

# Woodbury County *Envision 2050*

"Enhance the quality of life for all Woodbury County, Iowa residents."



## Mission

The Woodbury County Board of Supervisor's mission is to collaborate with all Cities in the County to encourage and support creative projects that retain existing jobs, create new good paying jobs, grow the tax base, eliminate blighted areas and enhance the environment throughout the entire County. The Board encourages and will support collaborative marketing efforts, visionary projects from the private sector and Cities to leverage County funds to build upon all of Woodbury County's unique assets for continued economic prosperity for all Woodbury County residents and businesses.



# Woodbury County Envision 2050

March 2015

## County Board of Supervisors

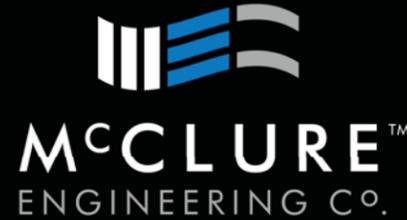
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Larry Clausen - Supervisor (5th District)



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# Woodbury County *Envision 2050*

"Enhance the quality of life for all Woodbury County, Iowa residents."

Coming together is a beginning;  
Keeping together is progress;  
Working together is success.

- Henry Ford

This planning effort has attempted to align the stakeholders around a common vision of growing the opportunities in Woodbury County, Iowa.

There is much to be gained if the leaders in the region align around the concepts in this plan. While the initiatives developed herein will change over time and leaders will come and go, this Envision 2050 plan sets the stage for success to be shared by all residents of Woodbury County and the State of Iowa.

To articulate the philosophy behind this plan, the County Board of Supervisors have created vision and mission statements.

The long-term vision of the Board of Supervisors is to:

*"Enhance the quality of life for all Woodbury County, Iowa Residents."*

The mission of the Board of Supervisors is:

*To collaborate with all Cities in the County to encourage and support creative projects that retain existing jobs, create new good paying jobs, grow the tax base, eliminate blighted areas and enhance the environment throughout the entire County. The Board encourages and will support collaborative marketing efforts, visionary projects from the private sector and Cities to leverage County funds to build upon all of Woodbury County's unique assets for continued economic prosperity for all Woodbury County residents and businesses.*

The Siouxland Region is experiencing unprecedented commercial and industrial expansion. The \$1.7 billion expansion of CF Industries in the unincorporated area of Woodbury County is presenting the County Board of Supervisors with opportunities never imagined before.

Capitalizing on the significant new tax revenues and jobs being created, this Envision 2050 plan is developed to provide a framework for long term marketing and development of the region.

The concepts and initiatives developed in this Envision 2050 Plan have been developed by seeking input from several stakeholders including:

- Woodbury County Board of Supervisors
- City of Sioux City
- City of Sergeant Bluff
- City of Salix
- *The Siouxland Initiative*

A special thank you to all who participated in the planning. McClure Engineering Company is thankful for allowing us to facilitate this process. It has been rewarding for our team and we wish you the best of luck in driving continued positive change to your region.

Respectfully Submitted,



Terry J. Lutz, P.E.  
President  
McClure Engineering Company



## Executive Summary

### ES-1 General

New private sector investments underway in Woodbury County will generate a minimum of \$130,000,000 of new tax revenues from 2018-2038. Most of this will be generated from the CF Industries expansion.

The County created the Liberty Park Urban Renewal Area (LPURA) and Tax Increment Financing (TIF) District to capture the \$130 million to be used for property tax relief, investments in infrastructure projects, and increased regional marketing efforts.

The County Board of Supervisors commissioned this planning effort in 2014 to help them plan and identify opportunities to leverage the new tax revenues to create more good paying jobs and increase the tax base throughout Woodbury County.

The County has worked collaboratively with area cities, businesses, and land owners to identify growth areas and projects that will continue to enhance economic development opportunities throughout the county.

### ES-2 Vision/Mission Statement

A vision and mission statement were developed to provide the overlying philosophy of the Board of Supervisors and to provide direction in this planning effort.

#### Vision Statement

*“Enhance the quality of life for all Woodbury County, Iowa residents.”*

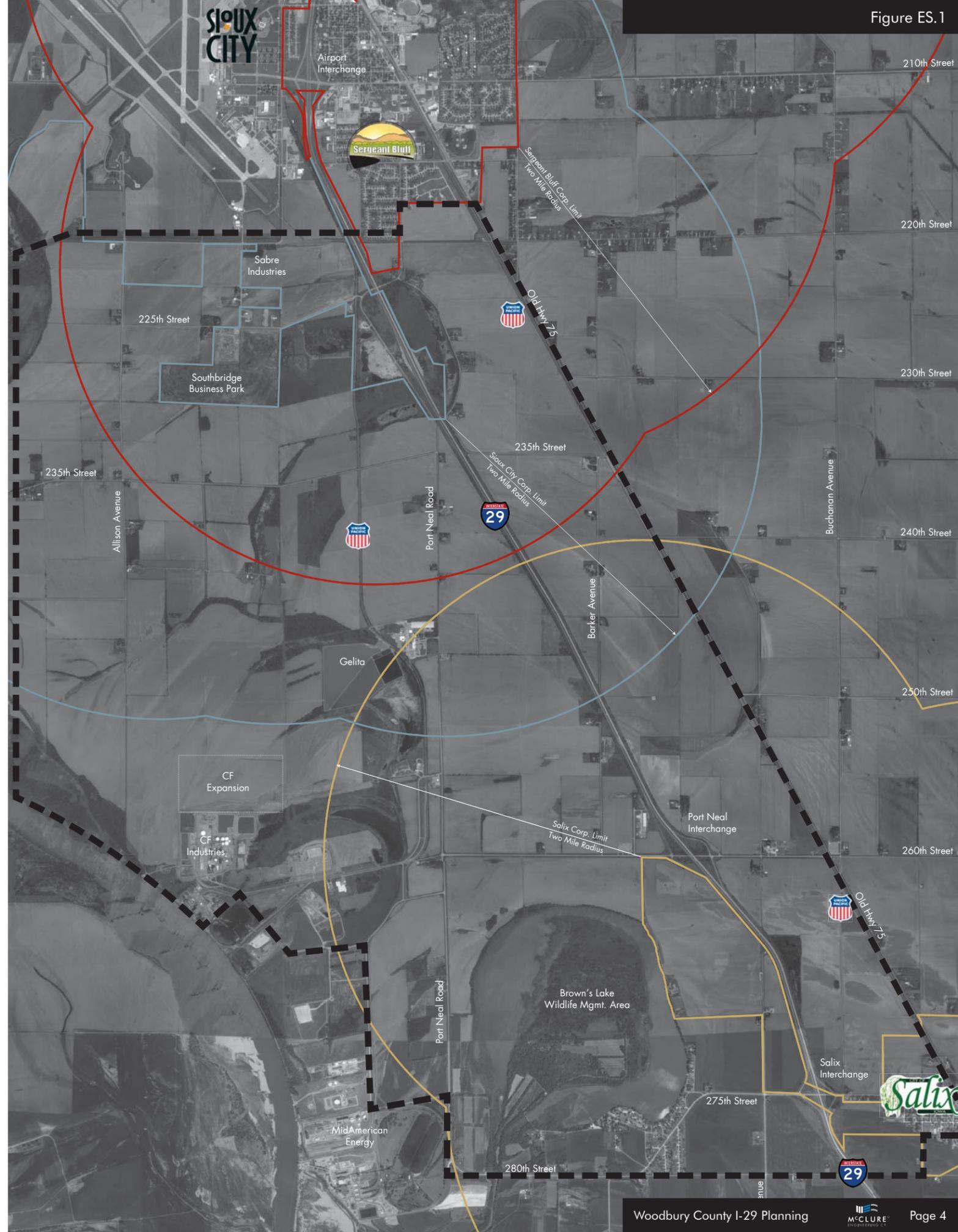
#### Mission Statement

*The Woodbury County Board of Supervisor’s mission is to collaborate with all Cities in the County to encourage and support creative projects that retain existing jobs, create new good paying jobs, grow the tax base, eliminate blighted areas and enhance the environment throughout the entire County. The Board encourages and will support collaborative marketing efforts, visionary projects from the private sector and Cities to leverage County funds to build upon all of Woodbury County’s unique assets for continued economic prosperity for all Woodbury County residents and businesses.*

### ES-3 Purpose of Study

The primary purpose of this study is to:

1. Engage input from public and private sectors within the planning area identified in **Figure ES.1** to identify **infrastructure projects** that will create more economic development opportunities.
2. Prepare a **financial model** to allocate a portion of the new tax revenues for property tax relief, capital investments in infrastructure projects and new regional marketing efforts.
3. Create a **County TIF Use Policy** to be used as a guide for making future investment decisions to drive more growth.
4. Complete a **comparative County analysis** within a 100 mile radius to see how competitive the tax rate can be in Woodbury County.
5. Discuss a **collaborative marketing and economic development strategy** with *The Siouxland Initiative* that may include more day-to-day involvement and more aggressive financial participation from the County.



**ES-4 Infrastructure Projects**

Per the financial model, there will be more new tax revenues generated than capital investments made. This plan allocates revenues towards property tax relief and infrastructure projects.

The Cities of Sioux City, Sergeant Bluff and Salix were interviewed to seek their input on high priority infrastructure projects that they feel would enhance their economic development growth opportunities. From those interviews, many infrastructure projects were identified. To create the most immediate opportunities to create more jobs and grow the tax base, 10 high priority initiatives were identified and are recommended to be started immediately. These initiatives are highlighted on **Figure ES.2**.

**1. CF Industries Assistance**

- Entrance Road
- On-Site Infrastructure

This work is underway and financial commitments are made.

**2. Interchange Justification Report (IJR)**

A joint cost-sharing agreement is proposed to be signed. The County does not intend to use TIF Funds for their share of the cost. This project could begin immediately.

**3. Sergeant Bluff - South Bypass Road**

The City would like to construct this in 2015 and has other funding in place. The City is requesting 25% of the cost from County TIF funds. It is recommended the City and County begin negotiations to amend the Urban Renewal Area to include the area of the road.

**4. Support Continued Growth of Southbridge Business Park in Sioux City**

- Land Purchases
- Roadway Improvements
- Rail Extensions
- Utility Extensions

Strong opportunities to assemble more land to grow the park and leverage current rail and utility extensions could begin immediately. It is recommended the City and County discuss cost sharing of infrastructure.

**5. Port Neal Road Interchange Development**

- Water Service
- Sewer Service

Development pressure exists today. With proper utilities, new development is likely very soon. It is recommended Sioux City, Salix, and

Sergeant Bluff negotiate who can best serve this area with water, sewer, etc. and extend utilities immediately.

**6. Possible Mega Site**

- Land Options/Acquisitions

Begin negotiations with land owners for options to purchase land - obtain state certification for Mega Site. It is recommended this work begin in 2015.

**7. Orton Slough Drainage District**

- Revise Drainage Plan
- Land Acquisition
- Storm Water Improvements

It is recommended the County revise the storm water management plan to include future development of portions of the drainage district, control runoff rates and enhance water quality to enhance Brown's Lake.

**8. Salix Water Tower and Main Extensions**

- New Water Tower
- Water Main to Salix Interchange

It is recommended the City and County negotiate how the County could assist the City in completing their water infrastructure plan.

**9. Utilities to Brown's Lake**

It is recommended the County work with Salix and Brown's Lake residents to plan for water and sewer service to the Lake and propose a cost sharing financial package to implement the work.

**10. Joint Marketing Efforts**

It is recommended the County collaborate with *The Siouxland Initiative* to structure and finance an aggressive joint marketing campaign. Develop a strategic marketing plan, budget, and cost sharing plan to implement the plan.

If these initiatives are implemented on the timeline shown in the financial model, the County may need to issue bonds to pay for their share of the commitments prior to receiving significant TIF revenues from the CF Industries expansion. This can be done with the debt repaid as the new taxes are collected starting in Fiscal Year 2019.

A complete list of all projects are identified in **Table ES.1**.



Table ES.1 - Complete List of All Identified Infrastructure Projects

| Complete List of Identified Projects (0-15 Years) |                       |  |
|---|-----------------------|--|
| Project   | Principal Stakeholder | Project Description                                      |
| WC-CF-1   | Woodbury County       | CF Industries 1st Roadway RISE Loan Repayment            |
| WC-CF-2   | Woodbury County       | CF Industries Miscellaneous On-Site Road Reimbursement   |
| WC-T-1  | Woodbury County       | I-29 IJR Between Mile Markers 138-140                    |
| WC-F-1  | Woodbury County       | Attorney Fees  |
| WC-L-1  | Woodbury County       | Land Options for Certified Site(s)                       |
| WC-D-1  | Woodbury County       | Orton Slough Drainage Improvements                       |
| WC-L-2  | Woodbury County       | Land Assembly for Certified Site(s)                      |
| WC-T-2  | Woodbury County       | I-29 Interchange Between Mile Markers 138-140            |
| WC-T-3  | Woodbury County       | I-29 Interchange West Connector Road Near 235th St       |
| WC-T-4  | Woodbury County       | I-29 Interchange East Connector Road Near 235th St       |
| WC-T-5  | Woodbury County       | Union Pacific Rail Line Extension Under I-29             |
| WC-T-6  | Woodbury County       | I-29 Bridges Over UP Railroad Extension                  |
| WC-T-7  | Woodbury County       | Allison Avenue RISE Project                              |
| SX-L-1  | Sioux City            | Southbridge Land Options (Part I and II)                 |
| SX-L-2  | Sioux City            | Southbridge Land Assembly - Part I                       |
| SX-L-3  | Sioux City            | Southbridge Land Assembly - Part II                      |
| SX-T-1  | Sioux City            | Southbridge Industrial Park UP Railroad Extension        |
| SX-W-1  | Sioux City            | Water Extension to Port Neal Road Interchange            |
| SX-S-1  | Sioux City            | Sewer Extension to I-29 Port Neal Road Interchange       |
| SX-W-2  | Sioux City            | Southbridge Water Improvements                           |
| SX-W-3  | Sioux City            | Water Extension to I-29 Interchange Near 235th St        |
| SX-S-2  | Sioux City            | Southbridge Sanitary Sewer Improvements                  |
| SX-D-1  | Sioux City            | Southbridge Drainage Ditch to Missouri River             |
| SX-L-4  | Sioux City            | Southbridge Land Assembly - Part III                     |
| SX-L-5  | Sioux City            | Southbridge Land Assembly - Part IV                      |
| SX-L-6  | Sioux City            | Southbridge Land Assembly - Part V                       |
| SX-L-7  | Sioux City            | Southbridge Land Assembly - Part VI                      |
| SX-L-8  | Sioux City            | Southbridge Land Assembly - Part VII                     |
| SB-T-1  | Sergeant Bluff        | Sergeant Bluff South Bypass Road                         |
| SB-S-1  | Sergeant Bluff        | Sewer/Pump Station at I-29 Interchange Near 235th Street |
| SA-W-1  | Salix                 | Salix Water Tower  |
| SA-W-2  | Salix                 | Water Extension to I-29 Salix Interchange (East)         |
| SA-S-1  | Salix                 | Sewer Extension to I-29 Salix Interchange (East)         |
| SA-S-4  | Salix                 | Sewer Extension to I-29 Port Neal Road Interchange       |
| SA-S-5  | Salix                 | Sewer Extension to Corporate Limits                      |
| SA-S-6  | Salix                 | WWTP Lagoon Expansion                                    |
| SA-W-3  | Salix                 | Water Extension to I-29 Salix Interchange (West)         |
| SA-W-4  | Salix                 | Water Extension through Brown's Lake Development         |
| SA-W-5  | Salix                 | Water Extension to I-29 Port Neal Road Interchange       |
| SA-W-6  | Salix                 | Water Extension to Corporate Limits                      |
| SA-S-2  | Salix                 | Sewer Extension to I-29 Salix Interchange (West)         |
| SA-S-3  | Salix                 | Sewer Extension through Brown's Lake Development         |
| SA-S-7  | Salix                 | WWTP Conversion to Pump Station/Forcemain to Sioux City  |

**ES-5 Financial Model**

A financial model was prepared to illustrate the order of magnitude that new TIF revenues can be allocated towards increased marketing efforts, infrastructure projects, and property tax relief. The County is encouraged to modify the five-year Capital Investment Plan (CIP) at least every two years.

