



ECONOMIC  
DEVELOPMENT  
INCENTIVE POLICY &  
APPLICATION  
Grimes, Iowa



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## General Policy Statements

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In the interest of both a desire to effectively create and communicate economic development policy and to advance and protect the public interest, a list of general policy statements and procedures has been prepared.

1. Upon receiving an application for financial assistance, the City of Grimes will determine if any public infrastructure is necessary in order to complete the project. If it is determined that public infrastructure is necessary, the costs associated with constructing said improvements will be paid for first with any increment generated off of the project.
2. Any increment remaining after the public improvement costs have been covered may be eligible for rebate.
3. In concept, projects which meet the identified threshold of \$1,000,000 of assessed value per acre generated shall be prioritized. Anticipated values will be vetted with the County Assessor.
4. Projects are encouraged to incorporate elements that are above and beyond the requirements within the underlying zoning district or overlay district.
5. All rebates or incentives shall be subject to approval of a development agreement. Generally speaking, all development agreements shall include the following conditions:
  - Agreements shall start upon the date that increment is generated upon the property.
  - Agreements shall include a defined maximum incentive
  - Agreements shall be subject to an annual appropriations clause
  - Agreements shall cause the beneficiary to certify annual tax payments by defined date
  - Agreements shall include a contribution from the applicant consistent with the costs associated with developing the agreements and proceedings
6. In the event that the City has previously provided a financial incentive or rebate to improve a property, the City may reduce the amount of any future financial assistance for subsequent improvements to the property or decline to provide any TIF assistance.
7. Applicants should submit the required documentation as early in the development review process as possible. An application received after the scheduling of a project on the Planning and Zoning Commission agenda will not be considered.
8. The City Council is in no way obligated to offer any stated or described incentive to any company, even if they meet or exceed any stated or identified requirements. In similar form, the City Council shall have the right to deviate from these provisions if found to be necessary.
9. The TIF rate used for the purpose of calculating the rebate excludes certain property tax revenues, and is subject to change annually.

## Procedures

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The City understands the importance of financial incentives, and as such, has defined a process that aims to ensure that applications are evaluated within a timely manner. The following describes the general process as to which applicants shall follow in order to have their requests evaluated.

1. Schedule meeting with the Grimes Chamber and Economic Development Corporation.
2. If the applicant has already submitted site development materials to the City, the Development Services Director shall be made aware of application for financial assistance.
3. Financial Assistance applications must be submitted to the Grimes Chamber and Economic Development Corporation office. Applications must be complete prior to the evaluation of the application.
4. Application and materials will be evaluated by staff to determine if minimum established criteria have been met.
5. If the application has been determined to meet the minimum established criteria, the request will be put before the City Council for initial discussion at the next available work session.
6. If the City Council finds the request to be acceptable for funding, direction will be given to staff to develop an agreement. Any conditions imposed by Council will be included in the drafted agreement.
7. Applicant is responsible for the legal fees associated with drafting the agreement. This is estimated to cost between \$7,000 and \$8,000. The applicant shall have the option of having these fees garnished from their first rebate payment.
8. Final agreement will be considered at the time of City Council approval of the site/development plan.

# Office Development Incentive Grimes, Iowa



The City of Grimes offers a Tax Increment Financing rebate to eligible individuals/entities for new taxable value added from office developments that meet certain minimum requirements.

## **Program Benefits**

The Tax Increment Financing Rebate shall be offered for up to a maximum of ten years, at the following schedule:

- Years One (1) through Six (6) - 100% Tax Increment Finance Rebate
- Year Seven (7) - 80% Tax Increment Finance Rebate
- Year Eight (8) - 60% Tax Increment Finance Rebate
- Year Nine (9) - 40% Tax Increment Finance Rebate

## **Minimum Requirements**

1. Incentives shall be for office uses only. Mixed use development which includes office and retail uses may be eligible if the predominant use is office (minimum 90% floor area)
2. Eligible projects must demonstrate an ability to achieve an assessed valuation of no less than one million dollars (\$1,000,000.00) per acre when fully constructed.
3. Incentives for multi-story development will be favored.
4. Incentives are only applicable to new construction, or substantial expansions/additions.
5. Redevelopment projects are eligible, if existing buildings within the development project are removed, and overhead utility service lines are buried or replaced.

