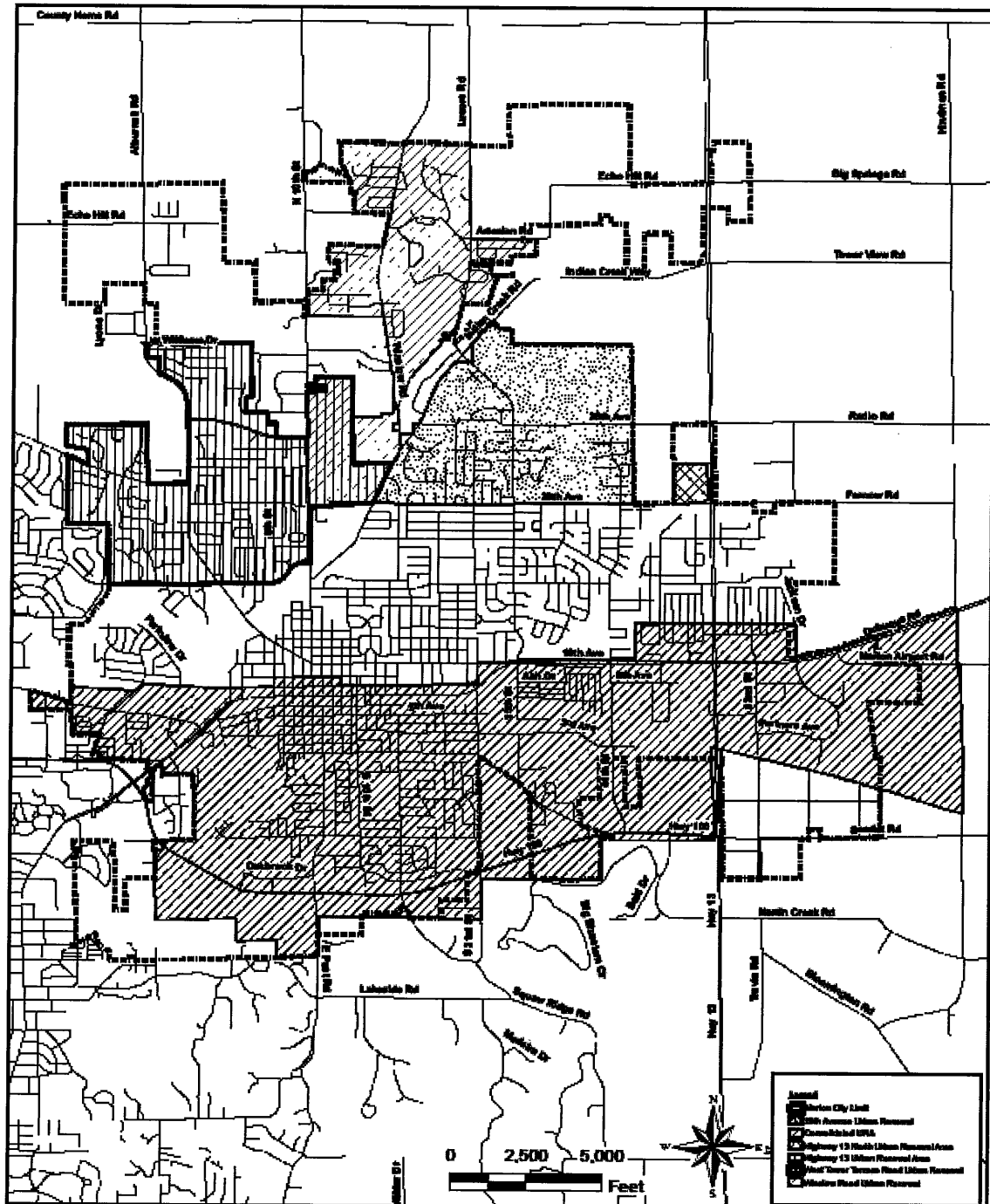
The following pages in this document outline the assistance parameters for each URA in the city, subject to the general provisions following this section. If future urban renewal areas are created, this document will be amended to include their information.



General Provisions:

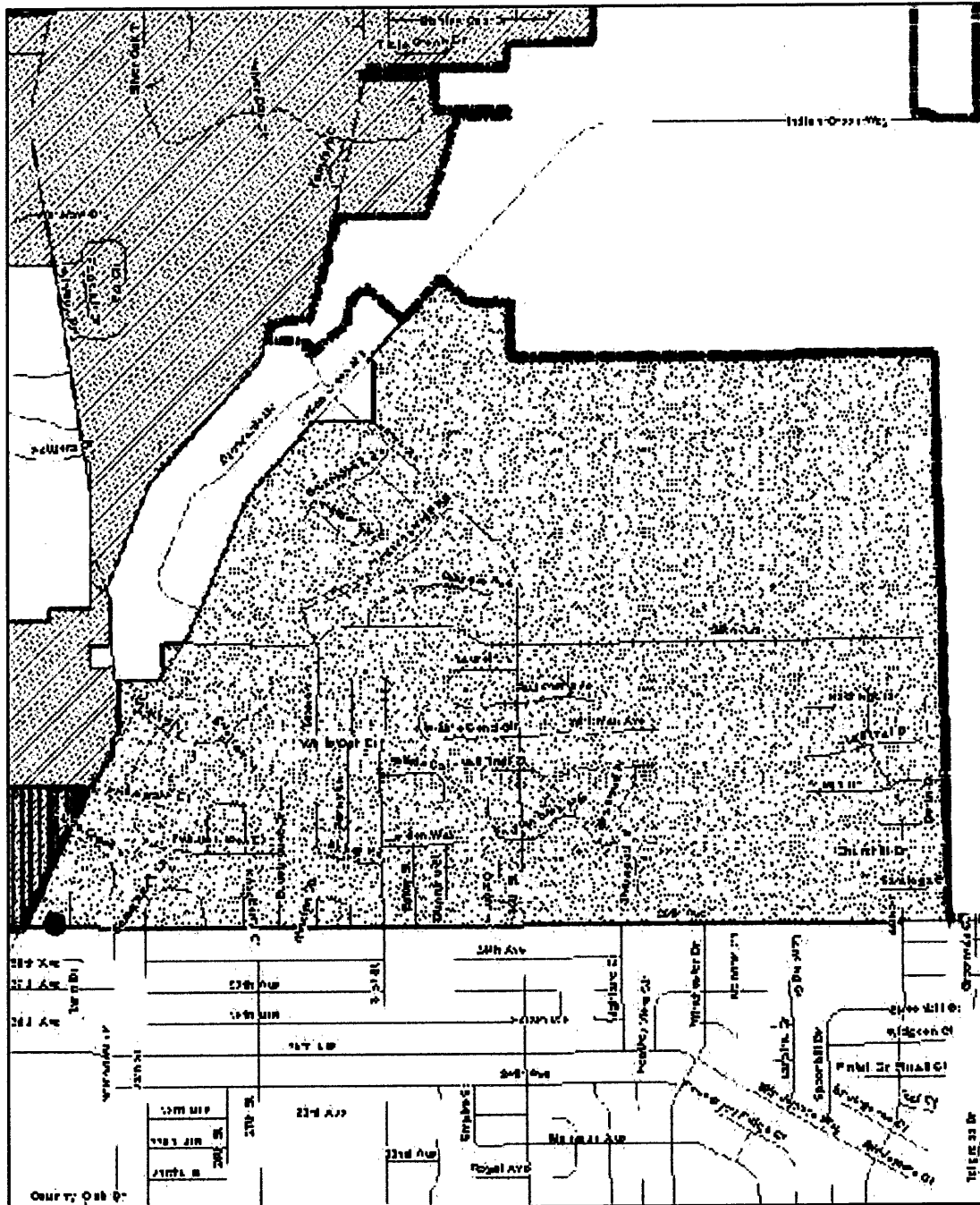
The following provisions apply to all urban renewal areas, with the exception of the ~~Marion Commerce Corridor~~ Central Corridor and Collins Road Extension districts. It shall be the policy of the City of Marion that there is no automatic qualifier for incentives. Each project shall be reviewed on its own merits and subject to a financial analysis to determine an appropriate incentive, if any. The City reserves the right to have the financial analysis conducted by a third party firm if warranted as determined solely by the City. In the case of projects qualifying under the “acceleration” criteria, the incentive amount is limited to the equivalent of a 3 year 100% or 5 year 50% rebate.

Marion TIF Districts





29th Avenue Urban Renewal Area



29th Avenue Urban Renewal Area
City of Marion

1" = 1,183 ft.

Legend
—



29th Avenue Urban Renewal Area

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

1. To stimulate through public action and commitment, private investment in new commercial, single-family and multi-family residential development.
2. To plan and provide sufficient land for new development in a manner that is efficient from the standpoint of providing municipal service.
3. To provide for installation and improvement of public works and facilities which contribute to the sound development of the entire City.
4. To increase the number of affordable residential units in the City that are safe, attractive and comfortable.
5. To provide a more marketable and attractive investment climate.
6. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

Specific actions allowable under the URP:

1. To undertake and carry out Urban Renewal Projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure including streets, water and sewer systems, public utilities or other facilities in connection with Urban Renewal Projects.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.
5. To borrow money and to provide security therefore.
6. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific Urban Renewal Projects.
7. To use tax increment financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
8. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Marion and the State of Iowa.



Specific Projects from the adopted Neighborhood at Indian Creek Development Plan:

1. Projects surrounding and supporting a large centrally located park
2. Neighborhood square
3. Mixed use projects
4. Small commercial center supporting neighborhood needs
5. Projects improving walkability in the district

Projects excluded from eligibility for TIF assistance would include:

1. Single Family Housing
2. Multi-family housing (unless necessary to qualify for other state or federal investment-ex. senior housing tax credits or meeting an identified community need)

Additional projects that would be of particular interest in this district would include infrastructure improvements related to public safety and the continued extension of the Tower Terrace corridor.

Other applicable plans: Comprehensive Plan, Strategic Plan

Employer Based Commercial Projects:

Employer Based Commercial Negotiable depending on level of investment for building, quality of jobs created, and amount of jobs created with a target equivalent to a 5 year 100% rebate

Mixed Use Projects:

Mixed Use Projects	Reviewable based on commercial value created (residential excluded)
--------------------	---

Other Criteria:

Height Bonus	Commercial properties and/or mixed use properties may be eligible for additional assistance if the density (and by extension
--------------	--

