City Council Workshop

June 23, 2025 - 6:00 PM

Hotel Maytag Ballroom
105 N 2nd Ave E
Newton, IA 50208

Call to Order

1. Roll Call

Presentation

2. Low Moderate Income (LMI) Housing Set-Aside Grant Policy (15 minutes)
3. Local Purchase Policy (15 minutes)
4. Targeted Business Recruitment (20 minutes)
5. Economic Development Discussion -TIF, Industrial Property Tax Abatement, and Citywide Urban Revitalization (25 minutes)
6. Expectations of Partner Organizations (45 minutes)

Mayor/Council Comments

7. Mayor and Council Comments

Adjourn

The City of Newton is pleased to provide reasonable accommodations, in compliance with the Americans with Disabilities Act, for those individuals or groups who require assistance to be able to participate in the public meeting. Should special accommodations be required, please contact the City Clerk's Office at least 48 hours in advance of the meeting, at 641-792-2787 to arrange for accommodations to be provided.

Find us online: www.newtongov.org

Memorandum

To: Newton City Council

From: Erin Chambers, Community Development Director

Date: June 18, 2025

Re: LMI Set-Aside Policy Review

Background. The City of Newton has identified housing development as a serious need for the community. Some barriers to providing housing options are the cost of infrastructure construction, the cost of labor and materials, and the challenge of enticing regional developers into the community. To address such barriers to general housing development, the City of Newton utilizes Tax Increment Financing (TIF), when and where City Council has determined it is appropriate. When TIF funding is used for residential development, State of Iowa law requires that the City of Newton set aside a portion of the newly generated tax increment for Low-Moderate Income (LMI) Housing throughout the community.

Recent residential development activity (Fairmeadows North and Arbor Estates) has been spurred utilizing TIF, and a LMI Housing set-aside fund has been slowly growing. By resolution 2023-093, City Council established the Low-Moderate Income Housing Set-Aside Funds Policy which has several program areas for which the set-aside dollars can be used. Program areas include: LMI Existing Housing Improvement Grant; State/Federal Affordable Housing Application Financial Support; Neighborhood Sidewalk Construction, Reconstruction & ADA improvements; and Neighborhood Revitalization and Blight Removal (which includes acquisition & demolition and dead/dying trees). The US Department of Housing & Urban Development (HUD) establishes the median family income for every county in the United States. Persons who meet the "low-moderate income" requirements have earnings at or below 80% of the median household income for the county, based on household size.

City Policy. Attached is the current version of the City's Low-Mod Income Housing Set-Aside Funds Policy as well as the grant application for Low-Mod Income Existing Home rehabilitation.

Other program areas include assisting affordable housing development projects, D&D acquisitions in LMI census tracts, sidewalk improvements in LMI census tracts, and assistance with dead and dying tree removal for LMI households.

To date, the City Council has approved projects which align with the LMI Set-Aside Policy in the following ways:

- Numerous grants to LMI households for existing home improvements, which ultimately not only benefit the specific household but also the surrounding neighborhood by keeping home conditions up
- Financial assistance to affordable housing projects (Jeffrey Paul Homes development on West 16th Street South and assistance to two single family homes proposed by Jerry Floyd, Front Porch Development)
- Acquisition of D&D properties in LMI census tracts (335 South 5th Ave W, 306 East 8th Street South, and 417 North 2nd Avenue East)

Planning for the future. As residential growth and increase in property tax valuation occurs in these residential TIF districts, funding will continue to be replenished annually- to the tune of approximately $100,000 and growing as more development occurs.

To date, projects are presented to Council on a first-come, first-serve basis. They are approved when Council finds that those projects align with the adopted policy.

Budgeting process for FY26-27 will begin this fall, and should the council have interest, targets could be set for each policy area, based on what the anticipated income may be. For the discussion on June 23rd, City Staff will be looking for guidance on the program- maintain the current approach or to make adjustments in the administration of the funding. Based on the conversation and the consensus, staff can development recommendations to be considered during the upcoming budget process.

City of Newton Low-Moderate Income Housing Set-Aside Funds Policy

Purpose. The City of Newton has identified housing development as a serious need for the community since the adoption of the 2012 comprehensive plan, *Newton's Future.* Some barriers to providing housing options are the cost of infrastructure construction, the cost of labor and materials, and the challenge of enticing regional developers into the community.

To address such barriers to general housing development, the City of Newton utilizes Tax Increment Financing (TIF), when and where City Council has determined it is appropriate. When TIF funding is used for residential development, State of Iowa law requires that the City of Newton set aside a portion of the newly generated tax increment for Low-Moderate Income (LMI) Housing. The purpose of this policy is to provide guidance on when and how the City intends to utilize the LMI funds throughout the community.

Policy Goals. The following are the City's identified goals for the Low-Moderate Housing Set-Aside Funds Policy:

- Assist with the development and construction of high-quality, safe, and affordable housing.
- Support neighborhood revitalization and improve neighborhood livability.

Policy Areas. The following program areas accomplish the City's goals for improving and increasing affordable housing in the community.

Any incentive to private persons or entities that may qualify under programs listed in this policy requires additional City Council approval.

I. **Low-Mod Income Existing Housing Improvement Grant.** Supporting low-moderate income households through the revitalization or rehabilitation of their existing home provides an affordable housing opportunity while also improving existing neighborhood. Work completed or started before grant approval is not eligible.

a. Eligible for rehabilitation/revitalization projects for owner-occupied homes. The applicant must show proof of ownership of the property and proof that the property serves as the owner's primary residence.
b. The property owner/applicant shall have an income at or lower than 80% of the median income for Jasper County. The applicant shall provide proof of income eligibility by submitting the most recent income tax return.
c. The City will not invest in a property found to have structural deficiencies that are not planned to be addressed in the work plan. Property owners should plan to have the property available for inspection by City as part of the review of the proposal and funding request.
d. The maximum grant received per property from the City's LMI set-aside funds will be based on project area. A 25% applicant cash match for each program area shall be met.
    i. Foundation Work: $10,000
    ii. Permanent/Semi-permanent Interior Work, including wall reconstruction, floor refinishing and flooring, cabinetry, paint, etc. Not eligible items include window coverings, furnishings, etc.: $15,000
    iii. Windows and Doors: $10,000
    iv. HVAC: $6,000
    v. Plumbing: $8,000
    vi. Electrical: $5,000
    vii. Exterior Treatments, including siding, tuck-pointing, stucco, exterior paint, etc.: $10,000
    viii. Roofing: $6,000
e. Floor plans and/or product specific information shall be submitted for City review.
f. All required building and trades permits shall be obtained.

II. **Assistance to New Affordable Housing Construction and State/Federal Affordable Housing Application Financial Support.** Successful affordable housing projects are often the result of public-private partnerships.

a. Projects that seek Low Income Housing Tax Credits (LIHTC) from the Iowa Finance Authority (or other low-mod income housing programs from a state or federal agency) may be eligible for a local housing grant, funded by the City's LMI set-aside funds.
b. New construction rental housing projects located within the City of Newton City Limits may qualify for financial assistance in the form of a grant provided at the time a certificate of occupancy is issued.
    i. Projects under this category shall maintain an affordable rent for households at or below 80% of the median county income. Affordable rent shall be defined as no greater than 30% of the income limit for household size per the Department of Housing and Urban Development.
c. Projects qualifying for this local grant shall meet the requirement of providing housing to households earning less than 80% of median county income.

d. The City's Affordable Housing Application Financial Support shall be in the form of a reimbursement grant, in an amount determined by City Council before the project is initiated. The reimbursement grant is issued to the developer at the time the project is completed and the Certificate of Occupancy is issued.
e. All City approvals and permits, as required by the adopted codes, shall be obtained.

III. **Neighborhood Sidewalk Construction, Reconstruction and ADA Improvements.** Infrastructure development and improvement is important for the revitalization of low and moderate income neighborhoods. Sidewalks are a critical piece of neighborhood infrastructure and have a significant impact on neighborhood livability. Walkable neighborhoods are directly connected to lower obesity rates, higher property values, and improved quality of life. As Bereitschaft writes in his article for *Urban Science* about walkability and housing affordability, "overall there is reason for concern that households earning the median income or below may have more limited access to safe, walkable neighborhoods proximal to job centers."[1]

Through the improvement of sidewalks, the City will uplift the livability for many low and moderate income neighborhoods and residents.

City Construction Projects. The City may reconstruct existing sidewalks, construct new sidewalks, and/or make ADA improvements in low and moderate income neighborhoods using LMI set-aside funds under the following guidance:

a. The City has conducted an income survey of the residents of properties adjacent to the proposed sidewalk or ADA improvements and determined that the majority of the households have an income at or lower than 80% of the median income for Jasper County.

b. The sidewalk or ADA improvement(s) are constructed in accordance to the City's adopted standards.

Private Construction Projects. The City may provide sidewalk construction/reconstruction or ADA improvement grants (as a reimbursement) to property owners from LMI set-aside funds under the following guidance:

a. The owner(s) of the property or the resident (tenant) of the property adjacent to the proposed public sidewalk/ADA improvement has an income at or lower than 80% of the median income for Jasper County; **OR** the owner of the property adjacent to the proposed public sidewalk/ADA improvement is a non-profit affordable housing entity or a partner of a non-profit affordable housing entity and is engaged in the construction of a new affordable home at the location.

[1] Bereitschaft B. Neighborhood Walkability and Housing Affordability among U.S. Urban Areas. *Urban Science*. 2019; 3(1):11. https://doi.org/10.3390/urbansci3010011

b. The sidewalk or ADA improvement(s) are constructed in accordance to the City's adopted standards and all necessary permits are obtained.

IV. **Neighborhood Revitalization and Blight Removal.** Acquiring and removing blight in neighborhoods uplifts property values for the surrounding property owners. In addition, it provides a redevelopment lot for the construction of a new affordable home.