**Figure ES.3** illustrates the projected growth in the unincorporated County's property taxable valuation. In 2014, the value of the unincorporated area of the County is approximately \$1.0 billion. With known growth coming (primarily from CF Industries) the taxable valuation is expected to grow 42% to \$1.42 billion by 2018 and 85% to \$1.85 billion by 2038. This assumes only a 1% per year organic annual growth rate in the current taxable property.

**Figure ES.4** illustrates the new tax revenues that are anticipated each year from 2018 through 2038. During this 20 year period, it is anticipated that a minimum of \$130 million of new tax revenues will be generated just from expansion projects currently underway.

**Figure ES.5** illustrates the revenues allocated to infrastructure projects identified and tax relief. An allowance has been made for increased marketing opportunities.

By leveraging other public, private, state, and federal funds, \$40.4 million of new County TIF revenues in the financial model would leverage \$154 million of capital projects, leaving \$89.6 million (69%) for property tax relief.

**ES-6 TIF Use Policy Statement**

The County has established this general TIF Use Policy Statement:

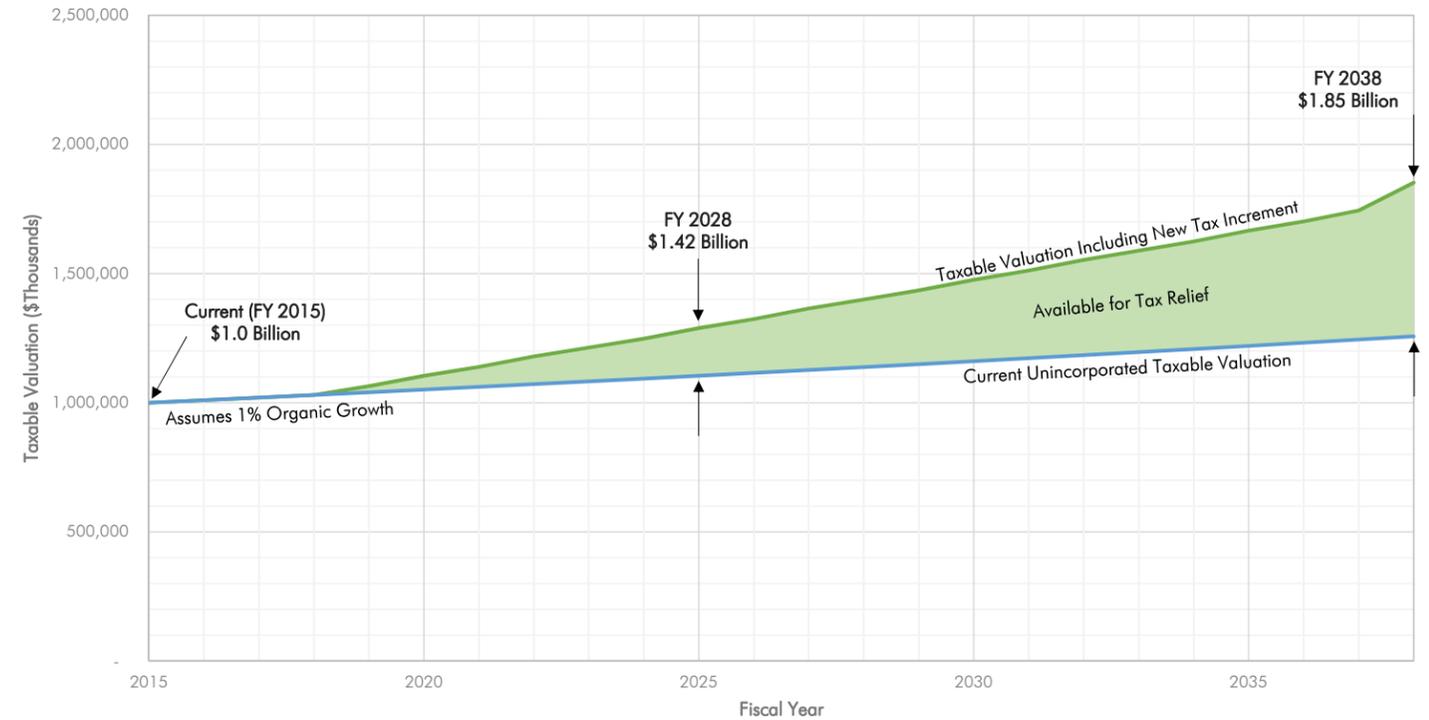
New incremental tax revenues created from private sector investments are to be used for both property tax relief to minimize the tax burden on all taxpayers in Woodbury County, Iowa and capital investments that maintain existing jobs, create new good paying jobs, increase the region's tax base, eliminate blighted areas, and enhance the environment.

In general, the county will allocate 30% - 60% of new property taxes for property tax relief over a 20-year TIF horizon.

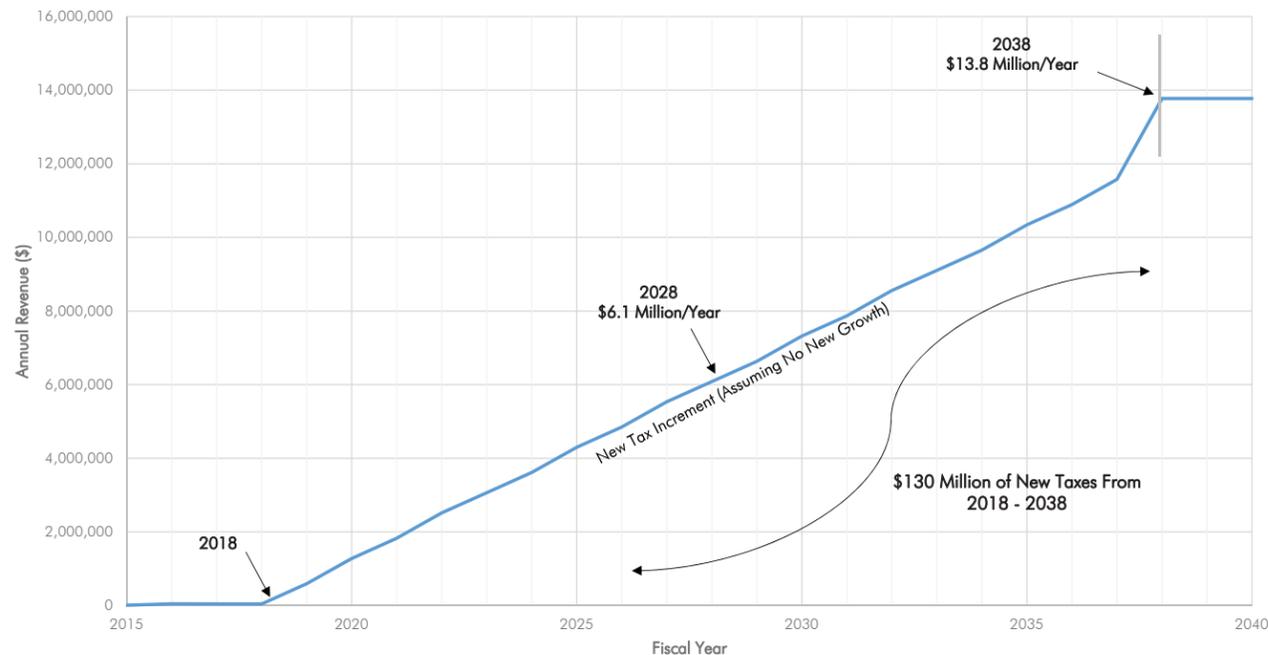
The remaining 40%-70% of new tax revenues are intended to be used for marketing the region, investing in infrastructure, and other development projects that enhance economic development opportunities to retain existing jobs, create new good paying jobs, and grow the tax base in the region.

The County may use new incremental property tax revenues generated in the unincorporated areas of the County in both the unincorporated and incorporated areas of the County if cities request the use of County TIF funds.

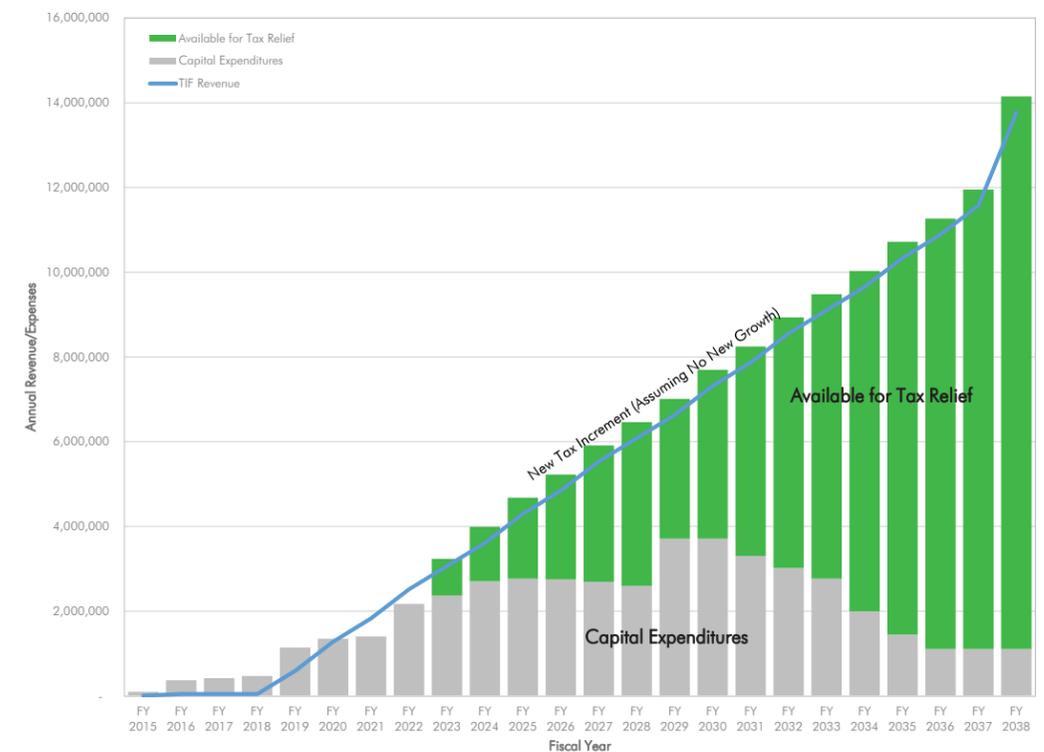
**Figure ES.3 - Unincorporated Woodbury County Projected Taxable Valuation (FY 2011 - FY 2038)**



**Figure ES.4 - Anticipated TIF Revenues from Private Sector Investments**



**Figure ES.5 - Revenues for Capital Expenditures and Property Tax Relief**



The new incremental property tax revenues generated in the unincorporated areas of the County shall be considered the “last money in” a project and shall be used to leverage other city, state, federal, and private funds.

The goal is to leverage the new incremental property tax revenues two-to-four times with other revenue sources depending upon the needs of a specific project.

For Private Sector Projects:

The County’s intent is to use the County TIF revenues to fill a “gap” in funding necessary to incent the private sector to invest in the region.

For Public Sector Projects:

For investments in public infrastructure (roadways, utilities, rail, etc.) to complement existing developments or open up land for new development, the County’s intent is to use County TIF revenues to match dollar-for-dollar, funds from a City to provide up to 25 percent (25%) of the total cost of a project.

For investments in land to be held for development for commercial or industrial purposes, the County’s intent is to use County TIF revenues to match dollar-for-dollar, funds from a respective City to provide up to 50 percent (50%) of the total cost of purchasing the land.

**The policies established herein should be considered as guides only, as the County is encouraged to review every project request on its own merit and modify these guidelines as necessary to achieve the County’s mission.**

A hierarchy of project rankings is based on where the taxpayers in the entire county may receive the quickest and greatest return on the investment of the TIF revenues. The return on the investments will be measured by the number of existing jobs retained, new good paying jobs created, and new property tax base created in the region.

- Investments in specific private sector projects to fill a “gap” in other funding to “buy down” the private sector’s investment that will help an existing business expand or help attract new businesses to the region. TIF revenues may be offered as TIF rebates on private sector investments or as direct investments in projects. This use of TIF is focused on leveraging privately funded investments such as industrial, commercial, warehousing, office, housing, etc.
- Infrastructure investments that compliment or leverages existing infrastructure to expand existing developed areas.
- Infrastructure investments that open up new property to create new development opportunities.