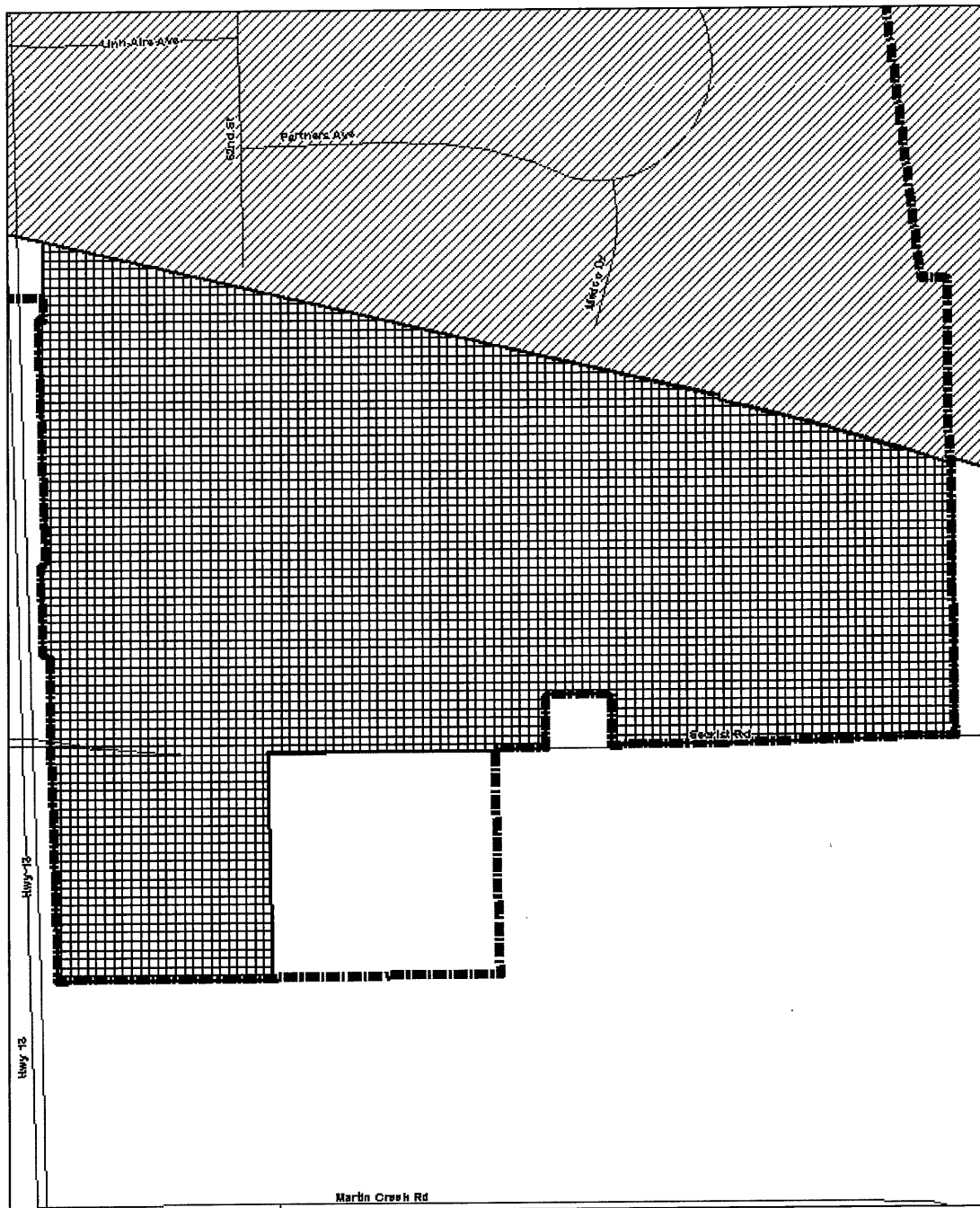


Economic Development Financing Policy

the tax base created) can be increased on individual parcels by constructing additional floors in identified subareas of the district.



Highway 13 Urban Renewal Area



1 inch = 736 feet

City of Marion

Legend
— Roads



Highway 13 Urban Renewal Area

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

1. To stimulate through public action and commitment, private investment in new commercial, industrial, and multi-family residential development Address incompatible land use issues through zoning ordinance amendments, creation of an overlay zoning district and using site design to alleviate adverse impacts.
2. To plan for and provide sufficient land for new development in a manner that is efficient from the standpoint of providing municipal services.
3. To provide for the installation of public works and facilities which contribute to the sound development of the entire City.
4. To increase the number of affordable residential units in the City that are safe, attractive and comfortable.
5. To provide a more marketable and attractive investment climate.
6. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

Specific actions allowable under the URP:

1. To undertake and carry out Urban Renewal Projects through the execution of contracts and other instruments.
2. Arrange for, or cause to be provided, the construction or repair of public infrastructure including streets, sidewalks, and public utilities in connection with development of the overall project area.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. Make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.



5. Borrow money and provide security therefore.
6. To make or have made surveys and plans necessary for the implementation of the Urban Renewal program or specific Urban Renewal projects.
7. To use tax increment financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
8. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Marion and the State of Iowa.

Additional projects that would be of particular interest in this district would include infrastructure improvements related to public safety and development of a robust north/south and east/west road network.

Other applicable plans: Comprehensive Plan, Strategic Plan, Airport Layout Plan, Land Use Plan (airport protection), Zoning Ordinance (airport protection), Marion Enterprise Center Planned Development Ordinance and Design Guidelines

Employer Based Commercial Projects

Employer Based Commercial Negotiable depending on level of investment for building, quality of jobs created, and amount of jobs created with a target equivalent to a 5 year 100% rebate