City acquisition and demolition. The City will utilize LMI set-aside funds for the acquisition and demolition of dilapidated property under the following guidance:

a. The property or properties exhibit conditions or defects that render the structure dangerous or blighted (see 1997 Uniform code for the Abatement of Dangerous Buildings), and/or the property was acquired through the process described by State of Iowa Code Section 657A.10A (Abandoned Buildings).

b. The property or properties, once acquired by the City cleared of blight, will be utilized for the construction of affordable housing by or in conjunction with a non-profit housing partner (such as Habitat for Humanity, Homes for Iowa, etc.), or by any other private housing developer constructing a project eligible for state or federal low income housing tax credits or grants, or by any other private housing developer who successfully sells the home to a household at or lower than 80% of the median income for Jasper County.

c. The property or properties, once cleared of blight, may be sold to an income-qualified, adjacent property owner for the benefit and enhancement of their existing home site when utilized as additional yard space.
    i. The City of Newton will use the buyer's most recent income tax return to verify income eligibility at or below 80% of the median income for Jasper County.

d. If the City of Newton acquires and demolishes any property utilizing the LMI set-aside fund, but then sells, deeds, or otherwise utilizes the property for any purpose other than affordable housing, then the City of Newton will reimburse the LMI set-aside fund an amount equal to the cost of said property's acquisition and demolition from another revenue source (lot sales, general obligation bonds, or other).

Private Sector acquisition and demolition. Private citizens that have an income at or lower than 80% of the median income for Jasper County may privately purchase and demolish a blighted structure in their neighborhood and receive a reimbursement grant for the acquisition and demolition under the following guidance:

a. The acquired property exhibits conditions or defects that render the structure dangerous or blighted. (see 1997 Uniform Code for the Abatement of Dangerous Buildings)

b. A copy of the settlement statement from the purchase of the property, a copy of the recorded deed showing ownership, and a copy of the paid invoice for the demolition shall be provided to the City following the completion of the project prior to reimbursement.

c. A demolition permit shall be obtained prior to demolition work commencing.

Dead or Dying Tree Removal. Property owners that have an income at or lower than 80% of the median income for Jasper County may apply for a reimbursement grant for the removal of a dead or dying tree at the property in which they reside. The applicant shall provide proof of income eligibility by submitting the most recent income tax return.

a. The subject “dead tree” shall be documented as dead or dying by a report provided by a certified arborist and/or an inspection completed by City staff. Seasonal photographs submitted by the applicant may also be required, depending on the time of year the grant request is made.
b. Grants shall be provided as a reimbursement of completed work. A 25% applicant match is required. The applicant shall provide a copy of paid invoices and the City will inspect the property to verify work has been completed.
c. The maximum award per removed tree is $1,000.

Low-Moderate Income Dead/Dying Tree Removal Assistance Program

Purpose: Property owners that have an income at or lower than 80% of the median income for Jasper County may apply for a reimbursement grant for the removal of a dead or dying tree at the property in which they reside.

Eligibility: Property owners that have an income at or lower than 80% of the median income for Jasper County. The applicant shall provide proof of income eligibility by submitting the most recent income tax return.

Jasper County Low-Moderate Median Income Information									
Median Family Income	***FY 2024 Low (80%) Income Limits***	**Persons in Family**							
		1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
$86,600		$48,550	$55,500	$62,450	$69,350	$74,900	$80,450	$86,000	$91,550

Data Source: https://www.huduser.gov/portal/datasets/il.html

Application Process: Applicants must submit the Low/Moderate Income Dead/Dying Tree Removal Assistance Application and all required items stipulated within the applications.

- The subject “dead tree” shall be documented as dead or dying by a report provided by a certified arborist and/or an inspection completed by City staff. Seasonal photographs submitted by the applicant may also be required, depending on the time of year the grant request is made.
- Grants shall be provided as a reimbursement of completed work. A 25% applicant match is required. The applicant shall provide a copy of paid invoices and the City will inspect the property to verify work has been completed.
- The maximum award per removed tree is $1,000.

If you are considering applying for grant funds, please contact the the City of Newton Community Development office with any questions.

Erin Chambers
Community Development Director
Phone: 641-792-6622
Email: erinc@newtongov.org

Bethany Hovda
Administrative Assistant
Phone: 641-792-6622
Email: bethanyh@newtongov.org

Return your completed application and all applicable supporting materials to:

City of Newton
Attn: Community Development Department
303 W 4th Street N, Suite 501
Newton, Iowa 50208

Low-Moderate Income Dead/Dying Tree Removal Assistance Application

Property Owner Information

Name: ______________________________

Address: ______________________________

City: ____________ State: ____________ Zip Code: ____________

Phone Number: ______________________________

Email Address: ______________________________

Number of household members: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8

Application Materials

Please include copies of the following with your application:

- Copy of the property owner's most recent tax return, to verify low-mod income qualifying
- Photos of subject tree(s)
- Copy of received bids from tree removal contractor(s)

Program Conditions and Terms of Agreement

- The applicant and property/business owner meets all eligibility criteria outlined for the program.
- No funds are approved for the tree removal until the applicant is notified in writing of grant award and meets all program requirements. **Work completed prior to final approval is ineligible for funding.**
- The maximum award per removed tree is $1,000. Grants shall be provided as a reimbursement of completed work. A 25% applicant match is required. The applicant shall provide a copy of paid invoices and the City will inspect the property to verify work has been completed.
- The work approved for the grant shall be completed within 1 year of the date of the award letter.
- The applicant is responsible for meeting the match requirement. The applicant shall keep record of all applicable documents and receipts to substantiate that they are in conformance with this requirement.
- Upon completion of the project, the applicant must submit receipts for all of the work to the City of Newton Community Development Department. The applicant shall provide a copy of paid invoices and the City will inspect the property to verify work has been completed
- Upon completion of the project, the City of Newton will inspect the tree removal to verify work has been completed.

I authorize the verification of the information provided on this form and have attached all required documentation as specified in the application materials. I also understand that my project may be used for marketing the program to other businesses. I acknowledge that I have read and agree to the program conditions outlined above.

Property Owner Signature: ______________________________ **Date:** ____________

Low-Moderate Income Existing Housing Improvement Grant

Purpose: Property owners that have an income at or lower than 80% of the median income for Jasper County may apply for an existing housing improvement grant for rehabilitation/revitalization projects for owner-occupied homes.

Eligibility: Property owners that have an income at or lower than 80% of the median income for Jasper County. The applicant shall provide proof of income eligibility by submitting the most recent income tax return. The applicant must show proof of ownership of the property and proof that the property serves as the owner's primary residence.

Jasper County Low-Moderate Median Income Information									
Median Family Income	***FY 2024 Low (80%) Income Limits***	**Persons in Family**							
		1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
$86,600		$48,550	$55,500	$62,450	$69,350	$74,900	$80,450	$86,000	$91,550

Data Source: https://www.huduser.gov/portal/datasets/il.html

Application Process: Applicants must submit this application and all required items stipulated within the applications.

- Grants shall be provided as a reimbursement of completed work. Applicant shall provide a copy of paid invoices and the City will inspect the property to verify work has been completed. A 25% applicant cash match for each program area shall be met.
- Work covered by the program includes:
    - Foundation Work: $10,000
    - Permanent/Semi-permanent Interior Work, including wall reconstruction, floor refinishing and flooring, cabinetry, paint, etc. Not eligible items include window coverings, furnishings, etc.: $15,000
    - Windows and Doors: $10,000
    - HVAC: $6,000
    - Plumbing: $8,000
    - Electrical: $5,000
    - Exterior Treatments, including siding, tuck-pointing, stucco, exterior paint, etc.: $10,000
    - Roofing: $6,000

If you are considering applying for grant funds, please contact the the City of Newton Community Development office with any questions.

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Return your completed application and all applicable supporting materials to:

City of Newton
Attn: Community Development Department
303 W 4th Street N, Suite 501
Newton, Iowa 50208

Low-Moderate Income Existing Housing Improvement Grant Application

Property Owner Information

Name: ______________________________

Address: ______________________________

City: ______________ State: ______________ Zip Code: ______________

Phone Number: ______________________________

Email Address: ______________________________

Number of household members: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8

Application Materials

Please include copies of the following with your application:

- Copy of the property owner's most recent tax return, to verify low-mod income qualifying
- Proof of ownership of the property and proof that the property serves as the owner's primary residence.
- Written description of work, full plan sets showing proposed work, including material specifications, photographs of interior and exterior of the property

Program Conditions and Terms of Agreement

- The applicant meets all eligibility criteria outlined for the program.
- No funds are approved for the improvement project until the applicant is notified in writing of grant award and meets all program requirements. **Work completed prior to final approval is ineligible for funding.**
- The City will not invest in a property found to have structural deficiencies that are not planned to be addressed in the work plan. Property owners should plan to have the property available for inspection by City as part of the review of the proposal and funding request.
- The maximum grant received per property from the City's LMI set-aside funds will be based on project area. A 25% applicant cash match for each program area shall be met.
- Floor plans and/or product specific information shall be submitted for City review; all required building and trades permits shall be obtained.
- The applicant is responsible for meeting the match requirement. The applicant shall keep record of all applicable documents and receipts to substantiate that they are in conformance with this requirement. Upon completion of the project, the applicant must submit receipts for all of the work to the City of Newton Community Development Department. The City of Newton will pay the awarded grant amount directly to the contractor.

I authorize the verification of the information provided on this form and have attached all required documentation as specified in the application materials. I also understand that my project may be used for marketing the program to other businesses. I acknowledge that I have read and agree to the program conditions outlined above.

Property Owner Signature: ______________________________ **Date:** ______________

CURRENT POLICY

Section 8 – Local Purchase Policy

Pursuant to Iowa Code Section 23A.3 the Newton City Council adopts the following policy:

Whenever any department or division of the City of Newton purchases good or services from private enterprise, consideration shall be given to purchasing these goods or services from a locally owned business located within the City of Newton which offers these goods or services if the cost and other considerations are relatively equal. For the purposes of this policy, relatively equal will be defined as within 5% with a maximum dollar amount of $1,500. This does not apply to the bidding process for projects.