- Investments in projects that eliminate blighted areas.
- Investments in projects to correct environmental hazards or enhance the environment.

### ES-7 Comparative County Tax Rate Analysis

The County property tax levy in unincorporated portions of Woodbury County is \$11.41571 per \$1,000 of taxable valuation. **Table ES.2** lists the tax levies of Iowa counties within 100 miles of Woodbury County. As evidenced, Woodbury County has the second highest County levy among Iowa counties that were compared. When including other property tax components (i.e. school districts, community colleges, public hospitals, etc.) over which the County has no control, the consolidated tax rate for Liberty Township is \$26.10861 per \$1,000 of taxable valuation, which ranks as the ninth highest of the 27 Iowa counties listed in **Table ES.2**.

**Table ES.3** displays two examples of current property taxes in unincorporated Woodbury County and Sioux City. The total annual property tax payment due for a home valued at \$120,000 in the County is \$1,746, of which the County’s share is \$764. If this same home were in Sioux City, the total annual property tax bill would be \$2,994, of which the County’s share is \$519. For commercial or industrial property valued at \$5,000,000 in the County, the annual property tax payment would be \$117,489, of which the County’s share is \$51,371. If the same commercial or industrial property were located in Sioux City, the total annual property tax bill would be \$199,243, of which the County’s share is \$34,936.

Given these tax rates are high relative to surrounding Iowa counties and to Nebraska and South Dakota for reasons outside the County’s control (i.e. different rollback percentages, lack of state income tax in South Dakota, etc.), the Board of Supervisors desires to use some LPURA TIF revenues for property tax relief to make the County a more competitive place to live and do business.

If all of the LPURA TIF revenues generated from projects currently underway (approximately \$130 million) were used toward tax relief, taxpayers could see an approximate annual tax reduction of the County’s portion of tax at 16.6%. For the same home referenced above, the homeowner would see a property tax reduction of \$127 in the County and \$86 in Sioux City. For the same commercial or industrial property, the owner would see a property tax reduction of \$8,528 in the County and \$5,799 in Sioux City. Since the County has no control over some portions of the property tax levy, these reductions equate to an approximate effective tax reduction of 7% in unincorporated Woodbury County and 3% in Sioux City.

Table ES.2 - Comparison of Tax Levies in Iowa Counties within a 100-Mile Radius

| County        | Largest City    | County Tax Rate (\$/\$1,000) | County Tax Rate Rank | Consolidated Rate (\$/\$1,000) | Consolidated Tax Rate Rank |
|---------------|-----------------|------------------------------|----------------------|--------------------------------|----------------------------|
| Pottawattamie | Council Bluffs  | \$12.25423                   | 1                    | \$30.53485                     | 1                          |
| Woodbury      | Sioux City      | \$11.41571                   | 2                    | \$26.10861                     | 9                          |
| Calhoun       | Rockwell City   | \$11.01865                   | 3                    | \$21.58928                     | 22                         |
| Audubon       | Audubon         | \$10.95460                   | 4                    | \$25.49247                     | 10                         |
| Palo Alto     | Emmetsburg      | \$10.64670                   | 5                    | \$24.21380                     | 13                         |
| Harrison      | Missouri Valley | \$10.60221                   | 6                    | \$28.25088                     | 3                          |
| Pocahontas    | Pocahontas      | \$10.45953                   | 7                    | \$24.11695                     | 14                         |
| Cass          | Atlantic        | \$10.16462                   | 8                    | \$28.33887                     | 2                          |
| Emmet         | Estherville     | \$10.13275                   | 9                    | \$27.89966                     | 4                          |
| Monona        | Onawa           | \$10.02418                   | 10                   | \$26.41234                     | 7                          |
| Buena Vista   | Storm Lake      | \$9.98018                    | 11                   | \$27.62085                     | 5                          |
| Crawford      | Denison         | \$9.95614                    | 12                   | \$25.47247                     | 11                         |
| Clay          | Spencer         | \$9.66461                    | 13                   | \$24.46157                     | 12                         |
| Mills         | Glenwood        | \$9.60974                    | 14                   | \$26.20497                     | 8                          |
| Osceola       | Sibley          | \$9.40120                    | 15                   | \$21.44265                     | 23                         |
| Greene        | Jefferson       | \$9.20000                    | 16                   | \$26.42619                     | 6                          |
| O'Brien       | Sheldon         | \$9.11865                    | 17                   | \$23.93437                     | 16                         |
| Sac           | Sac City        | \$9.08685                    | 18                   | \$22.32315                     | 21                         |
| Shelby        | Harlan          | \$8.72937                    | 19                   | \$22.97960                     | 19                         |
| Lyon          | Rock Rapids     | \$8.48748                    | 20                   | \$22.91227                     | 20                         |
| Cherokee      | Cherokee        | \$8.40945                    | 21                   | \$23.29171                     | 18                         |
| Plymouth      | Le Mars         | \$7.92096                    | 22                   | \$19.90894                     | 25                         |
| Guthrie       | Guthrie Center  | \$7.80530                    | 23                   | \$23.31646                     | 17                         |
| Sioux         | Sioux Center    | \$7.39350                    | 24                   | \$24.04172                     | 15                         |
| Carroll       | Carroll         | \$6.71307                    | 25                   | \$16.94430                     | 27                         |
| Ida           | Ida Grove       | \$5.40000                    | 26                   | \$21.01189                     | 24                         |
| Dickinson     | Spirit Lake     | \$5.05006                    | 27                   | \$18.04360                     | 26                         |

Table ES.3 - Property Tax Example

| Parameter                                    | Unincorporated Woodbury County |                       | City of Sioux City |                       |
|--|--------------------------------|-----------------------|--------------------|-----------------------|
|  | Residential                    | Commercial/Industrial | Residential        | Commercial/Industrial |
| Sale Value of Property                       | \$120,000                      | \$5,000,000           | \$120,000          | \$5,000,000           |
| Rollback Percentage                          | 44.2605%                       | 10%                   | 44.2605%           | 10%                   |
| <b>Taxable Value of Property</b>             | <b>\$66,887</b>                | <b>\$4,500,000</b>    | <b>\$66,887</b>    | <b>\$4,500,000</b>    |
| Consolidated Tax Rate (\$/\$1,000)           | \$26.10861                     |                       | \$44.27612         |                       |
| County Tax Rate (\$/\$1,000)                 | \$11.41571                     |                       | \$7.76353          |                       |
| Total Property Tax Payment                   | \$1,746                        | \$117,489             | \$2,962            | \$199,243             |
| <b>County Property Tax Payment</b>           | <b>\$764</b>                   | <b>\$51,371</b>       | <b>\$519</b>       | <b>\$34,936</b>       |
| <b>LPURA TIF Revenue Used For Tax Relief</b> | <b>\$130,000,000</b>           |                       |                    |                       |
| Average Annual County Tax Reduction (%)      | 16.6%                          |                       |                    |                       |
| Average Annual County Tax Reduction (\$)     | \$126.75                       | \$8,527.54            | \$86.20            | \$5,799.36            |
| <b>Effective Total Tax Reduction (%)</b>     | <b>7.3%</b>                    | <b>7.3%</b>           | <b>2.9%</b>        | <b>2.9%</b>           |
| <b>LPURA TIF Revenue Used For Tax Relief</b> | <b>\$89,400,000</b>            |                       |                    |                       |
| Average Annual County Tax Reduction (%)      | 11.3%                          |                       |                    |                       |
| Average Annual County Tax Reduction (\$)     | \$86.28                        | \$5,804.89            | \$58.68            | \$3,947.76            |
| <b>Effective Total Tax Reduction (%)</b>     | <b>4.9%</b>                    | <b>4.9%</b>           | <b>2.0%</b>        | <b>2.0%</b>           |

If LPURA TIF revenues are used consistently with the TIF Use Policy, approximately \$89.6 million would be allocated for property tax relief and County taxpayers could see an approximate annual tax reduction of 11.3%. For the same home referenced above, the homeowner would see a property tax reduction of \$86 in the County and \$59 in Sioux City. For the same commercial or industrial property, the owner would see a property tax reduction of \$5,805 in the County and \$3,948 in Sioux City. These reductions equate to an approximate effective tax reduction of 5% in unincorporated Woodbury County and 2% in Sioux City, while also leveraging approximately \$40.4 million of TIF revenues to invest \$154 million in infrastructure and land acquisition for future economic development.

## ES-8 Collaborative Marketing Efforts

In regions where cities and counties forge strong, positive working relationships, combining financial resources to invest in infrastructure to create economic development opportunities while spreading the tax burden and risk to a larger pool of taxpayers creates growth well above regions that have a difficult time working together. Collaboration between cities and county governments and the business sector fuels growth. **A lack of collaboration is a detriment to growth.**

Typically 70-80% of new job growth will come from existing business. Therefore it is essential marketing efforts are geared heavily towards supporting existing businesses. It is also less expensive to support existing business growth than attracting new businesses to the area.

Recruiting new businesses to a region is more expensive, takes more time, and comes with higher risk. This is an important part of an effective regional marketing effort as new businesses help diversify the local economy.

It is often difficult for elected officials to see the long-term benefits from marketing activities. It is difficult to measure success continuously as results take time.

While in the past the County has collaborated with some cities on specific projects, there has been very little collaborative regional marketing efforts. With the significant new taxes coming to the County and the investments proposed in this plan, it is strongly suggested the County economic development efforts be structured to work more closely with all other regional marketing organizations. County TIF revenues can be allocated towards marketing efforts.

It is suggested the County and *The Siouxland Initiative* continue to forge stronger relationships to create a more strategic alliance and alignment in regional marketing activities. This may include a significant increase in County financial support to the regional economic development efforts.

Currently the County is supporting a Director of Rural Economic Development and contributing approximately \$10,000 annually to *The Siouxland Initiative*. It is suggested this participation be much higher along with a higher participation of representation from the County to sit on the Regional Economic Development Boards, or to at least be more informed of regional marketing efforts. It is critical that the Director of Rural Economic Development continue to work very closely with *The Siouxland Initiative* Director and Staff to collaborate their efforts.

## ES-9 Annexation

This Master Plan is not intended to be an annexation study. The County will support whatever annexation decisions are made between cities.

This plan outlines how areas might be served with utilities, regardless of which (if any) city annexes an area.

It is recommended the cities of Sioux City, Sergeant Bluff, and Salix engage in meaningful, factual discussions on who is in the best position to provide city services to land in the study area. Resolving annexation issues soon will provide the cities the information they need to continue planning for growth. **Not resolving the annexation issue could be a continued detriment to growth in this area.**



# Part I – Master Plan Land Use/Utilities

## 1.1 Land Use Vision and Growth Opportunities

### 1.1.1 Study Area

While many of the concepts developed in this planning effort may be applied throughout the entire county, the efforts have been primarily focused within the planning area illustrated on **Figure 1.1.1**. It is believed this area is the most likely to see growth in the near future.

In general this study area includes all of the land south of Sioux City and Sergeant Bluff and north of Salix from the Union Pacific Railroad and Highway 75 west to the Missouri River.

### 1.1.2 Land Use Vision

If one examines the I-29 corridor extending through Sioux City and Sergeant Bluff south to their corporate boundaries, substantial commercial and industrial growth on both sides of I-29 is evident. It is reasonable to assume this growth will continue given the infrastructure investments that have been made in this area already.

A very significant investment has been made by the city of Sioux City and its partners in acquiring land, extending infrastructure, and marketing the Southbridge Business Park. Located in the northern portion of the study area, the region is encouraged to continue to work together for continued expansion of Southbridge. The recent addition of significant water capacity, rail lines, roadways, etc. will continue to make this site highly desirable to new and expanding businesses. **Figure 1.1.1** illustrates the Southbridge Business Park location.

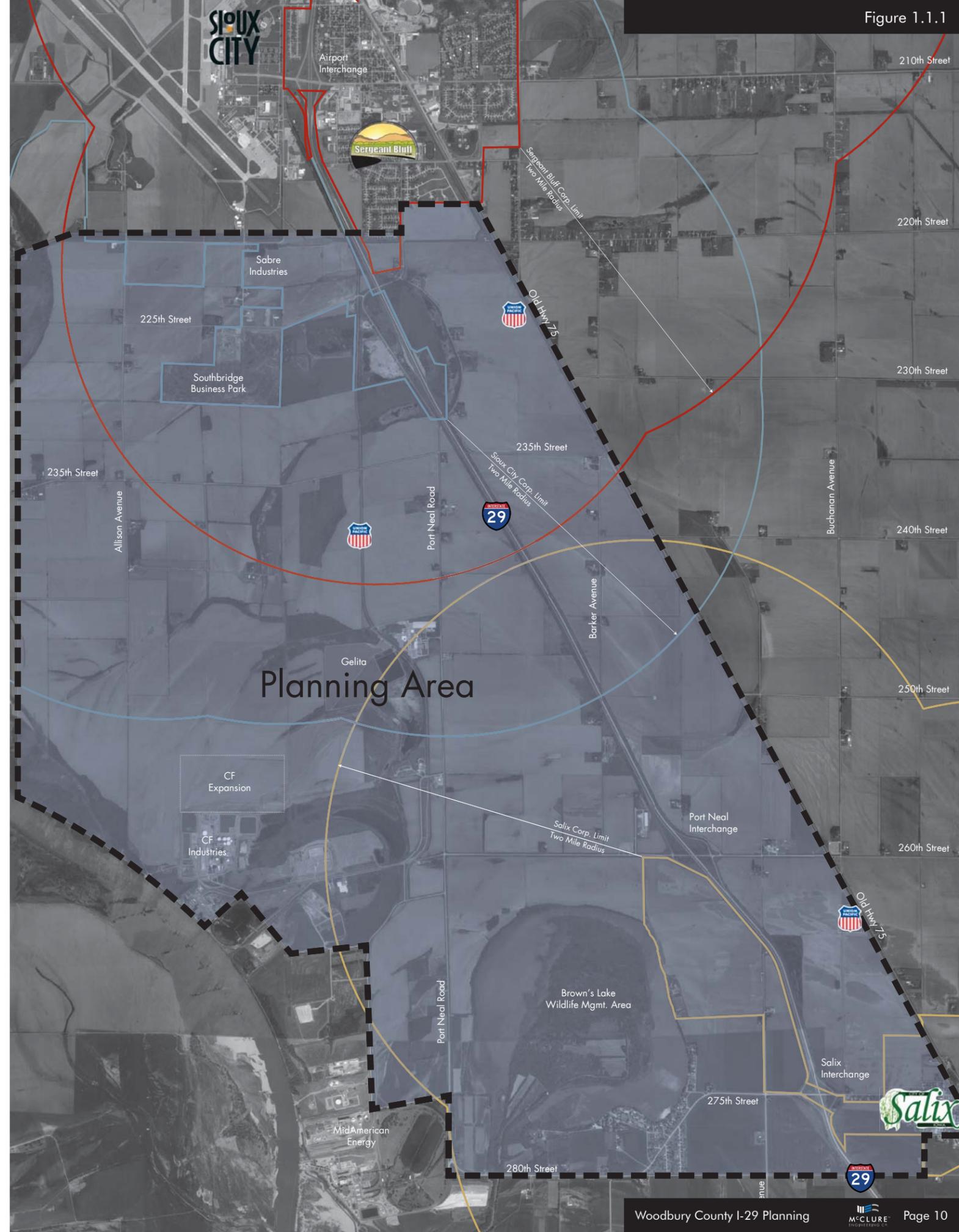
The Southbridge Business Park is prime for large-scale industrial and commercial projects. Located on the southern edge of Sioux City, Iowa, between the Missouri River and I-29, the entire Southbridge area encompasses nearly 10,000 total acres of flat, developable land. Sioux City has annexed approximately 400 City-owned acres. There is an extensive internal road network and a new drop-and-pull rail yard serviced by Union Pacific Railroad.