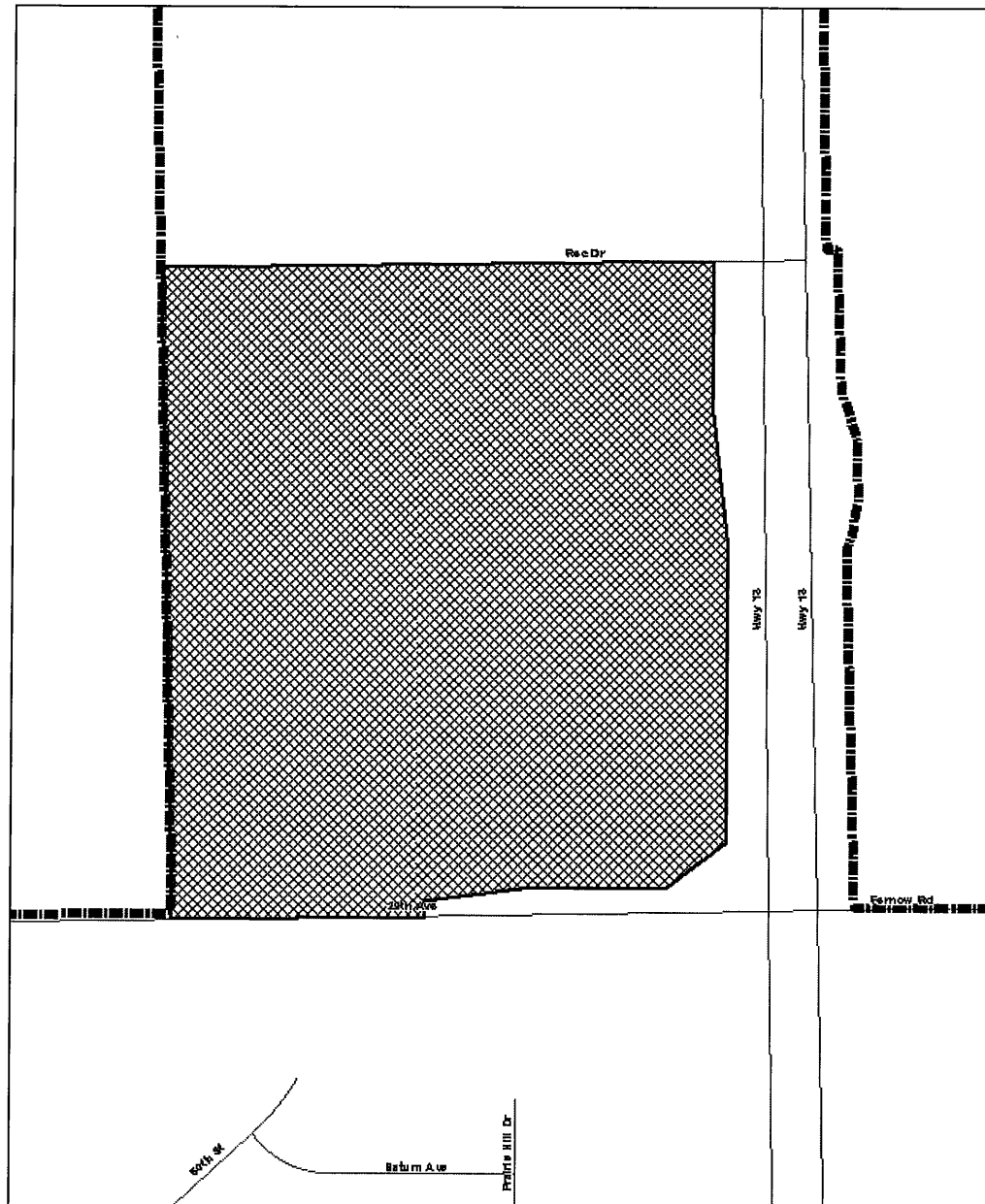
Mixed Use Projects

Mixed Use Projects Reviewable based on commercial value created (residential excluded)

Other Criteria

Height Bonus Commercial properties and/or mixed use properties may be eligible for additional assistance if the density (and by extension the tax base created) can be increased on individual parcels by constructing additional floors in identified subareas of the district.

Highway 13 North Urban Renewal Area



1 inch = 260 feet

City of Marion

Legend
—— **Flow line**



Highway 13 North Urban Renewal Area

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

1. To stimulate through public action and commitment, private investment in new commercial, industrial, and multi-family residential development.
2. To plan for and provide sufficient land for new development in a manner that is efficient from the standpoint of providing municipal services.
3. To provide for the installation of public works and facilities which contribute to the sound development of the entire City.
4. To increase the number of affordable residential units in the City that are safe, attractive and comfortable.
5. To provide a more marketable and attractive investment climate.
6. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

Specific actions allowable under the URP:

1. To undertake and carry out Urban Renewal Projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure including streets, water and sewer systems, public utilities or other facilities in connection with Urban Renewal Projects.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.
5. To borrow money and to provide security therefore.
6. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific Urban Renewal Projects.
7. To use tax increment financing to achieve a more marketable and competitive land



Economic Development Financing Policy

- offering price and to provide for necessary physical improvements and infrastructure.
8. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Marion and the State of Iowa.

Employer Based Commercial

Employer Based Commercial Negotiable depending on level of investment for building, quality of jobs created, and amount of jobs created with a target equivalent to a 5 year 100% rebate