Proposed New Policy

Section 8 – Local Purchase Policy

Pursuant to Iowa Code Section 23A.3 the Newton City Council adopts the following policy:

City of Newton

Whenever any department or division of the City of Newton purchases good or services from private enterprise, consideration shall be given to purchasing these goods or services from a locally owned business located within the City of Newton which offers these goods or services if the cost and other considerations are relatively equal. For the purposes of this policy, relatively equal will be defined as within 9% with a maximum dollar amount of $3,000.

Jasper County

Whenever any department or division of the City of Newton purchases good or services from private enterprise, consideration shall be given to purchasing these goods or services from a locally owned business located within Jasper County which offers these goods or services if the cost and other considerations are relatively equal. For the purposes of this policy, relatively equal will be defined as within 5% with a maximum dollar amount of $1,500.

Precedence should be given to businesses within the City of Newton over businesses outside of Newton but within Jasper County. This does not apply to the bidding process for projects.

Memorandum

To: Members of the Newton City Council

From: Mayor Evelyn George, City Administrator Matt Muckler, Community Development Director Erin Chambers and Development Specialist Craig Armstrong

Date: January 4, 2024

Re: Economic Development Priorities

Introduction: Per the discussion and request at the January 2, 2024 City Council Budget Workshop, the following economic development update, prepared by Mayor George and City staff, covers three main areas:

1) Background on Economic Development Information in the City Comp Plan: *Envision Newton 2042* (pages 2-6)
2) Current City Economic Development Priorities (pages 6-8)
3) Economic Development Partner Organization Liaisons for 2024 (page 9)

Extensive economic development planning has been undertaken recently as part of the City's Comprehensive Plan. That information is shared in the first part of this memo. Based on the Comprehensive Plan and input from elected officials and City staff, a list of City Economic Development Priorities has been developed to guide the day-to-day work of City staff in this area. Those priorities, divided into six categories, are being shared in this memo with a two-fold purpose: 1) to make elected officials aware of the priorities that City staff is pursuing, and 2) to allow further input from elected officials on these priorities. Finally, the memo includes Mayor George's 2024 elected official liaison assignments to economic development partner organizations and the City Administrator's staff liaisons to these same partner organizations.

With limited staffing in the area of economic development, City staff focuses on activities which are most likely to attract new businesses and grow existing businesses in Newton. Elected officials and City staff serve on various committees related to economic development in order to maximize our efforts to increase our total assessed property values, create better jobs that lead to an increased standard of living for our residents, and improve the infrastructure of our community.

Envision Newton 2042: The Newton City Council approved the City's Comprehensive Plan by resolution on December 5, 2022. It is important to note that this plan was developed through extensive input from City residents. The Steering Committee included representatives from several community partners including NHDC, NDC, Main Street, the Newton Community School District, the business community, Discover Hope, and the Library Board of Trustees, just to name a few. Public forums and stakeholder/focus groups were utilized to solicit feedback from various groups throughout our community. City staff spent hundreds of hours and the Council invested thousands of dollars to develop this plan. The City's elected officials are familiar with the Vision and Strategic Objectives that resulted from the plan.

Vision: "Newton, A Growing Central-Iowa Community, Invites Visitors, Businesses, and Residents to Experience Our Authentic, Small-Town Charm and Big City Amenities."

Strategic Objectives:

- Establish Newton as a compelling destination by integrating attractions, business types, and services that provide engaging experiences for both residents and visitors,
- Focus economic development efforts on population and business growth by simultaneously supporting existing employers while attracting new employers and supporting citizens working remotely,
- Elevate Newton's curb appeal, with a focus on primary corridors, through improvements to both public and private spaces, and
- Maintain Newton's existing infrastructure system while also enhancing or expanding the system to support a high quality of life and community growth.

The plan further describes the second above-mentioned objective related to economic development: "The second objective statement focuses on economic development, which has proved its significance to the community time and time again. Through strategically guiding economic development efforts toward population and business growth, this helps drive state and federal funding opportunities. Economic development activities can be related to tourism, attracting population growth among all age groups, promoting the proximity to the metro, strategic partnerships, growing taxable valuation, and more. Future economic development efforts should continuously adapt to the dynamics of the modern economy along with the needs and desires of an ever-changing workforce. As Newton has learned from its past, economic diversification helps encourage positive growth while also serving as a form of protection for the workforce. The strategy for economic development moving into the future should continue to build on diversifying the local economy by attracting jobs from all industries, with a particular focus in sectors providing wages and salaries greater than the median income in Jasper County."

City staff conducted an engagement event with an Economic Development Group, generating the following findings: “Top descriptors of Newton included: Resilient, Community, Cardinals, and Friendly. For this group, it was the location that made Newton such a great place to live. Additionally, they described Newton as a friendly, welcoming community. The reasons they chose to live in Newton included proximity to work and great schools. For this group, they felt that updating and expanding the parks and recreation opportunities would have a positive impact on quality of life.

Top priorities for this group included housing and economic development, and that the proximity to the metro and affordability are some of Newton’s greatest strengths. This group also had a desire for more residential growth and economic development strategies. Additionally, it was recommended that healthcare-related businesses be recruited to Newton and that tech training and careers are desired for future growth.” A summary of these comments related to development are listed at the top of the next page.

Chapter 5 of Envision Newton 2042 provides more in-depth direction for the community regarding Economic Development:

“Thriving communities like Newton offer a wide range of economic opportunities. Newton’s economy is an integral component of the regional economy. This economic connection will continue to grow as the Des Moines metro continues growing and Newton offers residents and businesses great opportunities to be successful. This chapter of the comprehensive plan is a report on the local economic and employment threats and opportunities. Economic development generally consists of public and private efforts which promote and develop business enterprises within a community, plus the housing development that serves commuters to other areas.

The City’s regulatory climate can have an impact on the retention, expansion, and attraction of business. Zoning regulations can provide development standards which ensure that business development adds to the quality of neighborhoods and overall community vitality. Such standards can protect property values and can minimize or prevent undesirable off -site impacts. Such standards can also protect businesses from nuisance complaints. In summary, the comprehensive plan works collaboratively with zoning regulations to ensure land use compatibility and as a tool to attract business, employers and commerce.”

SUMMARY OF COMMENTS RELATING TO DEVELOPMENT

Strengths / Opportunities

- Good Design
- Design Standards
- Opportunities for HUD/Lower income
- Engineered wood/walls and energy efficient
- Engagement to guide design
- Incentives to landlords to have a new way of thinking
- Incentivize homeowners and/or renters
- Work with companies & individuals
- Employment opportunities
- Schools
- Proximity to Des Moines
- Co-working
- Technology improvements
- Commuting
- College to train/DMACC roles
- Location
- Legacy Plaza
- Schools

Weaknesses / Threats

- Home improvements and growth
- Need to develop a strategy to show all groups how great the community is
- Improve Rental properties/standards
- Finding funds/grants to promote
- Need for improved communication
- Funding
- Need for Balance
- Availability to move in immediately
- Materials and timeline
- Perception around Maytag and history
- Broadband/internet speed
- More opportunities for students
- Youth entrepreneurship
- Des Moines competition

The following economic development goals and objectives are articulated in Chapter 5 of the Plan.

Goal #1: Support and expand the City's economic base.

Objectives:

- Work with existing businesses to remain or expand on their current sites or relocate to more appropriate sites.
- Utilize the City's tools of zoning, capital improvement plans, and transportation plans to support development.
- Ensure that city processes and regulations related to land development, permits, and construction are easy to understand.

Goal #2: Residents will have or know how to attain/learn the skills necessary to achieve professional growth, personal success and financial stability, and employers will benefit from more skilled staff to maintain and expand business development initiatives.

Objectives:

- Support proactive communication between educational institutions and area employers to determine and fulfill local needs.
- Provide a variety of training and resources to support employment skills and job preparedness.
- Actively promote career-advancement and workforce development efforts including internships, apprenticeships and workshops.
- Continue to develop and enhance the City's industrial and business spaces to promote employer retention and expansion, and provide opportunities for new development.
- Seek to maintain a balance between the needs of the community and the needs of the developer.
- Support locally-owned businesses, small-/micro-businesses, and start-up businesses.
- Promote programs and initiatives that support entrepreneurship for residents, including youth, and remote/freelance employment (e.g., home-based businesses, co-working spaces, business incubators, business accelerators and makerspaces)

Goal #3: Promote, expand, and diversify the local economy.

Objectives:

- Create and maintain an inventory of available sites for development and redevelopment, updated on a regular basis.
- Proactively communicate, discuss needs and receive feedback from area businesses. Use this feedback to refine services and resource referrals.
- Provide regularly updated community data that can be used in marketing to attract specific businesses that provide living-wage employment opportunities.

Goal #4: Business investment will support the health and vitality of the Newton community.

Objectives:

- Support business development initiatives that increase diversity of entrepreneurs, business types and the workforce, as well as access to culturally-specific needs.
- Encourage new business development within areas easily accessible by the

regional transportation network, including considerations of public transit access.

- Attract, support, and retain businesses that fill and/or redevelop vacant properties in the downtown and along key corridors.
- The City may acquire property in order to promote and accelerate redevelopment of key sites.
- When necessary, the City may actively facilitate and consider funding assistance to help locate a business to a suitable location within the City.
- The City will support new commercial and industrial development by expanding and extending access to utility and transportation infrastructure, where needed and appropriate.
- Support affordable and workforce housing initiatives that expand economic opportunities for residents of all income levels, especially income-limited individuals/families.

<u>Current City Economic Development Priorities</u>: Based on the Comprehensive Plan and input from elected officials and City staff, the following opportunities represent economic development priorities for City staff to pursue. The priorities are shown below in six categories: Downtown Development, Commercial and Mixed-Use Developments, Targeted Businesses/Services, Community Amenities, Single and Two-Family Housing and Multi-Family Housing. These lists are not intended to be inclusive of all opportunities, but rather to direct City staff's focus to priority opportunities. When other projects present themselves, City staff will, of course, address those potential projects as well.

