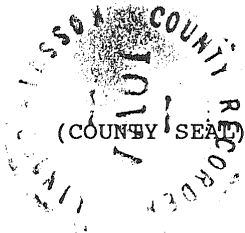


COUNTY RECORDER'S CERTIFICATE

I, Karen M Benesch, County Recorder of Kossuth County, Iowa, hereby certify that on the 30 day of July, 1995, there was filed in my office a true and correct copy of the Algona Urban Renewal Plan of the City of Algona, Iowa, approved by the City Council on the 12 day of July, 1995, all duly certified upon the form attached above, for recording and the same is recorded in Book 34 Misc. at Page 230-249 of the records in my office.



Karen M Benesch
County Recorder of Kossuth County,
Iowa
Mary Ellen Kisch, Deputy

RESOLUTION NO. 95-40

RESOLUTION DETERMINING AN AREA OF THE CITY TO BE AN ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; AND ADOPTING THE ALGONA URBAN RENEWAL PLAN THEREFOR.

WHEREAS, this Council has reasonable cause to believe that the area described below satisfies the eligibility criteria for designation as an urban renewal area under Iowa law; and

WHEREAS, a proposed Algona Urban Renewal Plan for the area described below has been prepared, which proposed Plan is on file in the office of the City Clerk and which is incorporated herein by reference; and

WHEREAS, this proposed Urban Renewal Area includes and consists of real property located within the corporate boundaries of the City of Algona, legally described as:

Beginning at the intersection of Sample Street and McGregor Street, thence West on McGregor Street to Lantry Street, thence North on Lantry Street to Diagonal Street, thence Northeast on Diagonal Street to Commercial Street, thence East on Commercial Street to Putnam Street, thence South on

Putnam Street to the storm drainage ditch right-of-way, thence East along the North boundary of the storm drainage ditch right-of-way to North Finn Drive, thence North on North Finn Drive to the North boundary of the Soo Line Railroad right-of-way, thence East along the railroad right-of-way to the corporate limits, thence following the corporate limits around the Northeast, North and Northwest Corners of the City (excluding Country Club Estates Subdivision) until it intersects with the North boundary of the Soo Line Railroad right-of-way, thence Easterly along the Soo Line Railroad right-of-way until it intersects with the East boundary of the Chicago & Northwestern Railroad right-of-way, thence Southwest on the Chicago & Northwestern Railroad right-of-way to Diagonal Street, thence Southwest on Diagonal Street to Phillips Street, thence South on Phillips Street to Call Street, thence West on Call Street to Jones Street, thence North on Jones Street to North Street, thence West on North Street to Williams Street, thence South on Williams Street to McGregor Street, thence East on McGregor Street to Phillips Street, thence South on Phillips Street to Kennedy Street, thence West on Kennedy Street to Harriet Street, thence South on Harriet Street to Fair Street, thence East on Fair Street to Phillips Street, thence South on Phillips Street to Irvington Road, thence East on Irvington Road to the West boundary of the Chicago & Northwestern Railroad right-of-way, thence North on the Chicago & Northwestern Railroad right-of-way to Chubb Street, thence East on Chubb Street to Sample Street, thence North on Sample Street to the point of beginning.

Except an area described as follows:

Beginning at the intersection of U.S. Highway #18 and Johnson Street, thence South on Johnson Street to the North boundary of the Soo Line Railroad right-of-way, thence East on the railroad right-of-way to North Finn Drive, thence North on North Finn Drive to Poplar Street, thence West on Poplar Street to Metcalf Street, thence North on Metcalf Street to U.S. Highway #18, thence West on U.S. Highway #18 to the point of beginning.

The Algona Urban Renewal Area includes the full right-of-way of all streets forming the boundary.