There is considerable momentum in developing the Southbridge site and it is likely to be the area that with continued investment will yield the quickest and greatest return on these investments.

The City of Sioux City is encourage to partner with the County for joint funding opportunities to expand the Southbridge Business Park. Tremendous opportunities to acquire land and extend infrastructure in this area exist, while spreading the cost and sharing the risk if the City and the County work together.

Southbridge has been home to major industries for many years and include:

- **CF Industries** - CF's Sioux City facility produces nitrogen based products. The facility is one of six operated by the Sioux City-based company which is a recognized leader in the industry.
- **Gelita North America** - Gelita is a global leader in the production of Gelatin. Gelita's products are used in everything from pharmaceuticals to paper products to food and cosmetics.
- **Mid American Energy** - Mid American is one of the nation's largest investor-owned energy suppliers. The company's Sioux City coal plant is one of several that supply electricity to the Upper Midwest.
- **Sabre Industries** - Sabre provides highly-engineered utility support structures used for electric transmission and distribution, wireless communications, renewable energy, and government and defense infrastructure.
- **Trinity Rail** - Trinity is a railcar service provider offering an array of services to the industrial, energy, transportation and construction sectors. This is a new business locating in Southbridge.



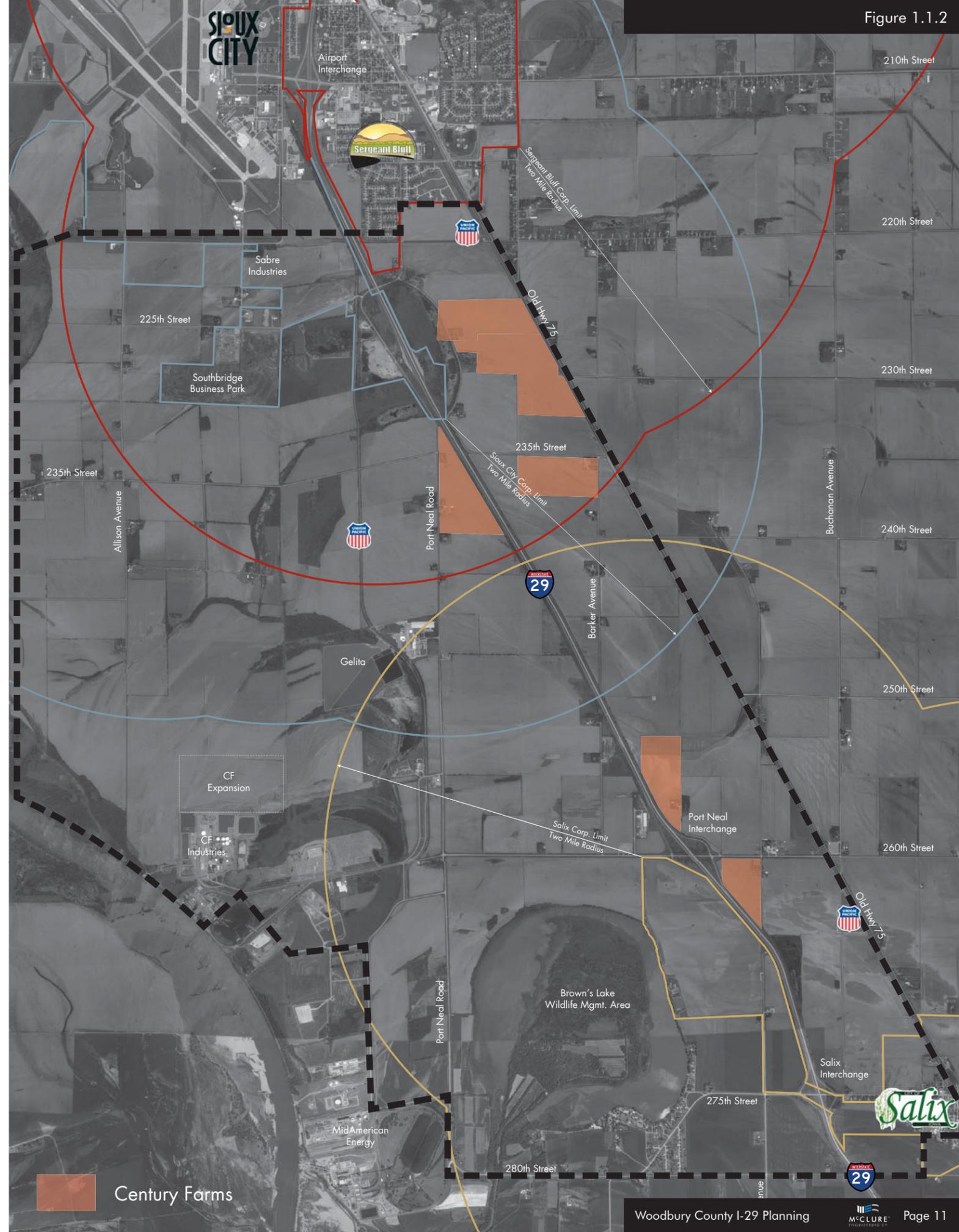
The Sioux City Economic Development team and its partners have identified several industries as areas of emphasis. Data centers, food processing, advanced manufacturing including wind energy components, rail service, biotechnology including value-added agribusiness, and warehousing/distribution are industries the Region's assets can support. The existing industrial base provides a well-trained workforce in each of these industries.

While this planning document provides only general land use concepts, none of this proposed development can happen unless there are landowners willing to sell or develop their property. A city or county cannot acquire land for economic development purposes using eminent domain. Landowners must be willing to sell their property.

It is important all government officials and landowners understand this and that market conditions will ultimately determine when and if land is taken out of farming production and converted to industrial, commercial, or residential use.

Public entities do have the legal authority to purchase land for public use through eminent domain. Roadways, public utilities, etc. are good examples whereby a city, county, or state government may acquire land for these public purposes. It is always a last resort to purchase land through eminent domain for public use.

Many landowners in the study area have Century Farms and have expressed no interest in selling their property. **Figure 1.1.2** illustrates the Century Farms located in the study area. It is acknowledged that some of these farms may never be for sale if the families want to continue farming. Experience has shown that over time, as development occurs land prices often rise to a point where the economics are so favorable for a landowner to sell, that sales and development eventually occur.



**Figure 1.1.3** illustrates the vision for the long range land uses in this planning area. This plan is consistent with current growth trends in that much of the area is planned for industrial and commercial activity. It is also consistent with other plans that were developed for Sergeant Bluff, Sioux City, and previously for Woodbury County.

A critical new transportation element included in this planning: a proposed new interchange on I-29 between mile markers 138 and 140. A new interchange in this area would support the increasing truck traffic serving the Southbridge Business Park and the new CF Industries project site.

**Figure 1.1.3** illustrates most of the land west of I-29 and south of Sioux City as industrial use with some highway commercial use in and around the roadways connecting to the new interchange. Sioux City envisions continued expansion of the Southbridge Business Park, as evidenced by the major railroad expansion occurring at the time this report is written.

Extending south of where a new interchange may be located and west of I-29, the land is envisioned to be more industrial as it transitions to the CF Industries site. CF Industries owns considerable land around their current plant site. They have indicated a desire to keep that land as an industrial buffer around their plant.

More industrial use land east of the CF Industries industrial buffer to I-29 is envisioned. There is over 1,000 acres of contiguous land along the west side of I-29, south of where a new interchange might be located, north of the Port Neal Interchange and 260th Street. It may be possible (if landowners are willing to sell) to assemble this 1,000 acre site for large industrial users. This site appears to be a prime site that may qualify to be certified by the State of Iowa as a Mega Site.

Land immediately northwest of the Port Neal Interchange is envisioned for commercial and highway commercial uses. Continuing south on the west side of I-29, land use is envisioned as mixed-use residential, particularly near Brown's Lake, and commercial along I-29 to the south side of the Salix Interchange.

Along the east side of I-29, starting at the south boundary of Sergeant Bluff, the City envisions additional residential growth to the north side of 220th Street. They envision commercial land use south of 220th Street to either side of where a proposed I-29 interchange might be located.

From south of the new interchange to just north of 260th street at the Port Neal Interchange, industrial use land is envisioned. With the Union Pacific Railroad running along the east side of this land, there may be an opportunity for a rail yard, transload facility, etc. that would support these industrial uses.

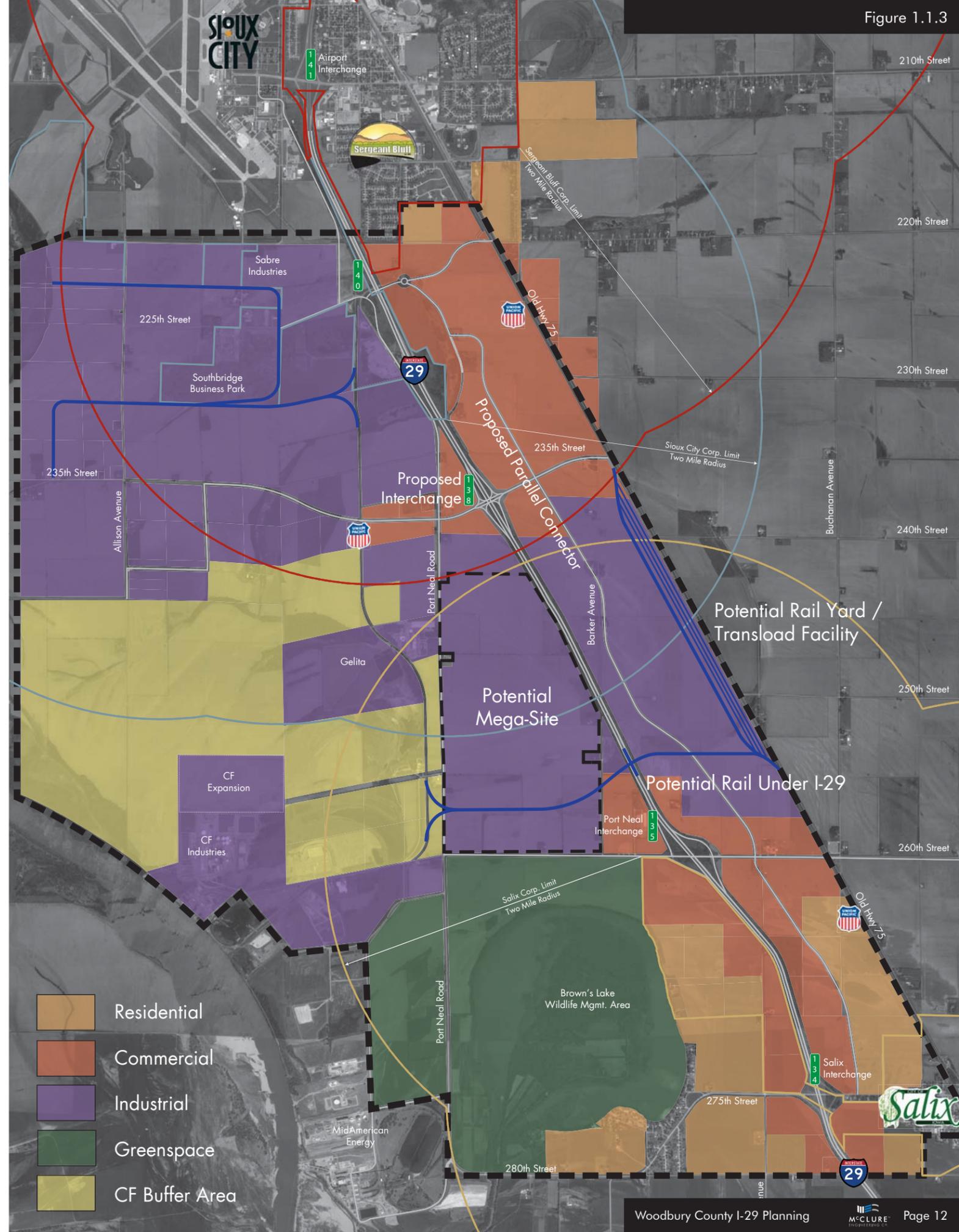
Along 260th Street at the Port Neal Interchange east of I-29, commercial land use is envisioned south to Salix. Salix envisions residential land uses north of the existing developed areas of the city, west of the Union Pacific Rail Line.

In general, on the east side of I-29, it is envisioned that Sergeant Bluff can grow south to the new interchange with a combination of residential and commercial growth and Salix can grow north to the Port Neal Interchange along 260th Street with commercial and residential growth. Both cities may "bookend" what could be additional industrial, rail line supported land uses in between.

A proposed parallel connection roadway east of I-29, could be a major arterial road linking several land uses along the east side of I-29.

To help support commercial and residential growth in Sergeant Bluff, it would be beneficial to minimize current rail car activity through the city. Much of the rail car activity includes coal trains hauling coal to the Mid-American Energy Power Plant west of I-29, south of CF Industries near the Missouri River. These coal trains currently come from the south, travel through Sergeant Bluff, north into Sioux City's rail yard. From there, they are routed back south and west under I-29 to deliver coal at the Mid-American Energy Power Plant.