## **Example**

A developer acquires a property for development. Upon the property exists a single-family house. The developer demolishes the house, and the land is valued at \$100,000. The developer proposed a 3-story, 50,000 square foot office building, with 5,000 square feet of ground floor retail. The County Assessor estimates the value of the development at \$12,500,000.

Therefore, the property has an incremental value of \$12,400,000. The TIF rebate will only be applied to the incremental value of \$12,400,000.

# Southern Heights Incentive Grimes, Iowa



The City of Grimes offers a Tax Increment Financing rebate to eligible individuals/entities for new taxable value added from flexible and industrial developments located within the geographic area identified below. The incentive area is delineated into two districts, Southern Heights 1 and Southern Heights 2.

## Program Benefits

The Southern Heights 1 District Tax Increment Financing Rebate shall be offered for up to a maximum of five years, at the following schedule:

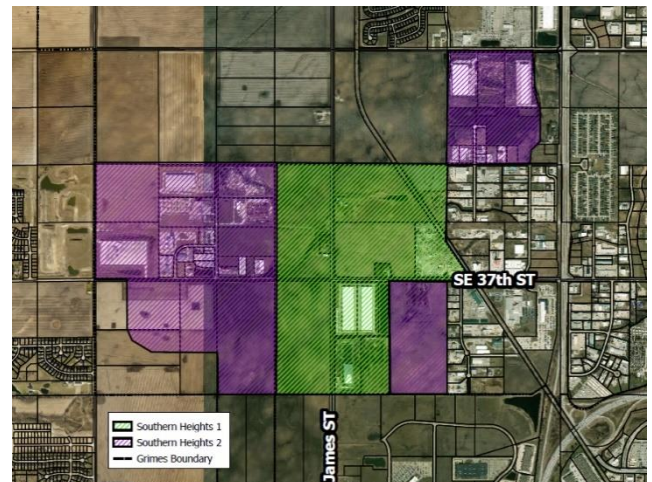
- Year One (1) - 85% Tax Increment Finance Rebate
- Year Two (2) - 75% Tax Increment Finance Rebate
- Year Three (3) - 60% Tax Increment Finance Rebate
- Year Four (4) - 45% Tax Increment Finance Rebate
- Year Five (5) - 30% Tax Increment Finance Rebate

The Southern Heights 2 District Tax Increment Financing Rebate shall be offered for up to a maximum of five years, at the following schedule:

- Year One (1) - 75% Tax Increment Finance Rebate
- Year Two (2) - 60% Tax Increment Finance Rebate
- Year Three (3) - 45% Tax Increment Finance Rebate
- Year Four (4) - 30% Tax Increment Finance Rebate
- Year Five (5) - 15% Tax Increment Finance Rebate

## Minimum Requirements

1. Incentives shall only be for uses permitted within the M-1A Zoning District
2. Eligible projects must demonstrate the ability to achieve an assessed valuation of no less than one million dollars (\$1,000,000.00) per acre when fully constructed.
3. Eligible projects within the Southern Heights 1 District shall require a minimum of 50% of the floor area to be provided as office, retail or recreational focused uses, or combination of said uses.
4. Incentives are only applicable to new construction, or substantial expansions/additions.
5. Redevelopment projects are eligible, if all existing buildings are removed, and overhead utility service lines are buried or replaced.



# Governors District Incentive Grimes, Iowa



The City of Grimes offers a Tax Increment Financing rebate to eligible individuals/entities for new taxable value added from development and redevelopment located within the geographic area identified below.