WHEREAS, it is desirable that these areas be redeveloped as part of the overall redevelopment area covered by said proposed Urban Renewal Plan to be known hereafter as the "Algona Urban Renewal Plan"; and

WHEREAS, the Iowa statutes require the City Council to submit the proposed Algona Urban Renewal Plan to the Planning and Zoning Commission for review and recommendation as to its conformity with the General Plan for development of the City as a whole, prior to City Council approval of such urban renewal project and an urban renewal plan therefor; and

WHEREAS, creation of the Algona Urban Renewal Plan Area and adoption of the Algona Urban Renewal Plan therefor has been approved by the Planning and Zoning Commission for the City as being in conformity with the general plan for development of the City as a whole, as evidenced by its written report filed herewith and incorporated herein by this reference; and

WHEREAS, by resolution adopted on June 14, 1995, this Council directed that a consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Algona Urban Renewal Plan and the division of revenue described therein, and that notice of said consultation and a copy of the proposed Algona Urban Renewal Plan be sent to all affected taxing entities; and

WHEREAS, pursuant to such notice, the consultation was duly held as ordered by the City Council and all required responses to the recommendations made by the affected taxing entities, if any, have been timely made as set forth in the report of the City Administrator filed herewith and incorporated herein by this reference, which report is in all respects approved; and

WHEREAS, by said resolution this Council also set a public hearing on the adoption of the proposed Algona Urban Renewal Plan for this meeting of the Council, and due and proper notice of said public hearing was given, as provided by law, by timely publication in the Algona Upper Des Moines which notice set forth the time and place for this hearing and the nature and purpose thereof; and

WHEREAS, in accordance with said notice, all persons or organizations desiring to be heard on said proposed Plan, both for and against, have been given an opportunity to be heard with respect thereto and due consideration has been given to all comments and views expressed to this Council in connection therewith and said public hearing has been closed.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF ALGONA, IOWA:

Section 1. That the findings and conclusions set forth or contained in the proposed "Algona Urban Renewal Plan" for the area of the City of Algona, Iowa legally described and depicted in the Plan and incorporated herein by reference (which area shall

hereinafter be known as the "Algona Urban Renewal Plan Area"), be and the same are hereby adopted and approved as the findings of this Council for this area.

Section 2. This Council further finds:

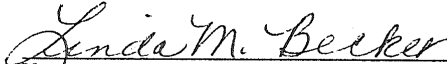
- a. A feasible method exists for the location of families who will be displaced from the Algona Urban Renewal Plan Area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families;
- b. The Algona Urban Renewal Plan conforms to the general plan for the development of the City as a whole; and
- c. As to those areas of open land to be acquired by the City included within the Algona Urban Renewal Plan Area:
 - (1) With reference to those portions thereof which are to be developed for residential uses, this City Council hereby determines that a shortage of housing of sound standards and design with decency, safety and sanitation exists within the City; that the need for housing accommodations has been or will be increased as a result of the clearance of slums and other areas, including other portions of the Urban Renewal Plan Area; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime, and constitute a menace to the public health, safety, morals or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the City.
 - (2) With reference to those portions thereof which are to be developed for non-residential uses, such non-residential uses are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 3. That the Algona Urban Renewal Plan Area is an economic development area within the meaning of Iowa Code Chapter 403; that such area is eligible for designation as an urban renewal area and otherwise meets all requisites under the provisions of Chapter 403 of the Code of Iowa; and that the rehabilitation, conservation, redevelopment, development, or a combination thereof, of such area is necessary in the interest of the public health, safety or welfare of the residents of this City.

Section 4. That the Algona Urban Renewal Plan, attached hereto as Exhibit A and incorporated herein by reference, be and the same is hereby approved and adopted as the "Algona Urban Renewal Plan for the Algona Urban Renewal Plan Area"; the Algona Urban Renewal Plan for such area is hereby in all respects approved; and the City Clerk is hereby directed to file a certified copy of said Algona Urban Renewal Plan with the proceedings of this meeting.

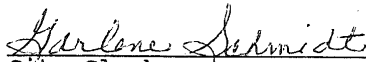
Section 5. That the Algona Urban Renewal Plan for the Algona Urban Renewal Plan Area shall be in full force and effect from the date of this resolution until the later of the date of termination set forth in the Algona Urban Renewal Plan or the date on which payment of all obligations issued or advances made to carry out the purposes thereof shall be fully provided for. Said Algona Urban Renewal Plan shall be forthwith certified by the City Clerk, along with a copy of this Resolution, to the Recorder for Kossuth County, Iowa, to be filed and recorded in the manner provided by law.

PASSED AND APPROVED this 12th day of July, 1995.



Mayor

ATTEST:



City Clerk

URBAN RENEWAL PLAN

**ALGONA
URBAN RENEWAL AREA**

CITY OF ALGONA, IOWA

June, 1995

Simmering-Cory, Inc.

