

# **Polk County, Iowa ECONOMIC DEVELOPMENT POLICY**

## **Economic Development Goal**

**Polk County's goal** for economic development is to increase the tax base. Job creation, job retention and enhancement of economic well being of our county, and our citizens are also desired outcomes.

**The county's mission** is consistent with the economic development policy. *Polk County exists to serve the public. We are committed to service excellence, fiscal responsibility and enhancing the quality of life. We will be the most effective, productive and responsive local government in Iowa.* By pursuing this mission, the County will provide an environment that is conducive to development activities.

**Eminent Domain Powers** prohibit the use of eminent domain for the purpose of residential and commercial development within unincorporated Polk County, limiting the use of eminent domain for the purposes of providing infrastructure and essential County purposes.

**Infrastructure development** is a major activity that Polk County can provide to current and prospective businesses. Polk County will participate in projects that enhance infrastructure and foster an improved business environment. Such projects may include roads and highways, airports, sewer, water, and storm water systems.

**Marketing and business promotion** are important development activities. Polk County's participation in the Greater Des Moines Partnership serves as an example of the business and community promotion activities.

**Projects in the unincorporated area** are a primary focus for Polk County. The county will take a lead role and be proactive in developments proposed for unincorporated areas. These projects will be supported if appropriate location and infrastructure are or can be made available. Infrastructure, which can be made available to other development, may be given special consideration by the county.

**Projects in incorporated areas** should have a municipal focus. Towns and cities should assume the lead role for proposals within corporate boundaries. The County's position will be supportive; but County involvement will be only as a partner with another governmental entity. As a partner, however, the county desires to be involved early and fully in the process.

## **Economic Development Strategy**

While Polk County supports development throughout the county, there are geographical areas of higher or lower priority. Target areas are those considered to have the greatest potential impact

Polk County economic development efforts should be targeted as follows:

- Focus development in north central and eastern Polk County.
- Strengthen center city focus.

## **Business Incentives**

The County may provide financial assistance to specific business development proposals. Incentives may be considered in the following circumstances:

- 1) The proposal is for a new business, expansion of an existing business, or retention of an existing business that will create quality jobs within unincorporated Polk County in areas designated for business development; or
- 2) In municipalities, the proposal is for a new business or expansion of an existing business that will create quality jobs and have the municipal entity supporting, contributing and leading the project; and
- 3) The proposal is a business activity that is compatible with, and uses the resources available in the county.

Higher consideration will be given if the firm's proposal will foster growth in areas:

- 1) Where infrastructure investments have already been made;
- 2) Where jobs are accessible to neighborhoods impacted by poverty;
- 3) Where jobs will preserve diversity;
- 4) Where there is a private financial investment of at least a ratio of 4:1

No assistance will be provided to firms relocating within Polk County unless they qualify under the “good faith agreement.”

### **Forms of Assistance**

Listed below in the order of preference of use are the mechanisms that the County may use to provide project assistance:

- 1) Industrial Development Revenue bonds, Chapter 419, Iowa Code,
- 2) Low interest loan,
- 3) Tax abatement, Chapter 427B, Iowa Code,
- 4) Tax increment financing, Chapter 403, Iowa Code,
- 5) Zero interest loans,
- 6) Forgivable loans,
- 7) Grants

The County will maximize the use of other funding sources of economic development projects, including the State of Iowa, cities, Des Moines Area Community College, and other public and private organizations.

### **Criteria**

The County will utilize the following criteria when evaluating the request for financial assistance:

- 1) Governmental participation:
  - a. is not more than 20% of the total capital investment, and
  - b. will be recaptured in five years of property taxes. Extremely worthwhile projects may be considered for a seven year recapture.
- 2) Private capital investment is at least
  - a. \$3 million in new plant or equipment, or
  - b. \$1.5 million in expansion plant and equipment.
- 3) At least 15 quality jobs are retained or created, that
  - a. have wages higher than 90% of the median wage.
  - b. have an employee health benefit package.
  - c. Waiver consideration of the minimum job threshold will be given for capital intensive projects that substantially exceed the minimum investment threshold.

### **Process for Requests for Assistance:**

Procedures to implement this policy are delegated to the Board of Supervisors Office.

- 1) An incentive package will negotiated when Polk County is a finalist on the firm's list.
- 2) County staff will attempt to work with other governmental agencies involved in economic development activities to partner in providing assistance
- 3) Prior to a decision by the firm to formally request an incentive from Polk County, only four aspects of the project will be released to the public:
  - a. the firm's proposed capital investment in the project,
  - b. the number of jobs proposed to be created by the project
  - c. the hourly wages associated with the project; and
  - d. the amount of incentive requested from the County.
- 4) At the time the firm requires a formal offer from the County Board of Supervisors, the requirements of Iowa Open Meetings Law must be met.

### **Evaluation of each Project will Include:**

The Chief of Staff will review information submitted by the company and from other sources to determine the recommended role of the county.

This review will include information submitted by the firm which indicates that, with out assistance, the business will consider closing or relocating out of the County.(The County will review the firm's financial statements, and other financial information, including Dunn and Bradstreet report). County incentives will be based on net new capital private investment and net new job creation, as well as other factors.

- 1) Number of new jobs created above 90% of median wage;
- 2) Investment requested per job;
- 3) Proposed wages compared to county median wage;
- 4) Proposed capital investment;
- 5) Amount requested as grant;
- 6) Amount requested as loan;
- 7) Payback period on county grant or loan investment;
- 8) Investment amount in priority activity;
- 9) Investment amount in existing or distressed neighborhood;
- 10) Amount of public investment requested for public infrastructure improvements.
- 11) Other funding sources and amounts.
- 12) Extent that project is consistent with County goals and economic development strategy.

## **Economic Development Fund Management**

Polk County will maintain funds within the Economic Development Fund to be available for economic development incentives. Unless otherwise directed, economic development transactions will be recorded in this fund.

### **Implementation**

The decision to use incentives shall remain with the Polk County Board of Supervisors on a case-by-case basis. This policy does not obligate the Polk County Board of Supervisors to provide incentives for qualifying projects.

Incentives will be used only as allowed by applicable statutes.

County incentives are contingent on completion of the proposed improvements, creation of the new jobs, and fulfillment of the firm's stated investment in the project. If investment or jobs created are less than proposed, the county incentives will be reduced proportionately, or completely, if the project fails to achieve minimum thresholds.

The County may require financial guarantees and may impose additional conditions as part of County's participation in the project.