## Program Benefits

The Tax Increment Financing Rebate shall be offered for up to a maximum of five years, at the following schedule:

- Year One (1) - 75% Tax Increment Finance Rebate
- Year Two (2) - 60% Tax Increment Finance Rebate
- Year Three (3) - 45% Tax Increment Finance Rebate
- Year Four (4) - 30% Tax Increment Finance Rebate
- Year Five (5) - 15% Tax Increment Finance Rebate

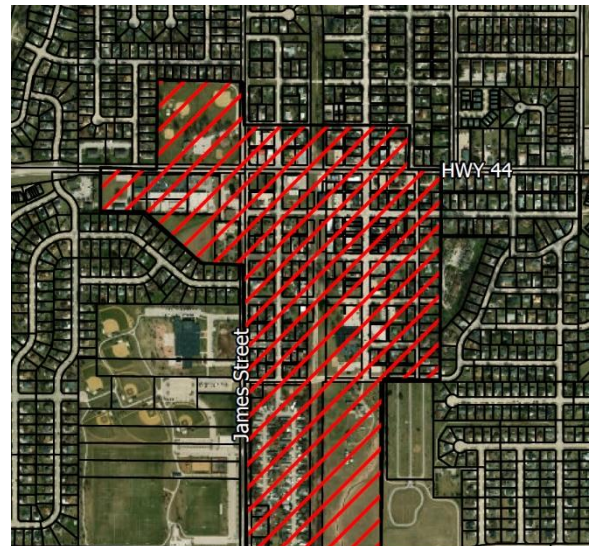
## Minimum Requirements

1. Incentives shall only be for uses permitted within the C-1 and C-2 uses, or within an agreed upon PUD.
2. Eligible projects must include façade improvements that are in keeping with the desired downtown style of development.
3. Redevelopment projects are eligible, if all existing buildings are removed, and overhead utility service lines are buried or replaced.

## Example

A developer acquires a vacant property for development. The assessed value of the land is \$50,000. The developer proposed a 1-story, 3,000 square foot of office/retail space. The County Assessor estimates the value of the development at \$375,000.

Therefore, the property has an incremental value of \$325,000. The TIF rebate will only be applied to the incremental value of \$325,000.



# Project Questionnaire

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Date: \_\_\_\_\_

Name of Business: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Contact Information – Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**Please check those below which apply:**

- |   |   |
|---|---|
| <input type="checkbox"/> Expansion of Grimes Company            | <input type="checkbox"/> New Location in Grimes         |
| <input type="checkbox"/> New Construction                       | <input type="checkbox"/> Redevelopment of Existing Site |
| <input type="checkbox"/> New Incentive                          | <input type="checkbox"/> Recipient of Prior Incentive   |
| <input type="checkbox"/> Project Submitted/In Contact with City | <input type="checkbox"/> No Contact with City           |

**Please check which incentive district project falls within:**

- |   |   |
|---|---|
| <input type="checkbox"/> Office             | <input type="checkbox"/> Governors District |
| <input type="checkbox"/> Southern Heights 1 | <input type="checkbox"/> Southern Heights 2 |

**Project Details**

1. **Describe the company, its products, and the customer base:**
  
2. **Describe the project including location (address), proposed project activities, and estimated start date.**
  
3. **Identify if the project will require the extension of any public services or infrastructure:**
  
4. **Identify how the project meets the minimum requirements established within the respective incentive policy:**
  
5. **Attach a conceptual site plan and building renderings (if available) for the project.**



**Budget and Employment Impact**

**1. Estimate the project budget:**

<b>Budget Item:</b>	<b>Amount:</b>	<b>Estimated Timeline (over 3 years)</b>
Land Acquisition		
Site Preparation		
Building Acquisition		
Building Construction		
Building Remodeling		
Other (specify)		
<b>TOTAL</b>		

**2. Employment:**

<b>Job Category</b>	<b>No. of Jobs</b>	<b>Created or Retained</b>	<b>Starting or Current Wage Rate</b>	<b>Wage at 36 months following the award</b>
Existing Jobs				
Office				
Service tech				
Install				
Sales				
Managers/Executive				
<b>TOTAL</b>				

Submit to: Grimes Chamber & Economic Development  
 404 SE 2<sup>nd</sup> Street, Suite 200  
 Grimes, IA 50111  
 OR [brianb@grimesiowa.com](mailto:brianb@grimesiowa.com)  
 Questions: 515.986.5770