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**Urban Renewal Plan
Algona Urban Renewal Area
City of Algona, Iowa**

A. INTRODUCTION

This Urban Renewal Plan has been developed to help local officials promote economic development in the City of Algona. The primary goal of the plan is to stimulate, through public involvement and commitment, private investments in commercial and industrial development to create a sound economic base that will serve as the foundation for future growth and development.

In order to achieve this objective, Algona (the "City") intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapters 403 and 15A of the Code of Iowa, 1995, as amended.

In response to a national initiative, an Urban Renewal Program for cities in Iowa was created during the mid-1950's. It was intended to give cities the power to deal with conditions of blight and deterioration. The enabling legislation acknowledged that the existence of such conditions inevitably led to a declining tax base, an increase in the costs for public services, and a long list of other negative impacts on the community.

In 1985, the Iowa General Assembly expanded the scope of urban renewal legislation to allow the use of this program to alleviate and prevent conditions of unemployment within a City. The legislation authorizes municipalities to designate areas as "economic development areas" for commercial, industrial and affordable residential development.

The significance of this new addition to cities' powers under the Urban Renewal Act is the recognition of the importance of economic activity to a community's vitality and survivability.

Overall, the Urban Renewal Act allows City Councils to formulate a program for using public and private resources to encourage development and to help alleviate and prevent conditions of unemployment. In the past, local officials and community leaders may have taken the position of letting only market conditions determine the growth potential of the area. However, in some cases, more can be accomplished if community leaders take an active role in the recruitment of new development through various financial and physical incentives.

In order to help achieve its objectives in the Algona Urban Renewal Area, the City has prepared this Plan in a manner that fulfills the requirements of Chapter 403, Code of Iowa.

The Plan can be utilized to help determine whether a specific development proposal should receive support from the City in the form of extension of municipal services, special financing or other types of assistance.

As with the City's Zoning Ordinance and Comprehensive Plan, the Urban Renewal Plan should be reviewed and modified from time to time to accommodate changing goals and objectives, and changing economic conditions and trends.

As with virtually all community development tools, Urban Renewal will not be effective in all situations. Before implementation, local officials should thoroughly review goals and objectives, public support, cost-benefits, and political climate to determine whether Urban Renewal will be effective.

B. TAX INCREMENT DISTRICT

One of the most significant and widely-used powers given to city councils under the Urban Renewal Act is the authority to utilize "tax increment financing (TIF)". TIF enables a city to use the property tax dollars produced from new private development to pay for certain public improvements and to provide assistance for private development within an Urban Renewal Area.

In order to utilize TIF, a special taxing district will be established by ordinance in the Urban Renewal Area as shown in Exhibit B. Assuming the district is legally established and debt is certified prior to December 31, 1995, the total taxable valuation within the district as of January 1, 1994, will be considered the "base valuation". When the value of the property inside the special district increases due to new construction or reevaluation, the difference between the base valuation and the new property value is called the "increment".

After a City incurs tax increment debt to finance improvements within the district, property taxes levied by all local jurisdictions (city, county, school, area college) against the "increment", with the exception of taxes levied to repay current or future debt incurred by local jurisdictions, are allocated to the City's tax increment funds rather than to each jurisdiction. These new tax dollars are then used to retire any tax increment debt

incurred by the City. Only the portion of the increment needed to pay off the City's tax increment debt is affected. Any additional incremental taxes go to the usual taxing bodies. If the City has incurred no debt, taxes from the entire increment go to each taxing district.

When debt is incurred, and for the period of time needed to pay off the City debt, most of the property taxes levied by all jurisdictions against the new, or incremental value in the district, will be allocated to the City's tax increment fund. However, any taxes levied against the incremental value which are pledged to pay off other debt, such as a debt service levy of the school district to pay school district bonds or a City debt service levy, will not go into the City's tax increment fund, but will go back to the levying jurisdiction.

Tax increment revenues generated from this district can be used to pay off debt which was incurred to finance a variety of activities. For example, revenue could be used to provide for necessary physical improvements in the Algona Urban Renewal Area where, in the opinion of the City Council, it is in the best interest of the City to do so. Revenue could also be used by the City to provide direct assistance to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.