This plan includes routing a new rail line west from the main line Union Pacific Railroad, north of 260th Street, west under I-29 to run more directly into the Mid-American Energy site. This would provide a more direct route to CF Industries, the Mid-American Energy, all of Southbridge, and industrial land west of I-29. This line could also service industrial ground east of I-29 and allow for a significant decrease in cars traveling through Sergeant Bluff and Sioux City.



**Figure 1.1.4** illustrates the 100-year floodplain and wetlands in the study area. While construction may occur in the floodplain, all stormwater must be managed properly to protect the volumes within it. Given the vast areas of low-lying land, special attention will need to be given as development occurs.

In general, it is recommended that all development in the study area use sustainable stormwater management and conservation-style development planning and design techniques. This growth area lends itself well to these practices given the large amount of undeveloped land, flood-prone areas and the financial means of the County to manage stormwater on a regional basis.

While not a significant growth opportunity, the Brown's Lake area in the southwestern portion of the planning area is an important part of this land use study. While the lake is an attractive, environmental and quality of life amenity, preserving and enhancing the water quality in the lake is critical to maintaining property values in this area. Much of the study area drains into Brown's Lake. As a land use planning principle, managing stormwater runoff rates and providing stormwater environmental buffer areas to enhance stormwater quality should be a part of future development in the entire study area.

There is also an opportunity to enhance the water quality in the lake and preserve property values by providing a public sanitary sewer system around the lake.

**1.1.3 Annexation**

This Master Plan is not intended to be an annexation study as the County does not intend to be a part of annexation discussions between cities. The County will support annexation decisions made between cities.

During several meetings with stakeholders, annexation boundaries came up when discussing utility service to various locations. In order for a city to annex an area, they must demonstrate the ability to get water, sewer, and other city services to the area. Often annexation discussions can become contentious because of utility service areas, future tax bases, etc.

It is highly recommended the Cities of Sioux City, Sergeant Bluff, and Salix engage in a factual discussion regarding who is in the best position to service the properties in the study area with city services.

Resolving annexation issues will provide the cities with the information they need to continue planning for growth. Not resolving these issues could be a detriment to growing this area.

While much of the work in this Master Plan addresses some of the utility service issues, it is recommended the cities begin separate discussions on service territories and annexation outside of this planning effort.



## 1.2 Roadway Transportation Opportunities

### 1.2.1 Interstate 29 Enhancements

**Figure 1.2.1** illustrates the existing roadway network serving the planning area. The Interstate 29 (I-29) corridor is a critical piece of transportation linking the area to the rest of the country. I-29 runs north to Pembina, North Dakota and south to Kansas City, Missouri. It connects to East-West interstate systems at I-94 in Fargo, North Dakota approximately 325 miles north, I-90 in Sioux Falls, South Dakota approximately 85 miles north, I-80 approximately 90 miles south, and into Kansas City approximately 270 miles south.

**Figure 1.2.2** illustrates the only two existing interchanges in the study area. The Salix Interchange is at the south end of the planning area at mile marker 134 and is under reconstruction at the time of the writing of this report. The Port Neal Interchange is located north of Salix at mile marker 135. This interchange is also under reconstruction as this report is being written.

A third interchange is located north at mile marker 141 just outside the planning area. This interchange provides direct access to the Sioux Gateway Airport and the city of Sergeant Bluff. This interchange is relatively new and is in excellent condition. This is also the closest interchange to the Southbridge Business Park.

For some time, community and county leaders have identified the need for a new interchange on I-29 to be located somewhere between mile markers 138-140. This would provide direct access for heavy industrial use to the industrial area south of the Sioux Gateway Airport, particularly the existing Southbridge Business Park.

The stakeholders have identified a new interchange in this area as a very high priority project. Preliminary discussions with the IDOT have indicated they would be willing to participate in a portion of the cost to complete an Interchange Justification Report (IJR) if the local communities and private sector also fund a portion of the study.

At the writing of this report, a contract between the cities, the County, and The Siouxland Initiative is on the table ready for discussion. This outlines the cost sharing of the IJR. The County has agreed to lead this study when and if the parties agree to pay for their share of the IJR.

If an interchange is justified, the region will work with the IDOT for funding to build it. The local area would most likely also have to fund a portion of the connecting roadways. This entire process could take one year for the IJR and 3-10 years to fund, develop, and build the interchange.



Figure 1.2.1

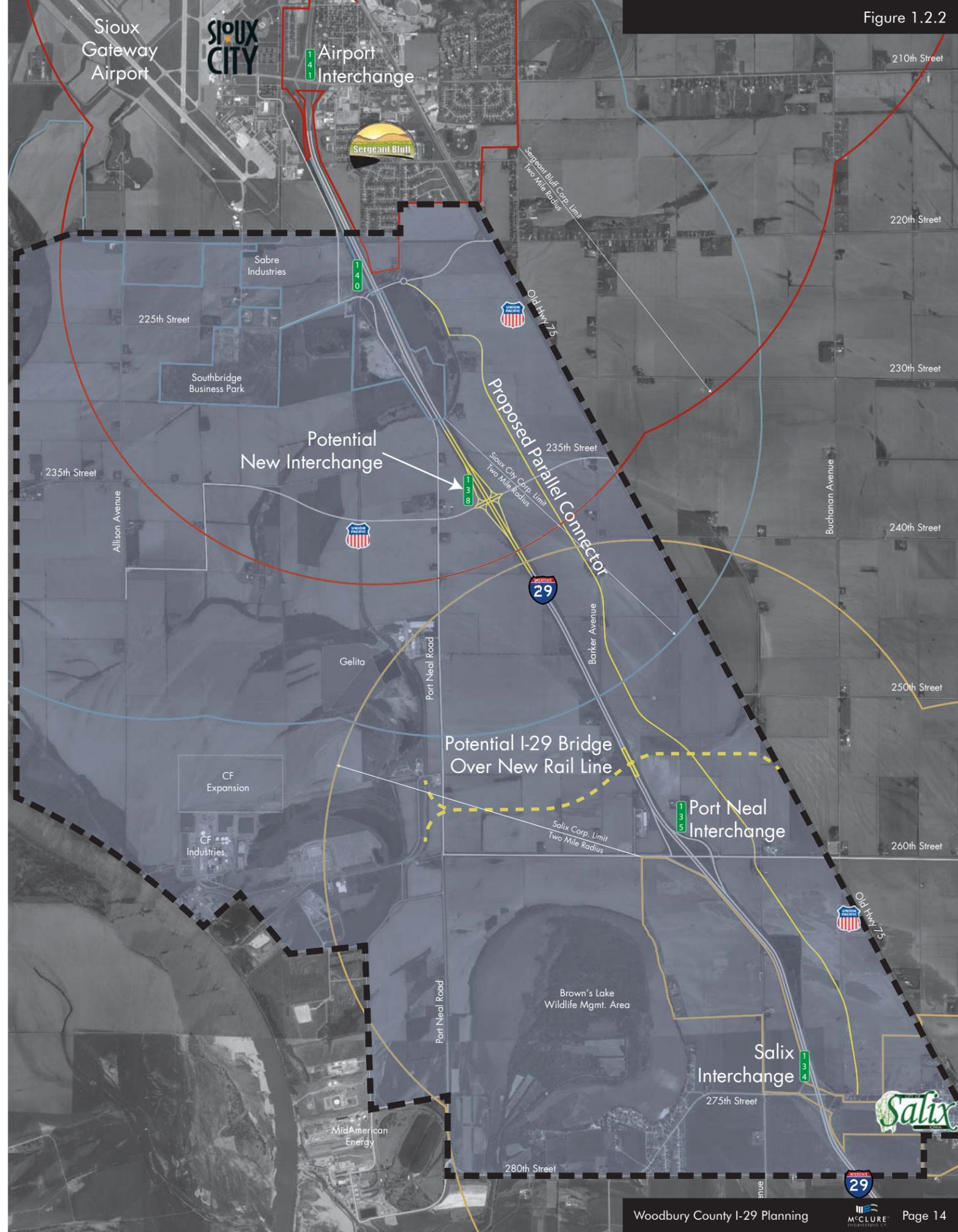


Figure 1.2.2

The cost of the IJR and cost sharing allocation between the parties is illustrated in **Table 1.2.1**.

The interchange is estimated to cost \$21-\$25 million.

The connecting roads to the interchange are estimated to cost \$5-\$7 million.

If the interchange is built, cost sharing of the roadways will be negotiated between IDOT and the local jurisdictions.

In addition to a new interchange, a rail line is proposed to extend from the existing Union Pacific Railroad east of I-29, west to the existing Union Pacific rail line west of the Port Neal Road. This would require two bridges on I-29 that would go over the rail line. This is proposed somewhere north of the Port Neal Interchange.

The cost of the bridges is estimated to be \$7 - \$9 million.

**1.2.2 Corridor Street Network**

As shown on **Figure 1.2.2**, a service road paralleling I-29 to the east has been included. This is typical of roadway networks in heavily developed areas along interstate highways. This road will function as an arterial collector connecting the interchanges. This road can also serve as a buffer between land uses.

This road is not proposed to be constructed immediately. As land east of I-29 develops, maintaining a roadway corridor similar to what is shown is strongly encouraged.

On the west side of I-29, the Port Neal Road is currently serving as a parallel service road to I-29. It provides a link from the Port Neal Interchange (via 260th Street) to the Airport Interchange.

If a new interchange is built around mile markers 138-140, Port Neal Road will play a significant role in carrying traffic to the new interchange.

To reduce heavy truck traffic off of the Port Neal Road serving the construction of the CF Industries expansion, the County spent approximately \$900,000 of road use funds upgrading portions of 225th Street, 235th Street, Allison Road, and constructing a new road at 240th Street. Gravel and oil was used to build up a suitable road for construction traffic. While not a high priority at this time, these roads may someday be paved to serve potential industrial expansion in this area.



**Table 1.2.1 - Proposed IJR Cost-Sharing Agreement**

|   |              | <u>Estimated Fee **</u> |
|---|--------------|-------------------------|
| <u>IJR Budgeted Fee (estimated - subject to change)</u> |              | \$ 600,000              |
| <u>Total Budgeted Cost Share as Follows:</u>            |              |                         |
| Local   | 67.0%        | 402,000                 |
| State - Iowa DOT  | <u>33.0%</u> | <u>198,000</u>          |
| Totals  | 100.0%       | <u>600,000</u>          |
| <u>Local - 67% Local Cost To Be Shared as Follows:</u>  |              | \$ 402,000              |
| Cities  | 45.0%        | 180,900                 |
| County  | 45.0%        | 180,900                 |
| The Siouxland Initiative                                | <u>10.0%</u> | <u>40,200</u>           |
| Totals  | 100.0%       | <u>402,000</u>          |
| <u>Cities 45% To Be Cost Shared as Follows:</u>         |              | \$ 180,900              |
|   | Population   | % of Total              |
| Sioux City  | 82,967       | 94.7%                   |
| Sergeant Bluff  | 4,240        | 4.8%                    |
| Salix   | <u>365</u>   | <u>0.4%</u>             |
| Totals  | 87,572       | 100%                    |

| <u>Recap</u>         | <u>% of Total</u> | <u>Budget</u>     |
|----------------------|-------------------|-------------------|
|                      |                   | <u>\$</u>         |
| IDOT                 | 33.0%             | 198,000           |
| Woodbury County      | 30.2%             | 180,900           |
| Sioux City           | 28.6%             | 171,387           |
| Sergeant Bluff       | 1.5%              | 8,759             |
| Salix                | 0.1%              | 754               |
| The Siouxland Initia | <u>6.7%</u>       | <u>40,200</u>     |
| <b>Total</b>         | 100.0%            | <b>\$ 600,000</b> |

*\*\* The actual fee has not been determined at this time. The final fee will be determined after a Consultant is selected and the final scope of work is established. All parties recognize this is an estimate only at this time and will likely change. The final fee will be allocated on a pro rata basis per the percentages in this example.*

**1.2.3 Arterial Roadway Enhancements**

In discussing roadway improvements with Sergeant Bluff, they identified a south bypass roadway they would like County TIF funding assistance with immediately. This roadway is illustrated on **Figure 1.2.3**. This road will re-route heavy industrial traffic carrying chemicals out of highly developed residential areas through a commercial/industrial corridor more directly linking into the state highway and interstate systems.

The cost and allocations of cost sharing are illustrated in **Table 1.2.2**.

This project is scheduled to start construction in 2015.

Also on **Figure 1.2.3** are two roadways Sioux City identified as part of a project to support the recently announced Trinity Rail Project. The 255th Street Improvements Project completes a project that was partially completed a few years ago at a cost of \$300,000. The second project is an \$800,000 roadway directly serving Trinity Rail. **Table 1.2.3** illustrates the cost of these two projects and the potential cost sharing allocation.

**1.2.4 Funding Opportunities**

County TIF Revenues from the LPURA may be used to help fund all or a portion of roadway costs.

Depending on the area a road may serve, Iowa DOT Revitalize Iowa's Sound Economy (RISE) funds can pay for 50-80% of roadway costs.