Downtown Development

1. Legacy Plaza – ground floor/retail & office
2. Gray Moon Public Market (former Lederman Building, 118 N 2nd Ave E)
3. Mode Huis (110 1st St N)
4. 104 1st Ave E (south of Mode Huis)
5. Old Salvation Army Building (219 N 2nd Ave W)
6. Former Esther & Co. Building (122 N. 2nd Ave. W.)
7. Farmers Wife Building (124 N. 2nd Ave. W.)
8. Hotel Maytag vacancies and ongoing projects
9. 100 block of 1st Ave E (Mease, Farver and Carmichael Buildings)
10. Open space in old Family Video Building (east of New Pizza Hut Express)
11. Angel Martin Building (321 E 3rd St N)
12. Rick's Amoco
13. Old county annex building (115 N 2nd Ave E.)
14. Continued micro-improvements to properties using the downtown grant programs

Commercial and Mixed-Use Developments

1. Potential Commercial/Multi-family tenants to Bldg. 17, 18 and 20 in Legacy Plaza

2. Project Fast Pitch, including restaurant, retail and other entertainment
3. ALDI
4. Old Alliant Building (2800 1st Ave E)
5. Kunkel Property (1734 1st Ave E)
6. Vacant ground on HyVee property (1501 1st Ave E)
7. Gretlein Property (1300 block of 1st Ave E)
8. Old Drugtown Building (1207 1st Ave E)
9. 918 and 1000 1st Ave E (former Don's Town & Country)
10. City-owned land west of Hardee's (9 acres)
11. 1820 S 12th Ave W (vacant Mexican restaurant building behind Newton 66)
12. 2000 W 18th St S (old Newton Inn site)
13. Land around Iowa Speedway
14. Additional development near new Casey's at exit 168
15. 104 Iowa Speedway Drive (SE corner of Iowa Speedway Drive and 1st Ave E)
16. Iowa Land Development Property (150 acres between N 11th Ave & N 19th Ave)
17. Newton Inn site

Targeted Businesses/Services/Tourism/Events

1. Office jobs in Legacy Plaza building 17, 18 and possibly 20
2. Mental health professionals (and workforce for existing providers)
3. Unique retail for downtown
4. Urban Air/Sky Zone/Kid Sports & Activity Venue
5. Golf simulators (Westwood Clubhouse)
6. Clothing
7. Sports store
8. Pet groomers
9. Continue to bring conferences and annual meetings to Newton
10. Continue to bring Motorsports, concerts and other events to Iowa Speedway
11. Partner with Alta House, DMACC Conference Center, Thunderdome, Hotel Maytag, the Newton Community School District and other facilities to bring events to Newton
12. Continue to work with FastPitch Development Group on new facility and surrounding hotel, restaurant and retail development
13. Food/restaurants
    a. Sports bar/restaurant, i.e., OP (The Other Place)
    b. Food start-ups for Gray Moon Public Market
    c. Ethnic food restaurants – Mediterranean, Greek, Indian
    d. Applebee's (near Interstate)
    e. Dunkin', 7 Brew, Ziggy's, or other coffee
    f. Chick-fil-A, Wendy's, B-Bops, etc.
    g. Jersey Mike's, Bruegger's Bagels, or other bagels
    h. Pagliai's/Wig & Pen/wood-fired pizza
    i. BBQ – Jethro's
    j. Panchero's Mexican Grill; Qdoba; Chipotle
    k. Mullet's

l. Frozen Yogurt

Community Amenities

1. Library open 6 (or 7) days a week
2. Fully staffed, professional Police and Fire Departments
3. Downtown splash/spray park – continue to add amenities
4. Expanded tennis courts and lighting & more pickleball courts
5. Arboretum expansion
6. Mini sports court (private fundraising proposed)
7. Enhanced bike/hike trail system
8. Park shelters and restroom upgrades
9. Inclusive playground equipment
10. Evergreen skate park (concrete)
11. Cardinal Pond amenities
12. Parks well maintained
13. Improved curb appeal
14. Enhance code enforcement
15. Improved streets
16. Outdoor warning siren improvements
17. Downtown seating, trash cans, flower pots and façade improvements
18. Parklet in Uncle Nancy Alley Way

Single & Two-Family Housing

1. Arbor Estates
2. D & D lots
3. Cardinal Ridge
4. Hendrikson Greenhouse site
5. Use of LMI set-aside funding for housing improvement projects
6. Woodrow Wilson Elementary site (if closed)
7. Second story housing at 107 1st Ave W
8. Second story housing at Mease property (104 1st Ave E)
9. East side of W. 22nd St. S. (Fountain Hills)

Multi-Family Housing

1. Thriving Communities Application (to increase points for low-income housing tax credit)
2. Additional multi-family apartments/condos at Legacy Plaza (building 17, 18 or 20)
3. Hatchery site
4. Arbor Estates
5. Manufactured gas site
6. Newton Inn site
7. Downtown city parking lot (W 4th St & N 2nd Ave)
8. 124 E 4th St N
9. Old county annex building (115 N 2nd Ave E.)
10. Gorsche property near Brookfield Apartments

Economic Development Partner Organization Liaisons for 2024:

Newton Main Street

Elected Official Liaison: Councilperson Melissa Dalton
City Staff Liaison: Community Development Director Erin Chambers

Newton Housing Development Corporation

Elected Official Liaison: Councilperson Stacy Simbro
City Staff Liaisons: Sr. City Planner Brian Dunkelberger & Development Specialist Craig Armstrong

Newton Development Corporation

Elected Official Liaison: Mayor Evelyn George
City Staff Liaison: Development Specialist Craig Armstrong

Greater Newton Area Chamber of Commerce

Chamber Ambassador: Community Marketing Manager Danielle Rogers

Summary: Based on the City's Comprehensive Plan and input from elected officials and City staff, the City of Newton has a clear understanding of what our residents desire in terms of economic development and what priorities we need to pursue in order to continue to bring the benefits of economic development to our community. The City's elected officials are encouraged to contact Mayor George or the city administrator with any priorities that they would like to add to the above-mentioned lists of priorities.

With a new year comes new Mayoral appointments for elected officials to serve as liaisons to various boards, commissions and committees. In 2024, Councilperson Melissa Dalton will serve as the liaison to Main Street, Councilperson Stacy Simbro will serve as the liaison to NHDC, and Mayor Evelyn George will serve as the liaison to NDC. These elected official liaisons will communicate relevant priorities to their partner organizations.

With the recent reorganization that impacted the Community Development Department, there will also be some minor tweaks to City staff liaisons to these organizations, most notably with Erin Chambers serving as the liaison to Newton Main Street, as Craig Armstrong transitions away from downtown development, allowing him to focus more on housing, commercial and mixed-use developments, and development that occurs at the interstate exits and around the Iowa Speedway.

Memorandum

To: Matt Muckler, City Administrator

From: Lisa Frasier, Finance Officer

Date: June 18, 2025

Re: TIF Information

Below is a status of the current active City of Newton's TIF Funds as of June 18, 2025:

North Central TIF: This TIF has considerable debt, a total of $11,006,170 in interest and principal payments thru FY44.

The FY26 budgeted revenues for this fund are almost 1.6 million dollars and expenses are budgeted at 1.17 million. The City will be able to provide Ex Nihilo with the $750,000 grant as described in the development agreement with fund balance and will not have to borrow for this expense.

With 1.6 million dollars currently available per year, over half of those revenues are dedicated to paying principal and interest thru FY32. After FY32, payments significantly decrease. Many legislative proposals affect TIF revenues, such as eliminating the rollback and reducing the levy rate. Current TIF levy rate is $34.52/$1,000. If levy rates are lowered by City, County, or School, the City would receive less in TIF revenue. In addition, some TIF law proposals would limit the amount of TIF collected to be 60% of available revenues and require blight and slum designated TIF's to sunset in the future. This would severely limit any additional borrowing in the N Central URA and make it difficult to pay back existing debt in the future. There is also discussion about excluding a school levy of about $5.00 from TIF (like debt service). This would reduce the amount of TIF the City collects in the N Central URA by $234,000.

Projected fund balance in the FY26 budget is $40,000 on 6-30-26, but with the expenses of amending the URA plan twice, Mercy One emergency room contribution of $25,000 and $50,000 to Phase II of the Green Space, the new projected balance would be -$50,000. If TIF law remains intact, this could be made up in FY27.

1st Avenue East TIF: This URA currently has 1.25 million dollars in principal and interest debt thru 2044. The City only claimed 28.3% of available TIF revenues in FY26 as there is not very much debt to date in this URA. The City could have claimed 1.7 million in TIF revenue but only claimed $400,000. This URA is also designated as slum and blight so at this time, there is no sunset.

Speedway/Prairie Fire TIF: FY26 will be the final year that revenues are received by the City in the URA. Since the property tax reform bill did not pass this session, it is great timing for the City to release all the TIF increment in FY27 along with any reassessments. If the City did not have to reduce the CGFL and property assessments remained the same in FY27, releasing this entire TIF will generate $239,201 for the General Fund in FY27, which is a 5.17% increase from the total CGFL FY26 revenues. Depending on any growth in assessments, the City will need to reduce its CGFL in FY27.

East-Mart TIF: In FY26, the City claimed 46% of available TIF. There is no GO Debt owed, but this TIF does have 2 rebates (Van Maanen Electric & Thiesen's) and the City will be constructing a sidewalk from 1st Ave to Wal-Mart/Aldi this fiscal year. Sunset for this URA is 2029.

Mcann TIF: The only property in this URA is McCann Village. The current agreement states the City will rebate 100% of all taxes paid. Before new ownership and the remodel, this building was tax exempt.

SW TIF: The City will be closing this URA in FY26. Any remaining funds will be moved to the D&D fund, as there is debt owed to D&D for the renovation of the Hardee's site.

Fairmeadows N Housing TIF: Since this URA started, there is an increase in value of over $11,750,000, which provides $118,125 in TIF property taxes per year and $69,375 in LMI Funds. As of 7-1-25, there is $4,843,814 in principal and interest owed on GO bonds for the development. The fund balance as of 6-30-25 is projected to be $610,569 in the negative, which remained stable from the previous year.

