

City of Dyersville

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March 15, 2017

Honorable Mayor Daniel Willenborg
and City Council Members
340 1st Avenue East
Dyersville, Iowa 52040

RE: Dyersville Tax Increment Financing Guidelines

Dear Mayor Willenborg and City Council Members:

The City of Dyersville has one Urban Renewal Area (URA) that provides the opportunity for the City to use Tax Increment Financing (TIF). URA was adopted with a focus to meet a specific need or set of needs in the community. This letter outlines the intent within the district and sets the parameters for City to provide economic development incentives in the URA. It is the intent of the City that this letter be a basic guideline and the Council reserves the right, at any time, to change these guidelines on a case-by-case basis as they see fit for the best interest of the community.

Use of TIF requires a finding of Public Purpose for the use of City funds to support private development. The City has an Urban Renewal Plan that includes goals herein meet the Public Purpose test by meeting one or all of the following criteria: Address a public safety hazard; Expansion of the employer base; Expansion of the property tax base; Diversification of the property tax base; Diversification of Dyersville's employer base; Elimination of competitive barriers; Consistency with adopted plans for the URA; Meeting identified community need; Remediation of brownfield area; Meeting requirements for funding from other governmental entities; and specific purposes as the Council may outline for a particular project.

The following are the economic development incentives for the expansion of the property tax base within the urban renewal area.

Base Level Funding-all eligible rebate projects for commercial development:

\$1 to \$250,000	No base incentive
\$251,000 and up	5 years, 50% on increased incremental value
Revitalization projects*	7 years, 50% on increased incremental value

**Revitalization projects means an economic development project that has an existing building valuation and the company wishes to construct a more modern building in its place.*

Base Level Funding-all eligible rebate projects for industrial development:

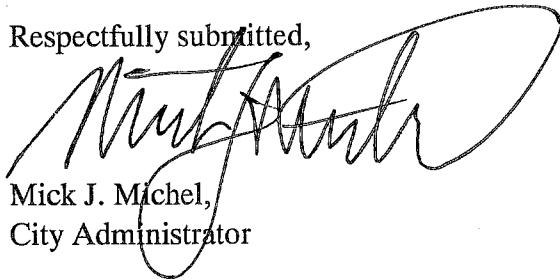
\$1 to \$250,000	No base incentive
\$251,000 to \$750,000	10 years, 50% on increased incremental value
\$750,000 to \$2,000,000	10 years, 80% on increased incremental value
\$2,000,000 and up	15 years, 80% on increased incremental value

If other goals are identified and meet the public purpose test, the Council may offer additional economic development incentives for the project. This is done on a case-by-case basis for the project to move forward and the Council reserves the right, at any time, to offer additional economic development incentives as they see fit for the best interest of the community.

This letter outlines the Dyersville Tax Increment Financing Guidelines within the Urban Renewal Area. If there are any future changes to these guideline as outlined above, I will be more than happy to send a letter to the Council alerting you and the community of these changes.

If you have any questions, please feel free to contact me by email at mmichel@cityofdymersville.com or by phone at (563) 875-7724.

Respectfully submitted,



Mick J. Michel,
City Administrator