Table 1.2.2 - Proposed Sergeant Bluff South Bypass Road Cost-Sharing Agreement

|  |                           |
|--|---------------------------|
|  | <u>Estimated Costs **</u> |
| <u>Estimated Total Project Cost</u>          | \$ 2,375,000              |
| <u>Rise Eligible Project Cost</u>            | \$ 815,000                |
| <u>Total Budgeted Cost Share as Follows:</u> |                           |
| Local  | 65.7% 1,560,000           |
| State - Iowa DOT RISE Grant                  | 34.3% 815,000             |
| Totals                                       | 100.0% 2,375,000          |

Local - 50% Local Cost To Be Shared as Follows: \$ 1,560,000

|                        |                  |
|------------------------|------------------|
| City of Sergeant Bluff | 50.0% 780,000    |
| County                 | 50.0% 780,000    |
| Totals                 | 100.0% 1,560,000 |

| <u>Recap</u>    | <u>% of Total</u> | <u>Budget</u>       |
|-----------------|-------------------|---------------------|
|                 |                   | \$ 2,375,000        |
| IDOT            | 34.3%             | 815,000             |
| Sergeant Bluff  | 32.8%             | 780,000             |
| Woodbury County | 32.8%             | 780,000             |
| <b>Total</b>    | <b>100.0%</b>     | <b>\$ 2,375,000</b> |

\*\* The final project costs have not been determined at this time.  
All costs not covered by the IDOT RISE GRANT will be shared 50% by the City and 50% by the County

Table 1.2.3 - Trinity Rail and Roadway Cost-Sharing Example

| Project                           | Total Cost | IDOT - RISE | City      | County    |
|-----------------------------------|------------|-------------|-----------|-----------|
| 1. 255th St Improvements          | 300,000    | -           | 225,000   | 75,000    |
| 2. Trinity Roadway                | 800,000    | 600,000     | 100,000   | 100,000   |
| 3. Land Purchase for Trinity Rail | 1,400,000  | -           | 700,000   | 700,000   |
| 4. Land Purchase for Southbridge  | 800,000    | -           | 400,000   | 400,000   |
| 5. Additional Rail Extensions     | TBD        | TBD         | TBD       | TBD       |
| Totals                            | 3,300,000  | 600,000     | 1,425,000 | 1,275,000 |
| % of Totals                       | 100.0%     | 18.2%       | 43.2%     | 38.6%     |
| % of Local Totals                 |            |             | 52.8%     | 47.2%     |

| <u>Assumed New Tax Revenues from Trinity Rail</u> |            |
|---|------------|
| Min Assessment Agt                                | 15,000,000 |
| City TIF Rate (\$/\$1,000)                        | 40.00      |
| Annual Estimated TIF Revenues                     | 600,000    |

| <u>TIF Allocation:</u> |         |            |             |              |             |  |
|------------------------|---------|------------|-------------|--------------|-------------|--|
| Year                   | Trinity | City 52.8% |             | County 47.2% |             |  |
|                        |         | Annual     | Cummulative | Annual       | Cummulative |  |
| 1                      | 150,000 | 237,500    | 237,500     | 212,500      | 212,500     |  |
| 2                      | 150,000 | 237,500    | 475,000     | 212,500      | 425,000     |  |
| 3                      | 150,000 | 237,500    | 712,500     | 212,500      | 637,500     |  |
| 4                      | 150,000 | 237,500    | 950,000     | 212,500      | 850,000     |  |
| 5                      | 150,000 | 237,500    | 1,187,500   | 212,500      | 1,062,500   |  |
| 6                      | -       | 387,500    | 1,575,000   | 212,500      | 1,275,000   |  |
| 7                      | -       | 600,000    | 2,175,000   | 0            | 1,275,000   |  |
| 8                      | -       | 600,000    | 2,775,000   | 0            | 1,275,000   |  |
| 9                      | -       | 600,000    | 3,375,000   | 0            | 1,275,000   |  |
| 10                     | -       | 600,000    | 3,975,000   | 0            | 1,275,000   |  |

TIF Allocation Assumption  
\$150,000 per year is to be rebated to Trinity Rail for 5 years  
Balance of new TIF revenues are shared 52.8% City and 47.2% County until County debt is repaid  
After County debt is repaid all TIF goes to City

### 1.3 Railroad Service Opportunities

#### 1.3.1 Southbridge Rail Service

Sioux City is one of only a handful of cities nationwide served by four, Class A rail companies. Sioux City is also served by D&I Railroad, who provides short line service through Sioux Falls, S.D. Union Pacific's main line spur provides a north-south route through the Southbridge Business Park. This line extends south to the Mid-American Energy Plant and is the primary rail line used to deliver coal to the energy plant. This rail line can also provide other opportunities in and South of the Southbridge Area.

As shown in **Figure 1.3.1**, rail plans for the Southbridge Business Park capitalize on the existing relationship with UP. Through an extensive and collaborative planning process, the City and its partners reached agreement on the optimal location to provide necessary rail service to Southbridge. UP has approved a 4-track drop-and-pull yard off of the main line and multiple spurs to service single individual sites. As expansion of the Southbridge Business Park is planned, additional rail lines can be expanded as shown on **Figure 1.3.1**.

#### 1.3.2 Rail Yard Opportunities

Running along the east side of the study area and east of I-29, is a UP main line. To capitalize on this line, a potential rail yard just west of the main line that could be north of 260th Street and south of 240th Street. There is sufficient land in this area to create a large rail yard that could compliment rail yard activity further north in Sioux City.

#### 1.3.3 Mainline UP Service to West Side of I-29

A significant rail line improvement would be to extend a spur off the UP main line just north of 260th Street, west under I-29 to the UP spur line near Port Neal Road. This would provide a direct route for coal trains coming north on the UP main line to the Mid-American Energy Plant, eliminating the need to travel through Sergeant Bluff and Sioux City. This would be a significant safety enhancement and traffic congestion reduction benefit to the Cities.

This spur to the west would go under I-29 via two new bridges on the interstate.

While this is not an immediate project, it is suggested local officials continue to plan and set aside a rail corridor that would eventually be developed as funding becomes available.

The cost of the rail line is estimated at \$10-\$12 million. The cost of the new bridges are estimated at \$7-\$9 million. The total cost for this rail spur and I-29 modifications is \$17-\$21 million.

#### 1.3.4 Transload Opportunities

There are currently transload facilities in Sioux City. While determining the need for additional transload facilities is outside the scope of this planning effort, it is suggested the Region consider this. Given the recent expansion and addition of new industries, a market study of transload opportunities is suggested. It might be demonstrated that freight hauling costs could be cut significantly if current transload opportunities are not adequate to serve the market.

With heavy industrial and commercial use planned for this area, the cost of freight hauling could be a significant advantage in the region with the excellent rail, interstate, air, and barge opportunities.

#### 1.3.5 Funding Opportunities

While there are not significant state or federal funding assistance programs for rail service, there are some; Sioux City has recently received a total of \$6.1 million of grant funding through the Federal Railroad Administration, Iowa DOT, and the Economic Development Administration for expansion of rail in Southbridge.

County LPURA TIF funds can be used as a viable source of rail funding.



### 1.4 Air Service

The entire study area is only minutes away from the Sioux Gateway Airport supporting commercial, corporate and charter air service.

Jetsun Aviation, Sioux City's FBO, provides extensive services for corporate/private and charter air services.

With Runway lengths of 9,000 feet and 6,600 feet, commercial airline jets such as the Boeing 757 and Boeing 767, as well as military aircraft such as the Boeing KC-135 Stratotanker can easily be served by the Sioux Gateway Airport. This provides quick access anywhere in the world.

There are considerable Federal Aviation Administration (FAA) funds available to keep the "airside" of the airport in good condition. The airport is actively involved in several upgrades.

County LPURA TIF funds could be used to match funding from state or federal grants funds at the airport, or to fund non-FAA or non-state funding eligible projects, if Sioux City requests the use of those county TIF funds.

Because the Sioux Gateway Airport is such a vital asset to the region, it certainly serves a much broader area than just Sioux City. While outside the scope of this study, and certainly not within Woodbury County's jurisdiction, it is suggested the City of Sioux City consider creating an airport authority to help finance airport infrastructure projects and operate the airport. While there are advantages and disadvantages to creating an airport authority publicly and financially, it does provide an excellent way to spread the cost of airport operations to a broader group who benefits from the airport.

This airport will continue to be a critical asset to the region's economic development efforts. It should be marketed to industries needing air cargo.

To protect the airspace, there are critical elevations that must remain clear of structures. This is important when planning land development around an airport. **Figure 1.4.1** illustrates critical elevations. All development must remain below these elevations. The FAA strongly recommends no development within the Runway Protection Zones (RPZ) shown on **Figure 1.4.1**. All development in this area should be coordinated with the Airport Board to protect and enhance this asset.



## 1.5 Barge Service

The Missouri River provides an optimal situation for opportunities in shipping. Big Soo Terminal is the premier transmodal facility in Northwest Iowa. Located just two miles north of Southbridge, Big Soo provides access to all three modes of transportation: barge, rail, and truck. Bulk, liquid, and palletized storage, transloading and direct transfer, cross-docking, freight consolidation, and inventory management are all available. Big Soo also provides the following logistics and transmodal services:

- Union Pacific rail service six days/week
- Unit train capability
- Missouri River barge access
- 15 acre laydown yard transload between barge, rail and truck
- 125,000 tons of dry bulk storage
- 6 million gallons of liquid storage
- 100,000 square foot warehousing facility
- Build to suit storage
- Total project inventory management

In collaboration with the City of Sioux City, Big Soo has also identified a site for a secondary barge terminal located directly in Southbridge.

This barge transportation opportunity should be exploited by Sioux City and the County. This could be the most cost efficient mode of transportation link to the world. A collaborative effort with the IDOT and the opportunity to use County LPURA TIF funds could provide opportunities to improve Missouri River navigation traffic as never before possible.

**Figure 1.5.1** illustrates the potential barge service locations for various industries in the planning area with direct access to the Missouri River. A new barge and transload site serving the Southbridge Business Park may also be able to serve these industries. The feasibility of this is beyond the scope of this planning effort, but is highly recommended.



### 1.6 Water Service Opportunities

The City of Sioux City has made significant investments recently in water infrastructure south of the City. With a new 10 million gallon per day water supply and treatment facility in the area, they are well positioned to provide large volumes of water at significant pressures to meet the long term water demands in most of the study area, particularly on the west side of I-29.

Sergeant Bluff has recently upgraded their water supply and treatment facilities. They have significant excess capacity that could allow them to serve much of this study area on the east side of I-29.

Salix has very limited capacity in their water supply and treatment facilities but could serve a small area around the City and the Salix Interchange. They may also be able to supply water to the Brown's Lake residents. Since they have annexed land west of I-29 up to 260th Street, they need to be planning for water service in this area.

With three public water supply and treatment facilities in the study area, there is an abundance of water to serve the area.

The purpose of this planning effort is to present technical alternatives showing how water service could be provided to the study area. It is recognized that often times when cities provide water service, they expect the water customers to annex into the city at some time.

It is recommended the Cities begin discussions regarding who is in the best position financially and with the best infrastructure to provide service to various locations in the study area. Those discussions will likely lead to discussions regarding annexation. This needs to be resolved so resources can be allocated over time to drive development. Not resolving the water service territory or annexation issues may be a detriment to growth.

Based on the land use vision for the area, long-term water service demands were forecasted throughout the study area. Fortunately there is no need for immediate expansion of water supplies or treatment facilities.

A water main piping network was developed to convey the water at volumes and pressures to meet the forecasted demands.

#### 1.6.1 Distribution System

**Figure 1.6.1** illustrates existing water distribution lines in the study area. The primary water line serving the area is a 24-inch diameter main extending along 225th Street, east of Sioux City's Southbridge Water Treatment Plant and a 16-inch main extending south along Port Neal Road. CF Industries is served by a 12-inch diameter main extending west along 260th Street.

At normal operating velocities, the 16-inch diameter water

main can deliver approximately 3,130 gpm of water at 140 psi at the intersection of 260th Street and Port Neal Road. At full build-out, Sioux City expects CF Industries to demand approximately 611 gpm of water, leaving approximately 2,500 gpm of excess capacity that could be used to serve new industrial and commercial development. In the long term, this water main will serve as a major portion of a regional, looped water system as the area develops.

To provide water service to the property west of Port Neal Road to the Missouri River, a 24-inch diameter water main extending west along 225th Street from the Southbridge Water Treatment Plant and south along Allison Avenue is recommended to be looped into the 12-inch diameter water main near CF Industries. In the long-term, this 12-inch water main should be upsized to a 24-inch main to provide more robust water service and serve as the primary water feed to all property west of Port Neal Road.

The I-29 Port Neal Road Interchange has immediate development opportunity. Given its proximity to the CF Industries site and other area employment base, development pressure is increasing. Until water and sewer service is provided to the interchange, significant development will not occur.

The immediate opportunity to serve the Port Neal Interchange with water would be to extend a 24-inch diameter water main east along 260th Street to the east side of I-29 from the existing Sioux City 16-inch water main at Port Neal Road, as illustrated in **Figure 1.6.1**. The cost to extend the main is estimated at \$2.6 million.

Another alternative to serve the Port Neal Interchange would include extending water service from the City of Salix. Given the low capacity of the Salix water treatment and distribution system, especially relative to Sioux City's water main along Port Neal Road, this alternative is not nearly as viable.

The cost of this alternative is higher than the Sioux City alternative and is estimated at \$4.7 million, which does not include allowances for increasing the Salix water supply and treatment capacity. Increasing the supply and treatment capabilities of the Salix water supply and treatment system could cost well in excess of \$1 million, depending on the ultimate water demand and level of treatment required.

The area east of Port Neal Road and north of 260th Street is identified for future industrial land uses, including a potential Mega Site, which requires at least 1.5 million gallons per day (MGD) of water to achieve certification from the State of Iowa. Extending the Sioux City water main at Port Neal Road east to the I-29 Port Neal Interchange begins to form what may be a future, regional looped water system, which will provide a viable, redundant water supply to the area.

Water is a major infrastructure component of economic development and given the significant water supply and treatment capacities of the Sioux City Southbridge Water Treatment Plant, it is recommended Sioux City and the



County work together to prepare a financial plan to extend a water main from Port Neal Road along 260th Street, across I-29 to serve the Port Neal Interchange.

Sioux City has a general policy that in order to connect to City water, the property owner must agree to annex into the City at some time when it is appropriate. CF Industries and Sioux City have a special agreement that currently does not require CF Industries to be annexed immediately, despite receiving water service from the City.

Fortunately, with the existing water infrastructure in place that Sioux City has invested in already, the study area can be marketed as "water service ready". It appears that if any new development would occur in the study area, Sioux City's water system could be expanded to serve them within six months. This is a criteria required to have an area qualify to be a "State Certified Site".

Another area that could see immediate development opportunities is the I-29 Salix Interchange. Salix already has water distribution infrastructure along the 275th Street corridor toward the interchange. Extending a 12-inch diameter water main to the east side of the interchange is estimated to cost \$280,000. To extend this main west across I-29 to service the west side of the interchange is estimated to cost \$550,000.

It is suggested the County and Salix begin discussions and develop a financial plan to provide water service from Salix to Brown's Lake. Several attractive, low interest loans and possible grant funds may be available for Salix to extend water service. Combining these programs with LPURA TIF funding may provide an attractive financing package at reasonable costs for Brown's Lake residents. As part of enhancing the Brown's Lake area shown in Figure 1.6.1, extending water from the Salix Interchange to the lake and serving all lake residents is estimated to cost in the range of \$1.5 - \$1.7 million.