Cardinal Ridge Housing TIF: All lots are sold and built for a new value of 3.5 million dollars. Any revenues remaining at the end of the year are transferred to the Housing Initiative fund for incentives, where this TIF has an internal loan for building infrastructure for the development.

Looking at all the projects from the various Urban Renewal Areas in the City of Newton definitely highlights the usefulness of TIF as an economic development tool. Legislation to "reign in" TIF would severely hinder the City of Newton's ability in the future to spur economic development and to have TIF pay off current debt in the North Central and Fairmeadows North Urban Renewal Areas.

ORDINANCE NO. __________

ORDINANCE ESTABLISHING PARTIAL TAX EXEMPTION FOR INDUSTRIAL PROPERTY

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWTON DOES ORDAIN AS FOLLOWS:

Section 1. The Code of Ordinances, City of Newton, Iowa, Chapter 35: Fiscal Management; Taxation is hereby amended by adding the following:

§ 35.28. PARTIAL TAX EXEMPTION FOR INDUSTRIAL PROPERTY.

(A) *Purpose Established.* The purpose of this section is to authorize partial property tax exemptions, for property on which improvements have been made, of the actual value added to industrial real estate Iowa Code Chapter 427B.

(B) *Definitions.* This ordinance shall be subject to and interpreted according to the definitions and requirements set forth in Iowa Code Chapter 427B.

(C) *Exemption Granted.* The actual value added to the qualifying industrial real estate, in accordance with Iowa Code Chapter 427B, is eligible to receive a partial exemption from taxation for a period of five (5) years, upon application by the property owner to the local assessor; upon compliance with the requirements of the Iowa Department of Revenue; and upon compliance with the requirements of § 35.28 (E), if applicable. The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

(1) For the first year, 75% (seventy-five percent).
(2) For the second year, 60% (sixty percent).
(3) For the third year, 45% (forty-five percent).
(4) For the fourth year, 30% (thirty percent).
(5) For the fifth year, 15% (fifteen percent).

(D) *Exemption Ineligibility.* Industrial property otherwise eligible for tax exemption under this section shall not be granted such an exemption upon the following occurrences:

(1) If the property ceases to be classified as industrial real estate or ceases to be used as a warehouse or distribution center, then the partial exemption for the value added shall not be allowed for subsequent assessment years.
(2) If, in the case of new construction constituting complete replacement of an existing building or structure, the exemption would result in the assessed value of the industrial real estate being reduced below the assessed value of the industrial real estate before the start of the new construction added.
(3) The property for which the exemption is claimed has received any other property tax exemption authorized by law.

(E) *Approval.* Property Owners seeking the exemption shall file a request for approval to the City Council not later than 90 days before an application for exemption must be filed with the local assessor and shall include a copy of the completed Iowa Application for Industrial Property Tax Exemption provided by the State of Iowa Department of Revenue. The City Council shall hold a public hearing on the requested exemption and shall enact an ordinance approving the partial tax exemption not less than thirty (30) days after said public hearing. In the event the ordinance for exemption is disapproved because determinations could not be made in accordance with Iowa Code Chapter 427B, the property owner may submit a revised proposal in the same manner as the original request.

(F) *Limitation on Exemption.* A property tax exemption under this ordinance shall not be granted if the property for which the exemption is claimed has received or is eligible to for any other property tax exemption allowed by law.

§ 35.29. APPROVED EXEMPTIONS.

Section 2. Repealer Clause. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. Severability Clause. If any section, provision or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 4. Effective. This ordinance shall be effective on ______________2025, after the final passage, approval and publication as provided by law.

PASSED this ____ day of ______________________, 2025.

APPROVED this ____ day of ______________________, 2025.

____
Evelyn George, Mayor

ATTEST:

____
Katrina Davis, City Clerk

I, Katrina Davis, City Clerk of the City of Newton, Iowa, do hereby certify that the foregoing Ordinance was passed and approved by the City Council of the City of Newton, Iowa on the ____ day of ________________________, 2025 and was published in the Newton Daily News, a newspaper of general circulation in the said City of Newton on the _____ day of _______________________, 2025.

Dated this ____ day of _______________________, 2025.

____
Katrina Davis, City Clerk

Exhibit A.

City-Wide Urban Revitalization Plan

for

The City of Newton, Iowa

Originally Adopted
January 18, 1993 by Resolution No. 93-13

Amended December 6, 1999
by Resolution No. 99-183

Amended October 22, 2002
by Resolution No. 2002-146

Amended May 7, 2007
by Resolution No. 2007-047

Amended March 4, 2013
by Resolution No. 2013-030

Amended December 19, 2016
By Resolution No. 2016-274

Amended December 3, 2018
By Resolution No. 2018-284

Amended December 2, 2019
By Resolution No. 2019-261

Amended November 16, 2020
By Resolution No. 2020-269

Amendment August17, 2021

By Resolution No. 2021- 222

Title:

The following plan shall constitute the "City-Wide Urban Revitalization Plan".

Area Boundaries:

The City-Wide Urban Revitalization Area (hereinafter referred to as the "Area") is all real property situated in the incorporated limits of the City of Newton, Iowa as of August 15, 2021, and more particularly described in the boundary description as Exhibit 1 and shown on the map attached as Exhibit 2.

Such City-Wide Urban Revitalization Area shall also include all other areas subsequently annexed to the City of Newton as long as this plan is in effect, except for areas specifically excluded in annexation resolutions.

Purpose:

The plan is prepared to conform with Section 404.2 of the Code of Iowa, for the purpose of outlining procedures whereby the Area, hereinafter to be designated by ordinance, need be revitalized and the potential for development be enhanced. The adoption of the plan will enhance the revitalization of the Area resulting in the improvement of the public health, safety and welfare of the residents of the City.

Goals:

The goals of this revitalization plan are:

- To encourage the revitalization of the Area.
- To stabilize and increase the tax base within the City.
- To improve the City through new construction and rehabilitation of existing residential, commercial, and industrial property.
- To enhance the Area by increasing land values and providing an overall aesthetic improvement.
- To make needed public improvements within the Area.

Existing Zoning:

The standards for development for the purposes of this plan shall be the standards set in the zoning ordinance. The Zoning Ordinance and Official Zoning Map, as may from time to time be amended, for the City of Newton is made a part of this plan by reference as if recited in full within the plan.

Land Use:

The Comprehensive Plan and Future Land Use Map of the City of Newton were adopted in October 2012, amended in 2014, 2016, 2018, and 2020.

The intent for future land use is contained in the Comprehensive Plan as adopted and may be amended from time to time to promote the orderly development of the city.

City Services:

The City provides a broad range of services to all property owners. The City intends to provide additional public improvements to the Area for the duration of the plan. However, the existing public improvements should be better utilized through the increased development of the Area. This better utilization is expected to have the effect of reducing the costs to the City in providing services to the Area.

Revenue Bonds:

The City will issue revenue bonds for eligible projects in the Area, in accordance with Section 419.17 of the Code of Iowa, as amended, provided that approval for the issuance of revenue bonds shall be considered separately from any request incurred by the City due to the approval and issuance of the bonds. Requests for the City to issue revenue bonds for a project must be made prior to the start of any project.

Basis of Tax Exemption:

Improvements eligible for exemption include rehabilitation, additions to existing structures and some new construction projects on vacant land or land with existing structures when constructed in accordance with an approved building permit. Actual value added by eligible improvements, as cited (or referenced) in this plan, means the actual value added as of the first year for which the exemption is granted. The minimum increase in the actual value of the real estate required to be eligible for the exemptions provided in this plan shall be as required by Chapter 404 of the Code of Iowa. No change can be made once the application is approved and the exemption is granted.

1. All qualified single-family/owner occupied real estate assessed as residential property, is eligible to receive an exemption from taxation based on the actual value added by the improvements, except for projects that qualify for the City's City-Wide Housing Incentive Program (Approved August 3, 2021: Reso: 2021- 208) or properties that received the City's City-Wide Housing Incentive Program within the previous 5 years.

   The exemption is for a period of five (5) years. The amount of the exemption is equal to one-hundred percent (100%) of the actual value of the improvements for year one and year two, and fifty percent (50 %) of the actual value of the improvements for year three, year four, and year five. However, the amount of the actual value added by the improvements which shall be used to compute the exemption shall not result in the actual value of the qualified real estate being reduced below the actual value on which the homestead credit is computed under section 425.1.

Applicants who fail to submit their application to the City of Newton Community Development Department on or before February 1 following the completion of the project are ineligible for the program.

2. Within the geographical area identified as the North Central Urban Renewal Area as shown on Exhibit 3 to this Plan, Tax Abatement shall be available to property classified as Residential and shall begin with Assessment Year 2008. All other terms, conditions, qualification criteria, and definitions of the Plan shall apply equally to this area.

a. Downtown Large Project Program: Within the geographical area identified as the North Central Urban Renewal Area as shown on Exhibit 3 to this Plan, tax exemption in an amount up to or equal to one-hundred percent (100%) of the actual value of the improvements for nine (9) years, shall be available to mixed-use, single structure development meeting the following conditions:
   i. The development is located on a single parcel and zoned C-CBD and consists of a single structure located within 1 city block of the Jasper County Courthouse.
   ii. The Jasper County Assessor has classified a portion of the structure as multi-residential and has classified the remaining portion of the structure as commercial.
   iii. The development is a rehabilitation of an existing building.
   iv. The development has received Historic Tax Credits for rehabilitation, and the rehabilitation of the building aligns with the Secretary of Interior's Standards for Rehabilitation.
   v. The improvements have a construction valuation exceeding $10 million.

Application Procedures:

An application for exemption shall be made on the forms provided by the Community Development Department as shown as Exhibit 4. A separate application will be required and filed for each new exemption claimed. The application for an exemption shall be filed by the owner(s) of record of eligible property with the City Council through the Community Development Department by the tenth day of January of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements are first assessed.