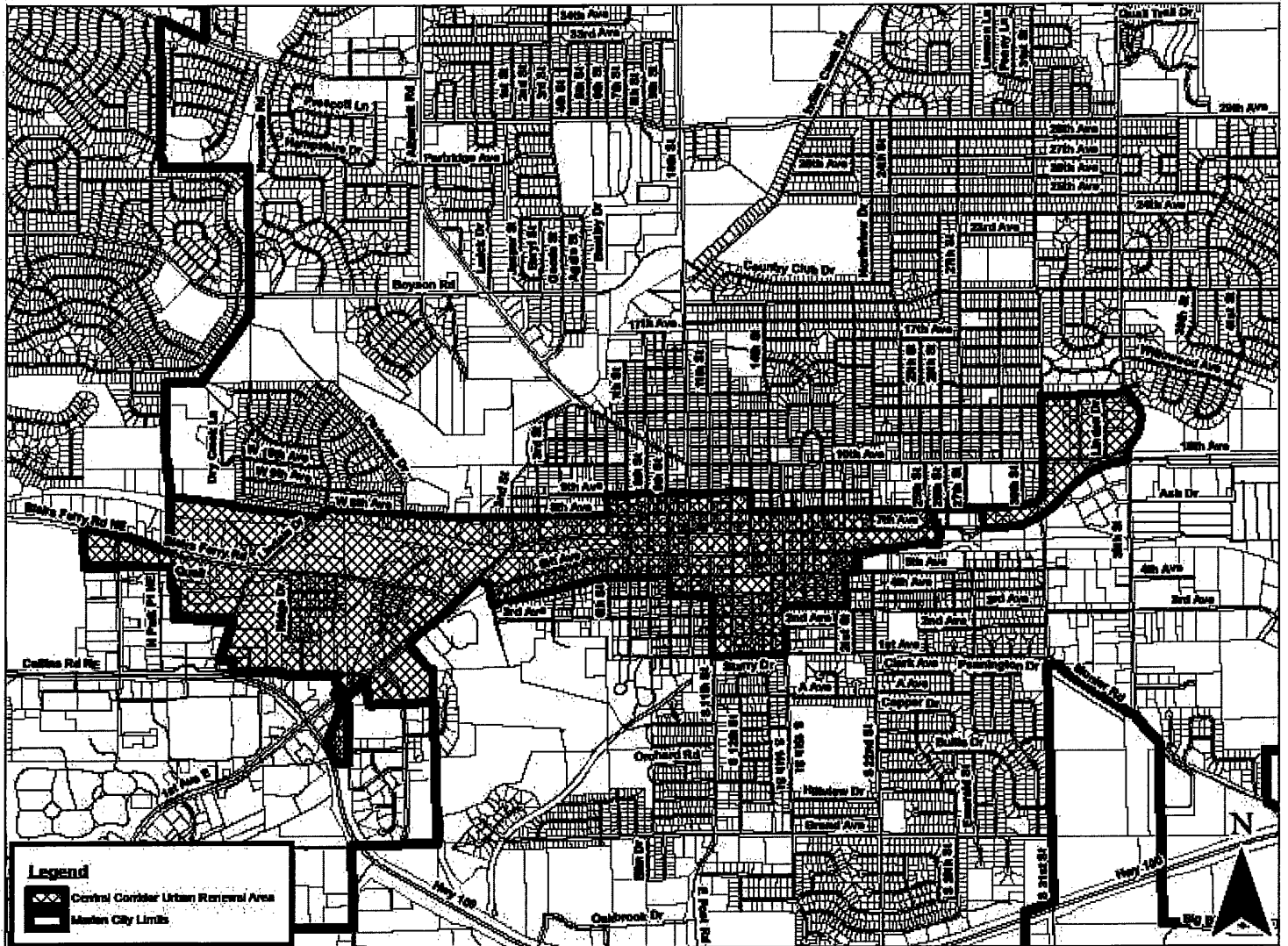
Mixed Use Projects

Mixed Use Projects Reviewable based on commercial value created (residential excluded)



Central Corridor Urban Renewal Area

Central Corridor Urban Renewal Area





Central Corridor Urban Renewal Area

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

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.
4. To provide municipal infrastructure, services and facilities that enhance possibilities for economic development and community attractiveness to private enterprise and alleviate the Blighted Conditions.
5. To undertake projects, both public and private, targeted at the alleviation of the Blighted Conditions.
6. To assist in providing land and resources for new and expanded affordable residential development for families of low and moderate income in a manner that is efficient from the standpoint of providing municipal services.
7. To stimulate through public action and commitment, private investment in affordable residential development for families of low and moderate income through the use of various federal, state and local incentives, including tax increment financing.



8. To provide public facilities to enhance City services and enhance the economic attractiveness of the community.
9. To alleviate conditions of slum and blight in the Urban Renewal Area.
10. To provide a more marketable and attractive investment climate.

Specific actions allowable under the URP:

The following types of activities are examples of the specific actions which may be undertaken by the City within the Urban Renewal Area (not an exhaustive list):

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.

Specific Projects from the Central Corridor Plan, Uptown Development Plan, and Branding Study:

1. Completion of traffic corridor and infrastructure improvements
2. Remediation of brownfield conditions
3. Projects improving walkability and access to all modes of transportation
4. Investments in public parking
5. Creation of a central plaza



6. Construction and/acquisition of a market pavilion
7. Lighting and signage enhancements
8. Public art
9. Identified “cornerstone” projects
10. Historic preservation
11. Mixed use projects
12. Housing projects that diversify housing types and stock in identified strategic areas
13. Projects that provide, upgrade, or enhance a buffer zone protecting the Pucker Street Historic District
14. Assembly of individual properties into larger parcels for redevelopment

Projects excluded from eligibility for TIF assistance would include (subject to the provisions in the base level assistance section):