The city, county, school and area college will not receive any less tax money than had been previously realized, because property taxes levied by these local jurisdictions against the "base valuations" will continue to be distributed just as before. In addition, once the City tax increment debt is paid off, property taxes produced from the increment, as well as from the base valuation, are distributed to the local jurisdictions.

This type of financing tool delays a local government's ability to immediately realize the direct tax benefits from new construction until public debt in the district is paid. On the other hand, tax increment financing may be used to promote development which will not otherwise occur. If new development does not take place and property values do not increase as a result, the county and school district will never receive the benefit of the larger tax base.

Costs incurred by the City to make improvements or provide incentives for new development are paid back with the new taxes generated from that development. Unless a tax abatement program is utilized in conjunction with TIF, developers will be paying the going rate for taxes.

The idea behind tax increment financing is that public investment generates private investment, which increases the taxable value of an area, and over time strengthens the tax base. This increased tax base is the long-term return on the public's investment.

The use of tax increment financing incentives is intended to make the Algona Urban Renewal Area more competitive in the recruitment of new commercial and industrial development.

C. DESCRIPTION OF THE ALGONA URBAN RENEWAL AREA

The boundaries of the Algona Urban Renewal Area are described in Exhibit A and are illustrated on Exhibit B.

The City reserves the right to modify the boundaries of the area at some future date. Any amendments to the property included within the area will be completed in accordance with Chapter 403 of the Iowa Code.

D. DISTRICT DESIGNATION

With the adoption of this Plan, the City of Algona will designate this Urban Renewal Area as an economic development district that is appropriate for the promotion of new commercial and industrial development.

E. LAND USE PLAN AND ZONING

Algona has a general plan for the physical development of the City outlined in the Algona Zoning Ordinance. The goals and objectives of this Urban Renewal Plan are consistent with the goals and land use policy which were identified and adopted as part of the planning and zoning process.

The City's primary objectives in the Algona Urban Renewal Area relate to expanded commercial and industrial development, and the creation of new employment opportunities. The Plan is not intended to discourage or prohibit other types of development.

Current zoning districts in the Algona Urban Renewal Area include:

AG	Agricultural	BGC	Central General Business
RS-100	Single Family	HSB	Highway Service Business
RD-60	Duplex Residential	ML	Light Manufacturing
RG-20	General Residential	MH	Heavy Manufacturing
BNH	Heavy Neighborhood Business	FP	Flood Protective Zone
BGH	Heavy General Business	M	Modified Residential Zone

This Urban Renewal Plan does not in any way replace the City's current land use planning or zoning regulation process.

F. PROJECT AREA OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for community economic development purposes including new and expanded industrial and commercial development.

More specific objectives for development within the Algona Urban Renewal Area are as follows:

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

G. TYPE OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage the development of the area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, Code of Iowa. Activities may include:

1. To undertake and carry out Urban Renewal Projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure including streets, water and sewer systems, public utilities or other facilities in connection with Urban Renewal Projects.

3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear, or prepare the property for redevelopment.
5. To dispose of property so acquired.
6. To make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.
7. To borrow money and to provide security therefor.
8. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific Urban Renewal Projects.
9. To use tax increment financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
10. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Algona and the State of Iowa.

Although certain Urban Renewal Project activities may occur over a period of years, specific project activities are expected to occur in 1995. These activities relate primarily to facilitating the establishment of a railroad spur and road construction (to State standards) on Oak Street in the industrial park.

Other urban renewal projects which have been identified by the City for initial consideration include utilizing tax increment financing to help promote business expansion and new business development especially in the Highway #18 corridor.

A revolving loan/grant program may also be established to help promote redevelopment and revitalization in the commercial areas of the Urban Renewal District.

H. DEBT

- 1) Current constitutional debt limit: \$7,090,263
- 2) Current general obligation debt: \$2,516,000 (approximately 35.5% of legal debt limit).
- 3) Proposed amount of indebtedness to be incurred: Debt incurred on the railroad spur project in the Industrial Park is estimated at approximately \$100,000. A specific amount has not yet been established. Debt incurred on the Oak Street construction project is estimated at \$172,000. The City may also decide to finance other development projects in the area. The City Council intends to evaluate all proposals on a case-by-case basis to determine if it is in the City's best interest to participate.