The City Council shall approve applications submitted if:

a) The improvements, as determined by the City Council, are in conformance with this plan; and,
b) The project is located within the Area; and
c) The improvements were made during the time the Area was so designated

All applications approved by the City Council shall be forwarded to the County Assessor for review, pursuant to Section 404.5 of the Code of Iowa, no later than the first day of March of each year with a statement indicating the authorized exemption. The County Assessor shall make a physical review of all properties with approved applications. The County Assessor shall determine the increase in actual value for tax purposes, if any, due to the improvements and notify the applicant of that determination. The value may be appealed to the local Board of Review pursuant to Section 441.37 of the Code of Iowa. After initial tax exemption is granted, the County Assessor shall continue to grant the tax exemption for the period specified on the approved application. The tax exemptions for the succeeding years shall be granted without the owner(s) having to file an application for the succeeding years.

Relocation:

Any owner(s) requesting exemption for improvements made to an existing residential dwelling unit shall be required to provide evidence, prior to approval of any exemption, that compensation has been paid to the tenant in the amount of at least one (1) month's rent, if the tenant was:

a) Displaced due to improvements, directly or indirectly, for which an exemption is requested; and,
b) The legal occupant of the residential dwelling unit has occupied the dwelling continuously for at least one (1) year prior to completion of the improvements for which an exemption is requested.

Evidence of payment of relocation shall be a statement signed by the tenant that one (1) month's rent has been paid (prior to the date of the approval of the application for exemption) and a copy of the receipt for such payment signed by the owner(s) and tenant.

On all applications for exemption for improvements to existing residential dwelling unit(s), the applicant shall provide evidence of the relocation payment or indicate on the application that no tenants are eligible and the relocation requirement does not apply.

Additional Conditions:

The following conditions also must be met by the applicant for approval of an application for exemption:

a) A residential or multi-residential dwelling unit for which an exemption is requested must, prior to or as a result of the improvements, be in compliance with the minimum requirements of the Newton Minimum Housing Code.
b) The improvements for which an exemption is requested shall be completed in accordance with an approved building permit and the building permit number entered on and made part of the application. The improvements shall have passed a final building inspection and received a Certificate of Occupancy.
c) Improvements for which an exemption is requested shall be in conformance with the Newton Zoning Ordinance.

Other Sources of Revitalization Funds:

Financial sources for improvements are available from usual commercial lending institutions.

Duration:

This plan shall take effect on the effective date of the ordinance designating the Area and shall continue to be in effect until December 31, 2023, provided that:

a) The City Council may find, after review of the impact of the plan, that the plan need be extended shall pass a resolution stating the number of years the plan is extended; and,
b) If the plan, as determined by the City Council, is no longer of benefit to the City, the City Council may repeal the ordinance designating the Area prior to the expiration of the original or extended period. In the event the ordinance is repealed all existing exemptions shall continue until their expiration.

Owners of Record and Existing Assessed Valuations:

A list of the names, addresses, and assessed valuations for land and buildings of the owners of record of all real estate within the designated Area is kept on file at the Jasper County Auditor's Office.

Exhibit 1- *City Limits Description*:

Part of Township 79 and 80 North, Range 19 West of the 5th P.M. and Township 79 North, Range 18 West of the 5th P.M., Jasper County, Iowa, described as:
Beginning at the NW corner of the South half of the SW Quarter of Section 24-80-19;
Thence east along the North line to the NE corner of the said South half of the SW Quarter of Section 24-80-19;
Thence South along the East line of the SW Quarter of said Section 24-80-19 and the East line of the NW Quarter of Section 25-80-19, to the center of said Section 25-80-19;
Thence west along the South line of the NW Quarter of said Section 25-80-19, 1208.5 ft. to the East right-of-way line of E. 31st St. N.;
Thence Southerly along said East right-of-way line to a point 180 ft. north of the centerline of N. 4th Ave. E.;
Thence East along a line 180 ft. normally distant Northerly and parallel to the centerline of North 4th Avenue East, to a point 183 ft. East of the centerline of East 31st Street North said point being 180 ft. North and 183 ft. East of the SE corner of the SW Quarter of the SW Quarter of Section 25 of said Township 80;
Thence South along a line 183 ft. normally distant Easterly and parallel to the centerline of E. 31st St. N. to a point 224.56 ft. North of the centerline of US Hwy. 6;
Thence South 87°35'50" E. 49.04 ft.;
Thence South 76°29'55" E. 113.23 ft. to the West right-of-way line of Halter Ave.;
Thence Southwesterly along said West right-of-way line 55.99 ft. along a 349 ft. radius curve, concave Northwesterly;
Thence South 89°34'49" W., 9.31 ft.;
Thence Southwesterly along said west right-of-way line along a 342 ft. radius curve, concave Northwesterly to point on the north right-of-way line of US Highway 6;
Thence Easterly along said north right-of-way line to the West line of the NE Quarter of Section 36-80-19;
Thence North along said West line to the North Quarter corner of said Section 36;
Thence East along the North line of said Section 36 to the NE corner of said Section 36;
Thence South along the East line of said Section 36 to the North right-of-way line of U.S. Hwy. 6;
Thence Southwesterly along said North right-of-way line to a point lying normal to a point on the centerline of said U.S. Hwy. 6, 50 ft. East of the West line of the NE Quarter of said Section 36 as measured along U.S. Hwy. 6 centerline;
Thence Southeasterly through said point on centerline to a point on the South right-of-way line of said U.S. Hwy. 6 lying normal to said centerline point;
Thence Southwesterly along said South right-of-way line to the East line of the West half of said Section 36;
Thence South along the East line of the West half of said Section 36 to the NW corner of the South half of the SW Quarter of the SE Quarter of said Section 36;
Thence East along the North line of said South half of the SW Quarter of the SE Quarter to the NE corner of said South half of the SW Quarter of the SE Quarter;
Thence South along the East line of said SW Quarter of the SE Quarter to the South line of said Section 36;
Thence East along said South line of Section 36 to the SE corner of said Section 36;
Thence South along the East line of Section 1 of said Township 79 to the Southeast corner of the NE Quarter of the NE Quarter of said Section 1;
Thence West, 94.1 ft. to the Westerly right-of-way line of a public highway (Interstate Highway #80);
Thence Southerly and Westerly along said right-of-way line to a point 150 ft. east of the East line of the West half of the West half of said Section 1;
Thence South along a line 150 ft. normally distant Easterly and parallel to said East line, to a point on the South right-of-way line of Interstate Highway #80;
Thence Easterly along South right-of-way line of Interstate Highway #80 to a point on the East line of the SE Quarter of Section 1-79-19;
Thence continuing Easterly along the South right-of-way line of Interstate Highway #80 to a point on the East line of the SW Quarter of the NW Quarter of Section 6-79-18;
Thence South along said East line and the East line of the NW Quarter of the SW Quarter of Section 6-79-18 to the SE corner of said NW Quarter, SW Quarter, Section 6-79-18;
Thence West along the South line of the NW Quarter of the SW Quarter of Section 6-79-18 to the east line of the SE Quarter of Section 1-79-19;
Thence south 00°25'27" east, 212.00 feet along the east line of the southeast quarter of the southeast quarter of said Section 1; thence south 89°26'06" west, 63.80 feet; thence southwesterly 571.83 feet along the arc of a non-tangent curve concave to the northwest with a central angle of 25°12'09", a radius of 1,300.00 feet and a chord that bears south 41°59'02" west, 567.23 feet; thence south 54°35'06" west, 107.16 feet, said line being tangent to the aforesaid curve; thence south 42°21'36" west, 306.96 feet; thence south 54°35'06" west, 304.86 feet to the westerly right-of-way line, now abandoned, of the Chicago and Northwestern Railway Company; thence south 39°25'57" east along said westerly right-of-way line to the south line of said Section 1; hence west 268 feet along said south line;