A third area that could see development within the next 3-10 years is the area surrounding the proposed I-29 Interchange near 235th Street between mile markers 138-140. The 16-inch diameter water main along Port Neal Road has sufficient excess capacity to support commercial development near this interchange, which could be served by a 16-inch water main connection. The costs for tying into the existing water main to serve a proposed interchange on both the east and west sides of I-29 are estimated to be between \$1.0 and \$1.2 million.



**Figure 1.6.1** also illustrates water mains east of I-29 and west of the Union Pacific railroad. A proposed 24-inch diameter water main connecting water mains at the Port Neal Interchange to the proposed I-29 Interchange between mile markers 138 and 140, and north to the Sergeant Bluff water system would serve the area east of I-29, north of Salix. A loop of this magnitude is sufficient to meet long-term water demand from residential, commercial, and industrial land uses once the entire project area is developed according to **Figure 1.6.2**.

To complete a regional loop of the water system east of I-29, a 16-inch water main is suggested along Old Highway 75 to connect the 24-inch loop coming from Sioux City's Southbridge Water Treatment Plant to the Sergeant Bluff water distribution system.

Once this loop is completed to Sergeant Bluff, the water service provided east of I-29 could be either Sioux City or Sergeant Bluff depending on the required water demands and the capabilities of each City's water supply and treatment facilities. Given the long-term expectancy of any significant development east of I-29, costs for the east Sioux City loop and connection to Sergeant Bluff were not included in this report.

**1.6.2 Water Supply and Treatment Alternatives**

The City of Sioux City has made several significant investments in the public water supply system through the City in recent years. In 2012, the City completed a new water supply and treatment plant to serve the Southbridge Business Park (known as the Southbridge Regional Water Treatment Plant). This facility is well positioned to serve much (if not all) of the property within the study area. The capacities and current demands of Sioux City's two water treatment facilities are summarized as follows:

**Sioux City Water Treatment Plant:**

- Rated Capacity = 32 MGD
- Water Source = 14 Wells throughout the Area
- Average Day Demand = 14 MGD
- Peak Day Demand = 27 MGD
- Storage Capacity = 32,000,000 gallons
- Average Well Depth = 242 feet
- Finished Water Hardness = 235 mg/L (as CaCO3)

**Southbridge Regional Water Treatment Plant:**

- Rated Capacity = 10 MGD (Expandable to 30 MGD)
- Water Source = Southbridge Well Field (west of Sioux Gateway Airport)
- Recent Investments = \$34 million

Sergeant Bluff has also recently expanded their water supply and treatment facility. The capabilities and demands on their system are summarized as follows:

**Sergeant Bluff Water Treatment Plant**

- Source Capacity = 4.5 MGD Firm, 5.7 MGD Total
- Treatment Capacity = 2.5 MGD (Expandable to 4.0 MGD with additional filter)

- Average Day Demand = 0.5 MGD
- Peak Day Demand = 1.2 MGD
- Storage Capacity = 1,400,000 gallons
- Finished Water Hardness = 478 mg/L (total hardness)

The Salix water system consists of two wells with a capacity of 306 gpm each (0.35 MGD). The treatment facility consists of forced draft aeration, potassium permanganate addition, and pressure filtration with anthracite media for iron and manganese removal. Additional treatment consists of polyphosphate addition for iron sequestration and liquid chlorine addition for disinfection. A 40,000 gallon elevated storage tank provides storage and distribution system pressure. The City recently received funding to build a new water tower and water mains. They are well positioned to serve the Salix Interchange and Brown's Lake area.

**1.6.3 Supply and Treatment Costs**

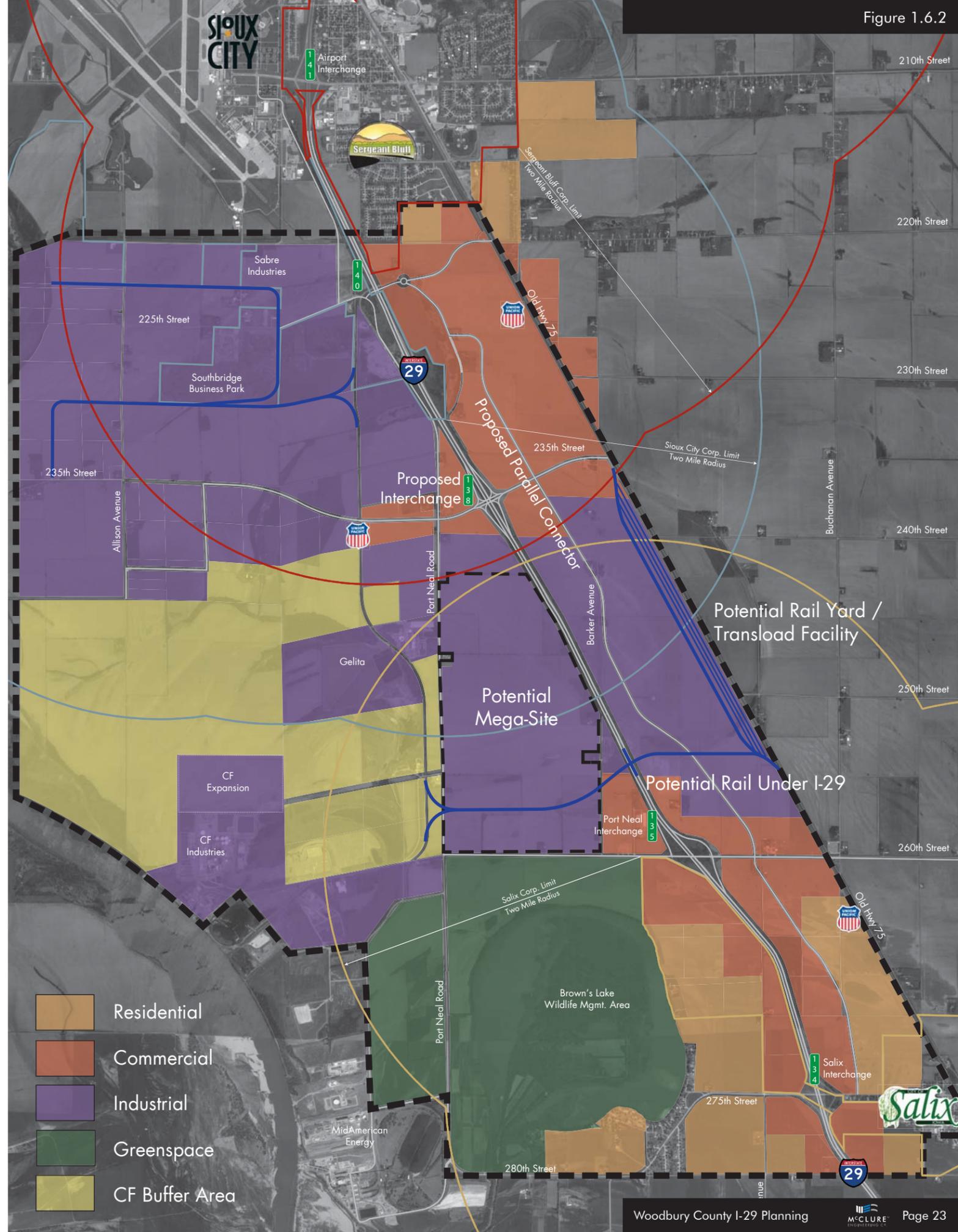
At this time, there are no anticipated plans to expand Sioux City's water supply and treatment capacities at the City's two facilities. With the construction of the Southbridge Regional Water Treatment Plant, there is ample available supply and treatment capacity for the time being. There are also no plans to expand the Sergeant Bluff water supply and treatment system.

**1.6.4 Funding**

Typically, if a City expands their water distribution system, the costs are financed by the City through Water Revenue Bonds or General Obligation Bonds. These bonds typically would be repaid from revenues generated by the sale of water to customers. A City can also issue Urban Renewal Bonds to be repaid with TIF generated from the urban renewal area.

If the distribution system improvements identified in this plan were constructed, they would likely be financed by a combination of the above bonding alternatives. In addition, a connection fee could be established that would be charged to the benefited area that a new water customer would pay when they connect to the system.

There is an opportunity to use County LPURA TIF funds to pay for some or all of the cost to extend water lines. If County TIF funds are used, the city requesting the funds must request that the County amend the LPURA to include the area(s) in which the new mains are located, which will likely fall inside a 2-mile radius from another city in the study area. This would require the affected city to approve the LPURA amendment before TIF funds could be used to finance the project.



## 1.7 Sanitary Sewer Service

### 1.7.1 Collection System

A wastewater pumping station, which has an approximate capacity of 1.1 MGD, serves the Southbridge Business Park west of I-29. This pump station currently serves Sabre Industries, as well as the remainder of the existing area shown in **Figure 1.7.1** as SA-1. This station pumps sewage north into an 18-inch diameter forcemain to the Sioux City Wastewater Treatment Plant (WWTP), located approximately four miles north.

A private pump station located at Gelita USA, approximately halfway between 240th Street and 260th Street is located on the west side of Port Neal Road. Although Gelita no longer discharges waste into this pump station, in the past, sewage was pumped into a public, 18-inch diameter forcemain that extends north along Port Neal Road. MidAmerican Energy also pumps wastewater through an 8-inch forcemain south of Gelita USA into the 18-inch forcemain from its power plant site west of Port Neal Road and 280th Street. A preliminary analysis indicates the 18-inch forcemain has excess capacity that could serve much of the study area. Wastewater is pumped from Gelita to another public pump station located east of the Sioux Gateway Airport. From this pump station, wastewater is pumped to the Sioux City Wastewater Treatment Plant.

**Figure 1.7.1** illustrates various alternatives to provide sewer service to the study area.

**Figure 1.7.1** depicts the area that could be served, including the Port Neal Interchange, west of I-29 if a new pump station was constructed near the existing Gelita pump station at sufficient depth. This pump station would pump into the existing 18-inch diameter forcemain along Port Neal Road. The cost of a new pump station and forcemain at this location providing approximately 1.5 MGD of capacity is estimated to be \$4.1 million.

Another alternative for serving the Port Neal Road Interchange with sanitary sewer service is by extending sewer service from the City of Salix. Although Salix has annexed land south of 260th Street near the Port Neal Road Interchange and is required to provide city services to this area, serving major commercial and industrial development is likely not feasible due to the downstream capacity of the collection and treatment system. However, small-scale development at the interchange can be served by extending 8" diameter gravity sewer and two pump stations to convey the flow back to Salix. This project is estimated to cost approximately \$5.3 million. This does not include potential lagoon expansion that may be required to treat additional wastewater.

If a large industrial wastewater discharger located west of I-29 and east of Port Neal Road, constructing a deep pump station near the existing Gelita pump station is likely the best alternative because it will open up the most land west of I-29 for development, while pumping wastewater to the large, Sioux City WWTP. In addition, preliminary costs indicate that this alternative would also be less expensive than providing sewer service from Salix. This area is shown as SA-3.

As this area develops, a new 24" diameter forcemain could be extended to the Sioux City WWTP from this pump station to provide the area with an additional 10 MGD of capacity. Given the long-term expectancy of major development that would require wastewater capacity of this magnitude, costs for the expansion of the new Port Neal Road pump station and forcemain to the Sioux City WWTP were not included in this report.

There is no sanitary sewer collection system south of Sergeant Bluff on the east side of I-29. **Figure 1.7.1** indicates potential alternatives for providing service to this area shown as SA-4.

Since relief generally falls to the south in the study area, it would be logical to provide a pump station somewhere south or west near the proposed I-29 interchange near 235th Street. If a new interchange were constructed, this area would require sewer service immediately. **Figure 1.7.1** displays this pump station just west of I-29, with gravity sewer extended to the north and east across the Interstate. This pump station would collect flow from the north and east of the interchange, and then pump into the existing 18-inch diameter forcemain along Port Neal Road, which conveys sewage to the Sioux City WWTP.

Since this forcemain currently has significant excess capacity, no immediate plans to connect to a new, larger forcemain that pumps directly to the Sioux City WWTP have been included in this report. However, should the existing forcemain become overloaded, potentially as a result of industrial development to the south and west of I-29, sewage generated at the proposed I-29 interchange near 235th could potentially be diverted into a large diameter forcemain serving areas to the south.

Given the size of the Sioux City WWTP, all significant wastewater contributors in the study area should be served by Sioux City.

To serve the Salix Interchange, sanitary sewer mains and small (approximately 1 MGD) pump stations could be extended west from the existing Salix collection system on the west side of the City. Future development of this interchange should also consider potential expansion of the Brown's Lake area to the west. Extending sewer service across I-29 to service the Salix Interchange shown as SA-7 is estimated to cost \$6.1 million.



To enhance water quality in Brown's Lake and to create more sustainable property values around the lake, a public sanitary sewer system could be installed to serve Brown's Lake residents and other property in the area. Sewage generated in this area would be pumped from a small pump station near the lake along 275th Street east to the Salix collection system and wastewater treatment lagoon. The cost to provide Brown's Lake with sanitary sewer service is estimated at \$3.2 million.

### 1.7.2 Sioux City Wastewater Treatment Plant

Sioux City has invested nearly \$100 million in upgrading their Wastewater Treatment Plant over the past several years. It is capable of future expansion to treat wastewater that may be generated in the entire study area. The Sioux City WWTP is located approximately 4 miles north of the study area and is illustrated in **Figure 1.7.2**. If a large wastewater discharger were to locate in the study area, significant expansion of the Sioux City WWTP may be required.

The capacity and demands of the Sioux City WWTP are summarized as follows:

#### Hydraulic Treatment Capacity

- Rated Capacity = 28.73 MGD
- Average Daily Flow = 16 MGD
- Maximum Daily Flow = 17.6 MGD

#### Organic Treatment Capacity

- BOD5 = 87,834 lb/d
- TKN = 16,609 lb/d

The existing Salix Wastewater Treatment Plant is a small, 3-cell wastewater lagoon that has a rated capacity of 0.0544 MGD, sufficient to serve the City under normal conditions. This is shown on **Figure 1.7.2**. If wastewater service was extended to the west to serve the Salix Interchange and Brown's Lake, wastewater flows of up to 0.5 MGD could be generated from future development. If a line was extended north to serve the Port Neal Road area, new hydraulic loadings of up to 2 MGD could be realized.