I. PROJECT REVIEW

The City of Algona will give consideration to the following conditions when determining whether or not to participate in a project with a developer.

1. A developer requests the participation of the City in the development process through the use of tax increment financing.
2. A development agreement can be established which provides acceptable assurance to both the City and the developer that the Project will be completed and that contingencies for default are adequately provided for.
3. The developer has a specific proposal which is found to be compatible with the urban renewal goals and is found to be in the best interest of the City.
4. The developer can prove commitment and ability to complete the Project.
5. City financial involvement is necessary to allow the project to proceed.

J. PROPERTY ACQUISITION

No property acquisition by the City is anticipated at this time. However, if property acquisition/disposition become necessary to accomplish the objectives of the Plan, urban renewal powers will be carried out, without limitation, in accordance with the State of Iowa Urban Renewal Law.

K. PROPERTY DISPOSITION

If the City does acquire property as part of an Urban Renewal Project, it may be made available to developers after City Council approval. Selection of proposals shall be based on the following criteria:

1. Greatest benefit for the City as a whole and within the Algona Urban Renewal Area in particular.
2. Compatibility with neighboring land uses, architecture and design.
3. Conformance to the Urban Renewal Plan and Zoning Ordinance.
4. Willingness of a developer to enter into an agreement with respect to payment of property taxes necessary to retire tax increment debt incurred by the City.
5. Any other conditions and criteria developed and adopted with respect to specific property dispositions.

L. RELOCATION

The need for relocation of residents or businesses by the City is not anticipated. If, however, it becomes necessary for the City to become involved, and before a project is approved, a relocation plan will be developed that complies with the Iowa Act.

M. URBAN RENEWAL PLAN AMENDMENTS

This Algona Urban Renewal Area Plan may be amended from time to time to include change in the Area, to add or change land use controls and regulations, to modify goals or types of renewal activities, or to amend property acquisition and disposition provisions.

The City Council may amend this Plan by resolution after holding a public hearing on the proposed change in accordance with applicable state law.

N. EFFECTIVE PERIOD

This Urban Renewal Plan shall remain in full force and effect for twenty years from the calendar year following the calendar year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in Section 403.19, Code of Iowa, 1995, or successor provisions.

Exhibit A

THE ALGONA URBAN RENEWAL AREA INCLUDES AN AREA DESCRIBED AS FOLLOWS:

Beginning at the intersection of Sample Street and McGregor Street, thence West on McGregor Street to Lantry Street, thence North on Lantry Street to Diagonal Street, thence Northeast on Diagonal Street to Commercial Street, thence East on Commercial Street to Putnam Street, thence South on Putnam Street to the storm drainage ditch right-of-way, thence East along the North boundary of the storm drainage ditch right-of-way to North Finn Drive, thence North on North Finn Drive to the North boundary of the Soo Line Railroad right-of-way, thence East along the railroad right-of-way to the corporate limits, thence following the corporate limits around the Northeast, North and Northwest Corners of the City (excluding Country Club Estates Subdivision) until it intersects with the North boundary of the Soo Line Railroad right-of-way, thence Easterly along the Soo Line Railroad right-of-way until it intersects with the East boundary of the Chicago & Northwestern Railroad right-of-way, thence Southwest on the Chicago & Northwestern Railroad right-of-way to Diagonal Street, thence Southwest on Diagonal Street to Phillips Street, thence South on Phillips Street to Call Street, thence West on Call Street to Jones Street, thence North on Jones Street to North Street, thence West on North Street to Williams Street, thence South on Williams Street to McGregor Street, thence East on McGregor Street to Phillips Street, thence South on Phillips Street to Kennedy Street, thence West on Kennedy Street to Harriet Street, thence South on Harriet Street to Fair Street, thence East on Fair Street to Phillips Street, thence South on Phillips Street to Irvington Road, thence East on Irvington Road to the West boundary of the Chicago & Northwestern Railroad right-of-way, thence North on the Chicago & Northwestern Railroad right-of-way to Chubb Street, thence East on Chubb Street to Sample Street, thence North on Sample Street to the point of beginning

Except an area described as follows:

Beginning at the intersection of U.S. Highway #18 and Johnson Street, thence South on Johnson Street to the North boundary of the Soo Line Railroad right-of-way, thence East on the railroad right-of-way to North Finn Drive, thence North on North Finn Drive to Poplar Street, thence West on Poplar Street to Metcalf Street, thence North on Metcalf Street to U.S. Highway #18, thence West on U.S. Highway #18 to the point of beginning.