Thence south 89°49’11” west to a point 253.53 feet east of the Southeast corner of Parcel “H” in the south half of the southeast quarter of section 1 and the north half of the northeast quarter of section 12 all in township 79 north, range 19 west of the fifth principal meridian, as recorded in book 1153, page 100 in the Jasper County Recorder’s Office; thence southwesterly, 620.37 feet along the arc of a non-tangent curve concave to the southeast with a central angle of 39°33’17”, a radius of 1,000.00 feet and a chord that bears south 22°13’34” west, 676.73 feet;
Thence south 84°24’26” east, 325.86 feet; thence north 64°15’42” east, 273.15 feet; thence north 52°50’05” east, 120.53 feet; thence north 69°34’59” east, 262.92 feet; thence south 43°12’00” east, 350.00 feet; thence south 50°13’22” east, 618.35 feet to the easterly extension of the north line of said lands of van zee; thence north 89°59’33” west, 1,086.48 feet along the easterly extension of and the north line of said lands of Van Zee, as recorded in book 865, page 483 in the Jasper County Recorder’s Office; thence north 54°40’24” west to the east line of the NW Quarter of the NE Quarter of Section 12-79-19;
Thence South 343.5 ft. to the SE corner of said NW Quarter of the NE Quarter of Section 12-79-19;
Thence East 176.4 ft. along the North line of the SE Quarter of the NE Quarter of said Section 12-79-19;
Thence South 938.3 ft. along a line parallel to the West line of the SE Quarter of the NE Quarter of Section 12-79-19;
Thence North 81°11’ E. 496.8 ft. to the centerline of Lincoln Street;
Thence South 12°40’ E. along the centerline of Lincoln Street to a point on the South line of North half of Section 12-79-19;
Thence west along the South line of North half of Section 12-79-19 to the center of Section 12;
Thence South 3°05'49"E., 1,003.12 ft. along the East line of the NE Quarter of the SW Quarter of said Section 12;
Thence South 41°55'23"E., 630.52 ft.;
Thence South 87°01'55"W., 359.31 ft.;
Thence North 41°55'23"W., 216.74 ft. to the South line of said NE Quarter of the SW Quarter;
Thence South 87°03'35"W., 1,234.89 ft. along said South line to the SW corner of the NE Quarter of the SW Quarter of Section 12;
Thence North 3°11'04"W., 622.19 ft. along the West line of said NE Quarter of the SW Quarter;
Thence North 41°55'23"W., to the South line of the SW Quarter of the NW Quarter of Section 12-79-19;
Thence west along the South line of said SW Quarter of the NW Quarter of Section 12, 769.75 ft. to the SW corner of the SW Quarter of the NW Quarter of said Section 12;
Thence North along the West line of SW Quarter of the NW Quarter of Section 12-79-19, 957.47 ft.
Thence North 41°55’23” W. to the West line of the NE Quarter of the NE Quarter of Section 11-79-19;
Thence North 3°13'22"W., 36.44 ft. to the NW corner of said NE Quarter of the NE Quarter;
Thence North 33.0 ft. along the East line of the SW Quarter of the SE Quarter of Section 2 to the North right-of-way line of the county road;
Thence West along said North right-of-way line to the West line of said SW Quarter of the SE Quarter;
Thence North along the West line of said SW Quarter of the SE Quarter and the NE Quarter of the SW Quarter of Section 2 to a point 963.9 ft. south of the center of said Section 2;
Thence North33°00'W., to a point 183 ft. south of the North line of the SW Quarter of said Section 2;
Thence West along a line 183 ft. normally distant Southerly and parallel to the North lines of the South half’s of Sections 2 and 3 of said Township 79 to a point 150 ft. East of the East right-of-way line of East 5th Street South;
Thence South 167 ft.;
Thence West 262 ft. to the East line of the NE Quarter of the SW Quarter of Section 3;
Thence north along said East Line to a point 222.24 ft. south of the NE corner of said NE Quarter of the SW Quarter;
Thence South 80°39'W to the centerline of the abandoned C.R.I. & P. railroad;
Thence Southeasterly along said centerline to the South line of Lot 2 of the Subdivision of the NE Quarter of the SW Quarter of said Section 3 extended to said centerline;
Thence West along said South line to the Southwest corner of said Lot 2;
Thence Northwesterly along the West line of said Lot 2 to a point 350 ft. south of the North line of the South half of said Section 3;
Thence West along a line 350 ft. normally distant Southerly and parallel to the North lines of the South half’s of Sections 3 and 4 of said Township 79 to a point which lies 500 ft. East of the West line of the NE Quarter of the SW Quarter of Section 4;
Thence South along a line 500 ft. normally distant Easterly and parallel to said West line to the South line of said NE Quarter of the SW Quarter;
Thence West 200 ft.;
Thence South along a line 300 ft. normally distant Easterly and parallel to said West line of the SE Quarter of the SW Quarter to the South line of said Section 4;
Thence West 300 ft. to the SW corner of the SE Quarter of the SW Quarter of said Section 4;
Thence North along the West line of the SE Quarter of the SW +Quarter and the NE Quarter of the SW Quarter to a point 466.7 ft. north of the SE corner of said NW Quarter of the SW Quarter;
Thence West 466.7 ft.; thence South 466.7 ft. to the South line of said NW Quarter of the SW Quarter of said Section 4;
Thence West along said South line to the SE corner of Lot 6 of the Subdivision of said NW Quarter of the SW Quarter;
Thence North 208.7 ft. along the East line of said Lot 6 to the Northeast corner of said Lot 6;
Thence West along the North line of said Lot 6 to the East right-of-way line of West 18th Street South;

Thence South along said East right-of-way line, and said right-of-way line extended, to the South line of said NW Quarter of the SW Quarter;
Thence West 150 ft. along said South line to a point 226.5 ft. East of the Southwest corner of said NW Quarter of the SW Quarter;
Thence North 51.6 ft. to a point on the South line of Lot 5 and 45.3 ft. West of the Southeast corner of Lot 5 of the Subdivision of said NW Quarter of the SW Quarter;
Thence Westerly along said South line to the Southwest corner of said Lot 5;
Thence South 51.5 ft. to the South line of said NW Quarter of the SW Quarter;
Thence West along the South line of said NW Quarter of the SW Quarter of Section 4 and the South line of the North half of the SE Quarter of Section 5 to the Easterly right-of-way line of the Iowa Interstate Railroad (IAIS);
Thence Northerly along said Easterly right-of-way line to a point 150 ft. West of the East line of Section 32 of said Township 80;
Thence North along a line 150 ft. normally distant Westerly and parallel to said East line to the North line of the SE Quarter of said Section 32;
Thence East 150 ft. along said North line to the Northeast corner of said SE Quarter;
Thence North along the East line of said Section 32 to the Northeast corner of the SE Quarter of the NE Quarter of said Section 32;
Thence East along the South line of the NW Quarter of the NW Quarter of Section 33 to the Southwest corner of Leeper's Highland Addition as shown by Plat recorded in Book 279, Page 8 in the Office of the Recorder of Jasper County, Iowa;
Thence North along the West line of said Leeper's Highland Addition to the centerline of North 2nd Avenue West extended;
Thence East 52.5 ft. along said centerline;
Thence North to the North line of Section 33;
Thence West along said North line to the NE corner of Lot E of the Subdivision of the NW Quarter of the NW Quarter of Section 33;
Thence South 150 ft. along the East line of said Lot E;
Thence West 82.5 ft. to the West line of said Lot E;
Thence North 150 ft. along the West line of said Lot E to the North line of Section 33;
Thence West along said North line to a point 180 ft. East of the West line of the SW Quarter of Section 28;
Thence North along a line 180 ft. normally distant Easterly and parallel to the West line of the SW Quarter of Section 28 to the North line of the SW Quarter of the said SW Quarter;
Thence East along said North line to the west right-of-way line of Iowa Highway #14;
Thence Northeasterly along the West right-of-way line of Iowa Hwy. 14 to the South line of the North half of the NW Quarter of Section 28;
Thence West along South lines of North half of NW Quarter of Section 28 and the North half of NE Quarter of Section 29 to a point lying 850 ft. West of the East line of the NE Quarter of the NE Quarter of Section 29;
Thence North along a line lying 850 ft. normally distant westerly and parallel to the East line of the NE Quarter of the NE Quarter of Section 29 and the SE Quarter of the SE Quarter of Section 20 to the North line of said SE Quarter of the SE Quarter of Section 20;
Thence East along the North lines of the SE Quarter of the SE Quarter of Section 20 and the South half of the SW Quarter of Section 21 to the Northeast corner of the SE Quarter of the SW Quarter of said Section 21;
Thence South along the East line of said SE Quarter of the SW Quarter to the South Quarter corner of said Section 21;
Thence East along the South line of the SE Quarter of Section 21 to the West right-of-way line of Iowa Hwy. #14;
Thence Northeasterly along said West right-of-way line of Iowa Hwy. #14 to the North line of the South 902.6 ft. of the SE Quarter of the SE Quarter of said Section 21;
Thence East along the said North line to the East right-of-way line of Iowa Hwy. 14;
Thence Northeasterly along said East right-of-way line to the NW corner of Lot 2 of the Subdivision of the SE Quarter of the SE Quarter of Section 21;
Thence Easterly to the NE corner of said Lot 2;
Thence South 409 ft. to the SE corner of said Lot 2;
Thence East 403.5 ft. to a point on the East line and 416 ft. south of the Northeast corner of said SE Quarter of the SE Quarter;
Thence South along said East line to a point 183 ft. North of the Southwest corner of Section 22;
Thence easterly along a line 183 ft. normally distant Northerly and parallel to the South line of Section 22, to the East line of the SW Quarter of said Section 22;
Thence North, 725 ft., along said East line;
Thence East 620 ft.; thence South 725 ft.;
Thence East along a line 183 ft. normally distant Northerly and parallel to the South lines of Section 22 and 23, to the Easterly right-of-way line of the IAIS railroad;
Thence Northeasterly along said Easterly right-of-way line to a point 33 ft. West of the East line of the SW Quarter of Section 23;
Thence South along a line 33 ft. normally distant Westerly and parallel to said East line of the SW Quarter to a point 183 ft. North of the South line of said SW Quarter;

Thence East 216 ft. to a point 183 ft. east of the East line of said SW Quarter;
Thence South along a line 183 ft. normally distant Easterly and parallel to the West lines of the SE Quarter of Section 23 to the South line of said Section 23;
Thence east along said South line to a point 250.68 feet west of the SE corner of said Section 23;
Thence North 80.33 feet along a line with an assumed bearing of N 00°00'00" W to the North Right-of-Way line of North 19th Avenue East;
Thence N 29°52'35" W, 545.07 feet;
Thence N 06°40'05" W, 249.21 feet;
Thence N 43°42'50" W, 38.43 feet;
Thence N 22°51'00" W, 188.94 feet;
Thence N 32°59'10" W, 135.17 feet;
Thence N 26°20'10" W, 270.37 feet;
Thence N 52°25'15" W, 481.58 feet;
Thence N 24°49'45" W, 336.57 feet;
Thence N 43°11'20" W, 275.42 feet to the South line of the Iowa Interstate Railroad Right-of-Way;
Thence northeasterly 313.06 feet along said south Right-of-Way line to the west line of the NE Quarter of the SE Quarter of Section 23-80-19;
Thence north along said west line, and the west line of the East half of the NE Quarter of said Section 23-80-19 to the centerline of N. 33rd Ave. E.;
Thence west along said centerline to a point 425 feet east of the west line of the NW Quarter of the NE Quarter of Section 23-80-19;
Thence north along a line 425 feet normally distant easterly and parallel to said west line of the NW Quarter of the NE Quarter of Section 23-80-19 to the north line of said Section 23-80-19;
Thence north 24 feet along a line 425 feet normally distant easterly and parallel to the west line of the SE Quarter of Section 14-80-19;
Thence east along a line 24 feet normally distant northerly and parallel to the south line of said Section 14-80-19 to a point 165 feet west of the east line of said Section 14-80-19; Thence south 24 feet along a line 165 feet normally distant westerly and parallel to the east line of said Section 14-80-19 to the south line of said Section 14-80-19;
Thence east 165 feet along the said south line of Section 14-80-19 to the SE Corner of said Section 14-80-19;
Thence south along the East line of Section 23-80-19 to the NW corner of the South half of the SW Quarter of Section 24-80-19, which is the point of beginning.