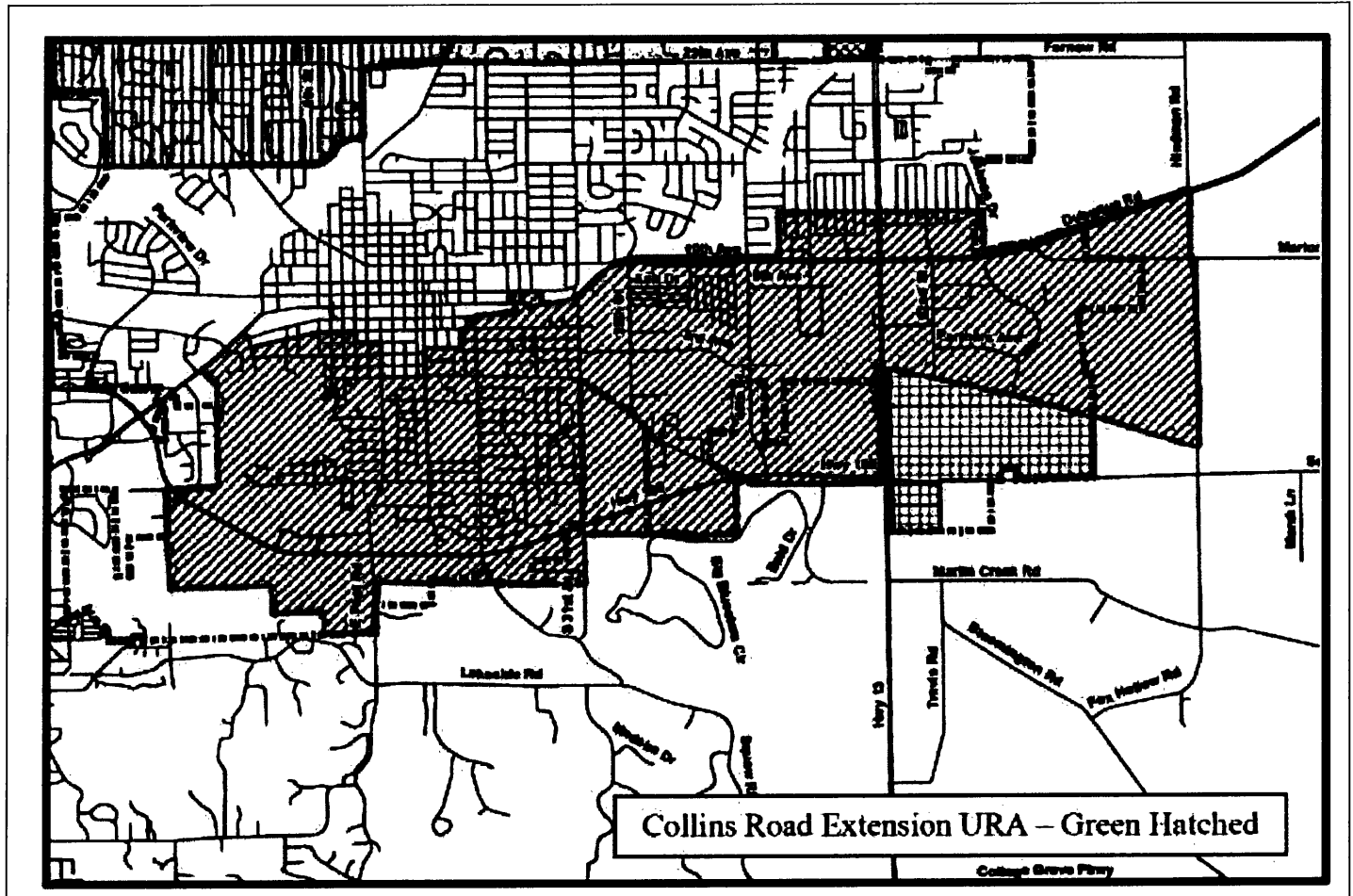
1. Single family housing
2. Projects that convert properties from residential to commercial tax base, unless accompanied by a 200% increase in taxable value and in an area identified as a protection zone for Pucker Street
3. Projects under 1 acre in size, unless in areas specifically identified in central corridor plan documents or exempted by the city council due to unusual site characteristics (ex: undeveloped commercial lot platted prior to stormwater management standards)

Base level assistance:

1. All Projects No base incentive, verified brownfield remediation projects eligible, historic preservation/restoration eligible, ADA upgrades eligible, modernization projects eligible (ex. adding elevator or sprinkler system)
2. Acceleration, Highest Use 3 years 100% or 5 years 50%
3. Height Bonus In targeted areas of district per adopted plans



Collins Road Extension Urban Renewal Area





Collins Road Extension Urban Renewal Area

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

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 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 development, and to encourage commercial and industrial job retention, growth and expansion through the use of various federal, state and local incentives.
4. To provide municipal infrastructure, services and facilities that enhance possibilities for economic development and community attractiveness to private enterprise. ~~enterprise and alleviate the Blighted Conditions~~
5. ~~To undertake projects, both public and private, targeted at the alleviation of the Blighted Conditions.~~
7. To assist in providing land and resources for new and expanded affordable residential development for families of low and moderate income in a manner that is efficient from the standpoint of providing municipal services.
8. To stimulate through public action and commitment, private investment in affordable residential development for families of low and moderate income through the use of various federal, state and local incentives, including tax increment financing.
9. To provide public facilities to enhance City services and enhance the economic attractiveness of the community.
10. ~~To alleviate conditions of slum and blight in the Urban Renewal Area.~~
11. To provide a more marketable and attractive investment climate.

Specific actions allowable under the URP:

1. Preparation of plans related to the development and implementation of the Urban Renewal Areas 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.



Economic Development Financing Policy

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 Areas.
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.