The Algona Urban Renewal Area includes the full right-of-way of all streets forming the boundary.

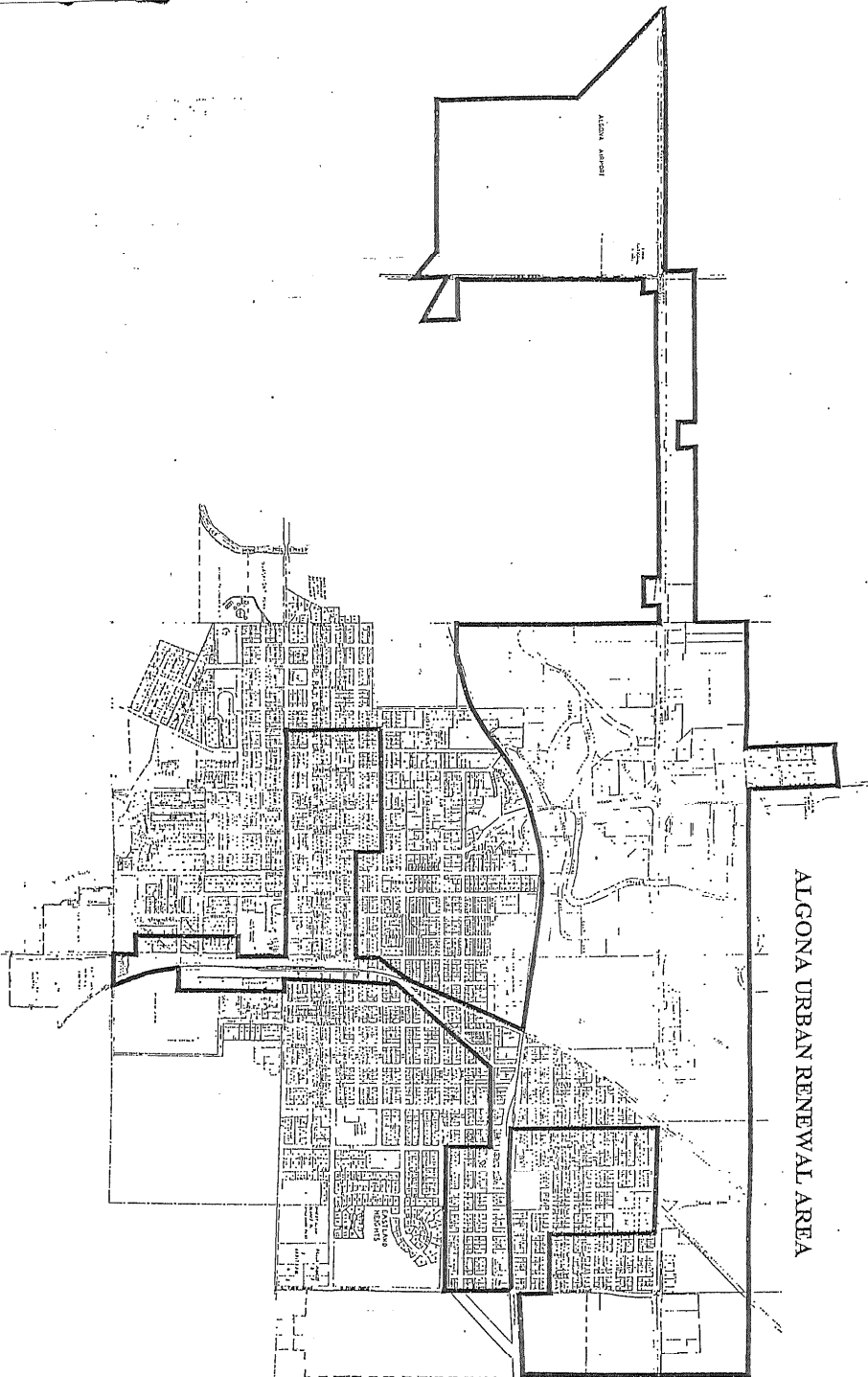


Exhibit B