Exhibit 2- ***City Limits Map*****:**

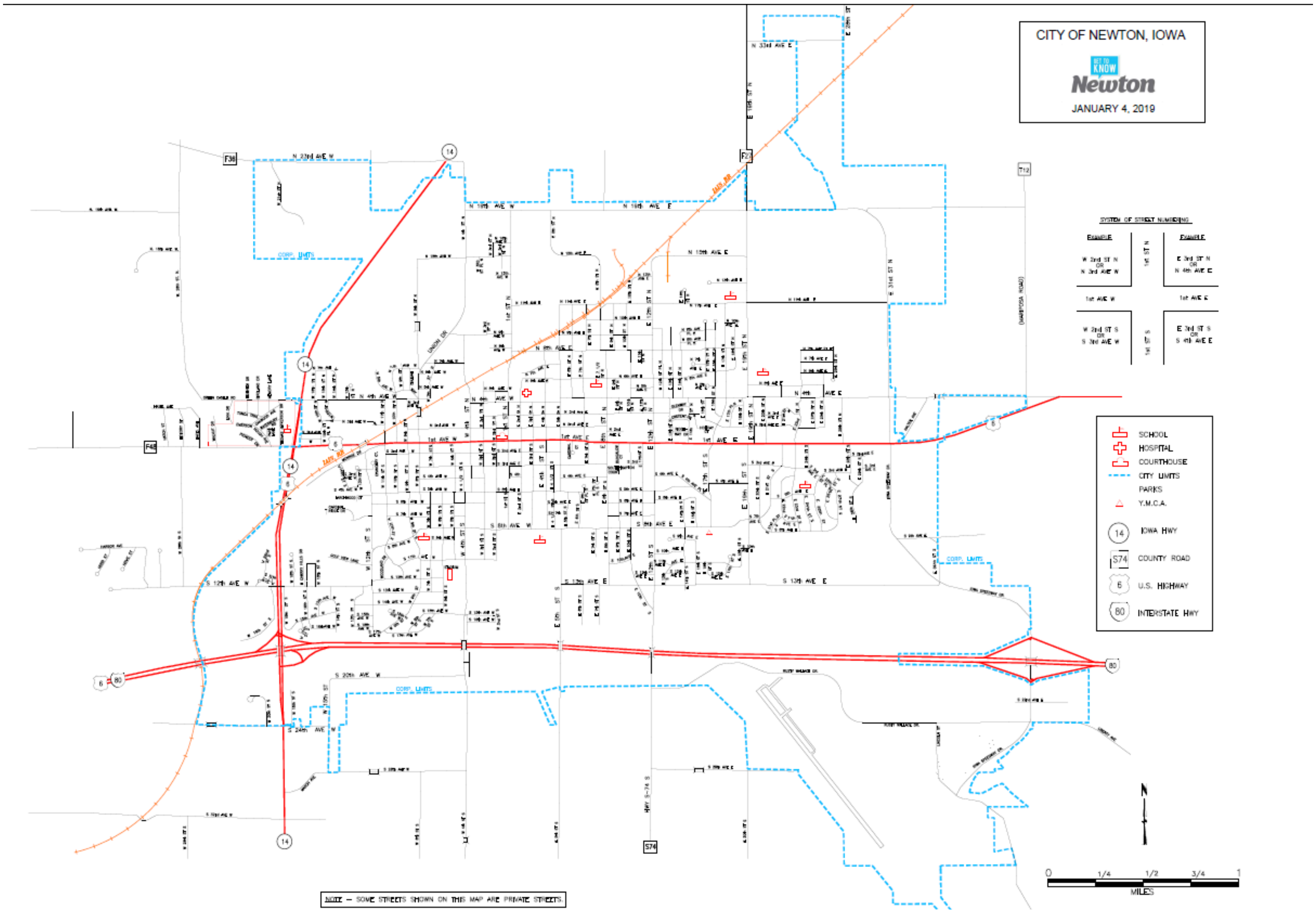

Exhibit 3- ***Map of North Central Urban Renewal Area*:**

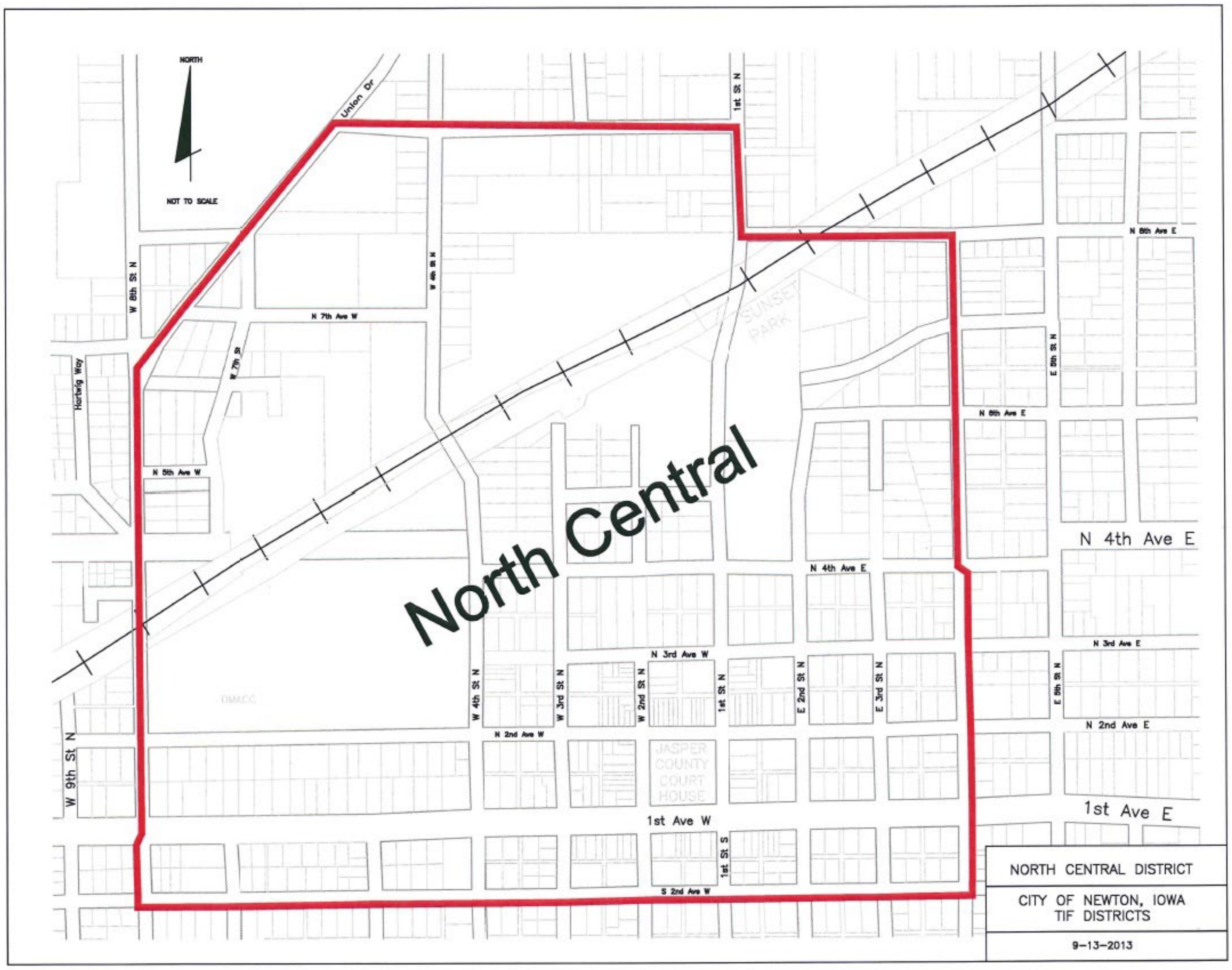

Exhibit 4- *Application Form*:

Application for Tax Abatement

Newton City-Wide Urban Revitalization Area

Please Type or Print

Applicant (Owner of Record):____ Phone No.______________

Address:_________________________________ City: ____________________ State:____ZIP:______

Address of Property for which Tax Abatement Is Requested: _________________________, Newton, IA

Type of Building Improvements: _________________________Building Permit No: _______________

Permit Value: _______________ Date Construction Completed: _______________

Type of Tax Abatement Applying for (check ONLY one):

________ **Single-Family/Owner Occupied, Residential** assessed property consisting of one (1) or two (2) separate living quarters or accessory structures such as garages– one hundred percent (100%) exemption on the value added by the improvements for a period of two (2) years, followed by fifty percent (50%) exemption on the value added by the improvements for a period of three (3) years. Projects eligible for the Newton Housing Initiative Incentives are not eligible for tax abatement. Properties that received Newton Hosing Initiative Incentives during the previous 5 years are not eligible for tax abatement. Assessed value must increase by 10%.

________ **Downtown Large Project:** A single existing building located within the North Central URA and zoned C-CBD and that is part of a historic tax credit rehabilitation with a construction valuation of $10 million or more is eligible for 100% tax exemption for 9 years.

Acknowledgments

(1) There were no tenants displaced by this construction, or if tenants were displaced, relocation payments were made.

(2) The applicant certifies that all information in this application, and all information furnished in support of this application is given for the purpose of obtaining an exemption from taxes on improvements and is true and complete to the best of the Applicant's knowledge and belief. Verification may be obtained from any source named herein.

Signature of Applicant:____ Date Signed:_________________

Due Date: Must be returned to 403 W 4 ST N, Suite 501 Newton, IA 50208 by February 1 following the completion of construction.

City Council Action: **Approved ______ (Resolution ________________________) Date:___________________**

Denied _________ Explanation: ____

County Assessor Action:

Reviewed and Approved ________________________ Date: ______________________

Assessed Valuation of Improvements Approved for Tax Abatement: $ ____

Reviewed and Disapproved _____________________ Explanation: ____

Date Notification Sent :______________________________________