Specific Projects from the Central Corridor Plan, Comprehensive Plan, and Branding Study:

1. Completion of traffic corridor and infrastructure improvements
2. Remediation of brownfield conditions
3. Projects improving walkability and access to all modes of transportation
4. Lighting and signage enhancements
5. Public art
6. Mixed use projects
7. Housing projects that diversify housing types and stock in identified strategic areas
8. Assembly of individual properties into larger parcels for redevelopment

Projects excluded from eligibility for TIF assistance would include (subject to the provisions in the base level assistance section):

1. Single family housing
2. ~~Projects that convert properties from residential to commercial tax base, unless accompanied by a 200% increase in taxable value and in an area identified as a protection zone for Pucker Street~~
3. Projects under 1 acre in size, unless in areas specifically identified in ~~central corridor~~ plan documents or exempted by the city council due to unusual site characteristics (ex: undeveloped commercial lot platted prior to stormwater management standards)

Base level assistance:



Economic Development Financing Policy

All Projects	No base incentive, verified brownfield remediation projects eligible, ADA or safety projects eligible if in excess of code requirements, new to market projects eligible
Acceleration, Highest Use	3 years 100% or 5 years 50%
Height Bonus	In targeted areas of district per adopted plans



1 inch = 1,500 feet

City of Marion

Legend



Tower Terrace West Urban Renewal Area

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

1. Contribute to a diversified, well-balanced economy provided for revitalization and development of commercial, office, open space, and mixed-use facilities within the project area and the resulting creation and retention of job opportunities and strengthening the tax base.
2. Address incompatible land use issues through zoning ordinance amendments, creation of an overlay zoning district and using site design to alleviate adverse impacts.
3. Plan and provide for commercial, office, open space, and mixed-use development consistent with City land use and development policies and regulations.
4. Facilitate commercial, office, open space, and mixed-use development through the use of appropriate and available incentives including various federal, state and local sources.
5. Help develop a sound economic base that will serve as the foundation for future growth and development within the overall project area.
6. Improve pedestrian access, incorporate aesthetic improvements, and develop public areas and public improvements that enhance the quality of the business and living environment of the area.

Specific actions allowable under the URP:

1. Undertake and carry out urban renewal projects through the execution of contracts and other instruments. Such urban renewal activities may include property acquisition and clearance, relocation of businesses and tenants, construction of public improvements, and provide assistance for private and public facilities.
2. Arrange for, or cause to be provided, the construction or repair of public infrastructure including streets, sidewalks, and public utilities in connection with development of the overall project area.



3. Provide for the construction of specific site improvements including site grading and required utility relocations, to assist private development as deemed appropriate by the City Council, or to make grants or loans to developers for the costs thereof.
4. Make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council payable from appropriate revenue sources.
5. Borrow funds and provide security therefore.
6. Make, or have made, surveys and plans necessary for the implementation of the Urban Renewal program or specific Urban Renewal projects.
7. Use any or all other powers granted by Chapter 403 and Chapter 15A, Code of Iowa, to develop and provide for improved economic conditions for the City of Marion and State of Iowa; including forgivable loans and issuance of bonds.

Projects excluded from eligibility for TIF assistance would include:

1. Single Family Housing
2. Multi-family housing (unless necessary to qualify for other state or federal investment-ex. senior housing tax credits)

Additional projects that would be of particular interest in this district would include infrastructure improvements related to public safety and the continued extension of the Tower Terrace corridor.

Other applicable plans: Comprehensive Plan, Strategic Plan

Employer Based Commercial Projects:

Employer Based Commercial Negotiable depending on level of investment for building, quality of jobs created, and amount of jobs created with a target equivalent to a 5 year 100% rebate



Economic Development Financing Policy

Mixed Use Projects:

Mixed Use Projects

Reviewable based on commercial value created (residential excluded)

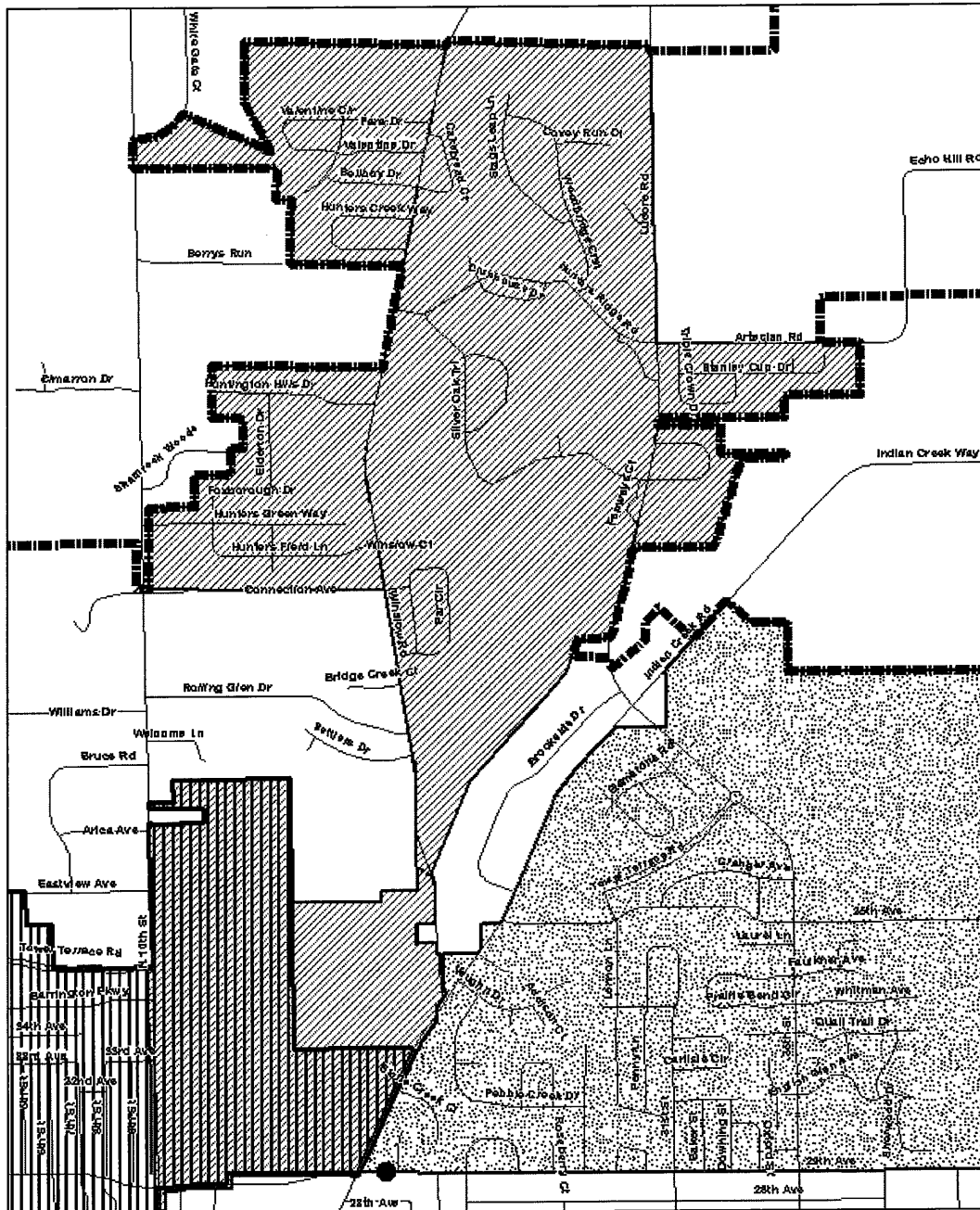
Other Criteria:

Height Bonus

Commercial properties and/or mixed use properties may be eligible for additional assistance if the density (and by extension the tax base created) can be increased on individual parcels by constructing additional floors in identified subareas of the district



Winslow Road Urban Renewal Area (Housing Based District)



1 inch = 1,351 feet

City of Marion

Legend
Housing Based District



Winslow Road Urban Renewal Area (Housing Based District)

Projects supporting the following objectives will be eligible for assistance under the TIF usage policy in this district. While not an exhaustive list, this section defines the types of projects the City Council has declared as priorities in this district.

Objectives defined in the Urban Renewal Plan:

1. To stimulate through public action and commitment, private investment in new commercial, single-family and multi-family residential development.
2. To plan and provide sufficient land for new development in a manner that is efficient from the standpoint of providing municipal service.
3. To provide for installation and improvement of public works and facilities which contribute to the sound development of the entire City.
4. To increase the number of affordable residential units in the City that are safe, attractive and comfortable.
5. To provide a more marketable and attractive investment climate.
6. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

Specific actions allowable under the URP:

1. To undertake and carry out Urban Renewal Projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure including streets, water and sewer systems, public utilities or other facilities in connection with Urban Renewal Projects.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.
5. To borrow money and to provide security therefor.



Economic Development Financing Policy

6. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific Urban Renewal Projects.
7. To use tax increment financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
8. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Marion and the State of Iowa.

Specific actions allowable under the URP for residential development:

Tax increment revenues may be used by the City to pay the cost of public improvements which are needed for residential development. If the City decides to utilize tax increment financing to support residential development in the district, then a percentage of the incremental revenues (or other revenues) generated by the project will be used to provide assistance to low-and-moderate income families. This assistance can be provided either in this district or in other areas of the City.

Unless a reduction is approved by the Iowa Department of Economic Development, the percent of incremental revenues used to provide low-and-moderate income assistance will be at least equal to the percentage of low-and-moderate income families living in Linn County. Low-and-moderate income families are those whose incomes do not exceed 80% of the median county income.

The type of assistance provided to low-and-moderate income housing, available anywhere within the City limits, may include but is not necessarily limited to:

1. Under appropriate circumstances, the construction of public improvements.
2. The construction of low-and-moderate income housing.
3. Owner/renter-occupied housing rehabilitation.
4. Grants, credits or other direct assistance to low-and-moderate income families.
5. Homeownership assistance.
6. Tenant-based rental assistance.
7. Downpayment assistance.
8. Mortgage interest buy-down assistance.

Projects excluded from eligibility for TIF assistance would include:



Economic Development Financing Policy

1. Direct Assistance to Market Rate Single Family Housing

Additional projects that would be of particular interest in this district would include infrastructure improvements related to public safety and development of a robust north/south and east/west road network.

Other applicable plans: Comprehensive Plan, Strategic Plan



City of Marion Urban Revitalization Strategy Statement

In addition to urban renewal (tax increment financing), the City of Marion has the legal authority to use urban revitalization (tax abatement) to support development and redevelopment efforts. Tax abatement differs in that the city has the authority to defer the collection of property taxes for a period of time, rather than collect taxes paid and use those funds for rebates or other activities. Under this strategy statement, the use of urban revitalization is governed by the same adopted plans and priorities outlined in this plan and supporting documents. However, the City of Marion will further restrict the use of urban revitalization to the support of multi-family housing that meets an identified housing need in the community. Such uses may include, but are not limited to:

1. Match for state or federal funding (ex. senior housing tax credits, workforce housing tax credits)
2. Providing incentives for incorporating active living principles into facility design
3. Assistance based on a determination of need

The application process will be the same as urban renewal. Incentives will be awarded based on the needs of each individual project and shall not exceed those authorized under the State of Iowa industrial tax exemption schedule (10 year step down at 10% per year or 5 year 100%) or an alternate schedule that provides equivalent benefit unless a greater amount is needed to qualify for state or federal assistance.

Mixed use housing projects are not eligible for urban revitalization assistance.



Appendix A: TIF Application Form