Depending on development pressure in the area, Salix may be the most cost-effective, immediately available option for providing sewer service to the Port Neal Interchange, Salix Interchange, and Brown's Lake area. In any case, it is likely that if development occurs, the Salix lagoons would need to be expanded.

As described, Salix is perhaps best suited to becoming a part of a regional wastewater collection and treatment system with Sioux City and Sergeant Bluff. If this ever occurs, the Salix wastewater treatment lagoons could be used for flow equalization, preliminary treatment, or be removed from service. A pump station could be installed at the current lagoon site and pump sewage north to the Port Neal Interchange and into the Sioux City collection system. An expansion of this magnitude is estimated to cost \$5.8 million.

### 1.7.3 Funding

The cost to provide sanitary sewer service to large areas is generally so high, that building this infrastructure is not recommended until a significant user requires service. It is also difficult to predict the hydraulic and organic demands that may come from various users in the area, which makes it difficult to size the collection and treatment systems properly. Therefore, make these large investments is demand or project-driven. That is, once a new, significant sewer customer is identified, then systems can be sized, financed, and constructed.

Typically, Sanitary Sewer Revenue Bonds or General Obligation Bonds are used to finance public sewer collection and treatment systems. The bonds are then repaid from revenues generated from sewer customers.

There is also a State Revolving Fund (SRF) loan program where Cities may access low-cost financing (2% interest per year) for up to 20 years for wastewater improvements. This may be a viable funding source for the improvements identified in this plan. SRF Program funds cannot be used to fund infrastructure that is sized and constructed for speculative growth projects, such as collection system extensions into areas with little or no existing customer base. The SRF Program is an excellent financing option for treatment plant expansions for growth due to existing or new customer loadings and growth.

Urban Renewal Bonds may also be used finance sewer infrastructure. These bonds may be repaid using TIF revenues generated in the areas in which the infrastructure was constructed.

The County's LPURA TIF revenues can be used to finance sanitary sewer collection and treatment system expansions, as well. This is a highly viable funding source for all sewer expansion projects identified in this plan. If a City wishes to use County TIF funds, they must request the County amend the LPURA to include the area(s) where the funds would be spent.

Serving the Port Neal Interchange with sewer service is a high priority project because immediate growth is anticipated in this area. It is recommended either Sioux City or Salix begin discussions with the County and other financing sources to prepare a financing package to extend sewer service to the interchange.

It is also recommended the City of Salix work closely with the County and other funding sources to prepare a financing package to extend sewer to the Salix Interchange and further to Brown's Lake.



Sioux City WWTP

Salix WWTP

### 1.8 Storm Water Management

#### 1.8.1 Best Practices

As shown on **Figure 1.8.1**, there are several wetlands identified in the study area. In addition, the 100-Year floodplain of the Missouri River impacts portions of the study area. Development in the floodplain is allowed as long as structures are built above the 100-Year flood elevation. It is recommended that buildings and roadways be at least three feet above the 100-Year floodplain elevations.

As earth is moved within the floodplain to fill areas above the 100-Year flood elevations, a like amount of cut is required to maintain the overall "volume" of flood storage.

Each specific development in the study area should be closely analyzed as construction permits are approved to ensure this flood volume is preserved.

In addition to maintaining flood storage "volumes", the "rate" at which stormwater is released from a specific development should be controlled. Under current land use conditions, which are mostly agricultural, stormwater runoff from a rain event occurs at a given rate. As development occurs and as land is converted to more "impervious" surfaces, such as parking lots, roof tops, etc., the "rate" at which stormwater will runoff a site will increase. Therefore, it is recommended that all governmental jurisdictions having control over development practices in this study area adopt similar "Best Stormwater Management Practices".

These practices include requiring stormwater runoff to be controlled. In general, runoff from a "developed" site should be no faster than the runoff rate from the same site in a "pre-developed" condition. For example, if stormwater ordinances were adopted that required a site in a "developed" condition to release stormwater under a 100-Year storm event at the same rate as the "un-developed" condition under a 5-Year storm event, stormwater detention and control structures would be required to store the difference in the volume between the two site conditions. This is a typical stormwater management technique applied in many developing areas.

In addition to controlling the stormwater runoff rate from developed property, it is important to apply best practices to improve the quality of stormwater runoff from a developed property. Through the use of strategically located rain gardens, environmental buffers, and infiltration basins, etc., excellent stormwater drainage may be provided while controlling the runoff rate and improving stormwater quality.



Wetlands  
100 Year Floodplain

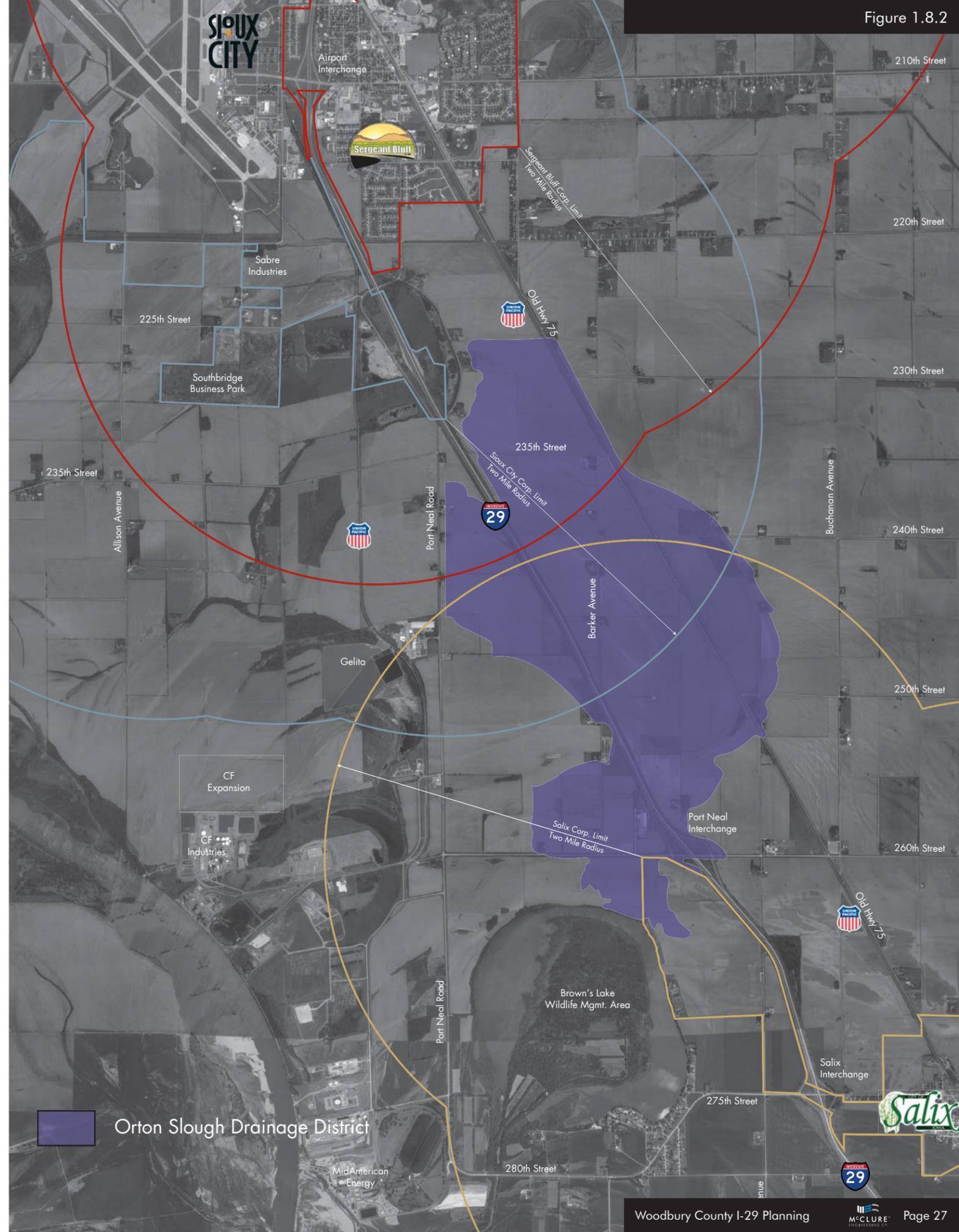
A good share of stormwater in the study area drains into Brown's Lake. **Figure 1.8.2** illustrates the Orton Slough Drainage District that drains into Brown's Lake. Residents of the lake have recently expressed concerns over a proposed drainage improvement project in this drainage district. The project is proposed to better drain much of the farmland in the district. This project, while providing better drainage of the land upstream, may increase the rate at which water will reach Brown's Lake. In addition, the increasing flow rates may negatively impact stormwater quality discharged into Brown's Lake. There is potential for more soil erosion, increased fertilizer and other chemicals may reach the lake more quickly with this project, negatively impacting water quality.

The currently proposed Orton Slough Drainage District project is very consistent with typical rural agricultural drainage projects. As part of this master plan and because much of the land lies in the heart of the study area, the County Board, as trustees of the drainage district are encouraged to look at this project differently.

As the long term vision for this area is proposed to be commercial and industrial development, environmental sustainability is critical. Applying "best stormwater management practices" to all drainage improvements as development occurs will improve stormwater quality while protecting property from flooding.

Because development typically occurs sporadically with individual parcels developed on a piecemeal basis, it is difficult to enforce a more regional approach to stormwater management practices unless a public entity requires it and leads it.

The recent Orton Slough Drainage District project provides an excellent opportunity to implement many of the stormwater management practices that are recommended. Taking a fresh look at that project on a regional basis, with future development in mind, could set the stage for future stormwater management practices in the study area. This could also positively enhance the water quality in Brown's Lake.



**Figure 1.8.3** illustrates examples of how some of these best practices may be applied to the Orton Slough Project. This example in no way represents an “Engineered” solution and should not be undertaken until further detailed hydraulic analysis is completed. It is merely an example of how these techniques can be applied.

With considerable wetlands in the study area, it will be critical to work around and/or mitigate the damage if wetlands are converted to developed property. Wetlands may be disturbed, but wetlands that are removed should be replaced. The County could have an opportunity to design designated wetlands that can be “banked”. This allows for regional wetlands mitigation and control. This would require acquisition of wetland areas with the opportunity to expand them.

**Figure 1.8.4** illustrates a very preliminary concept as to how an area could be developed while setting aside land for stormwater detention and water quality enhancements.

**1.8.2 Funding Alternatives**

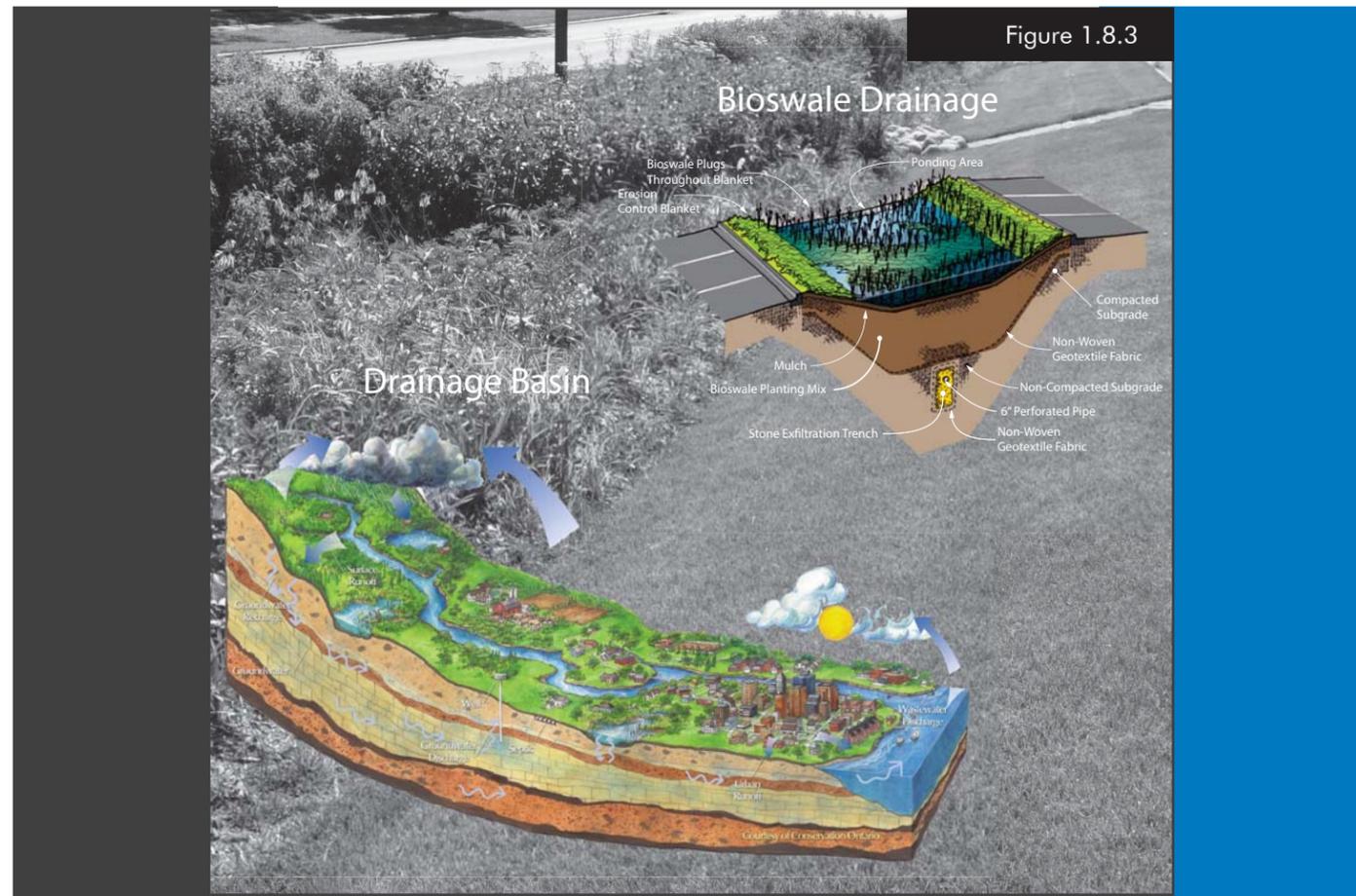
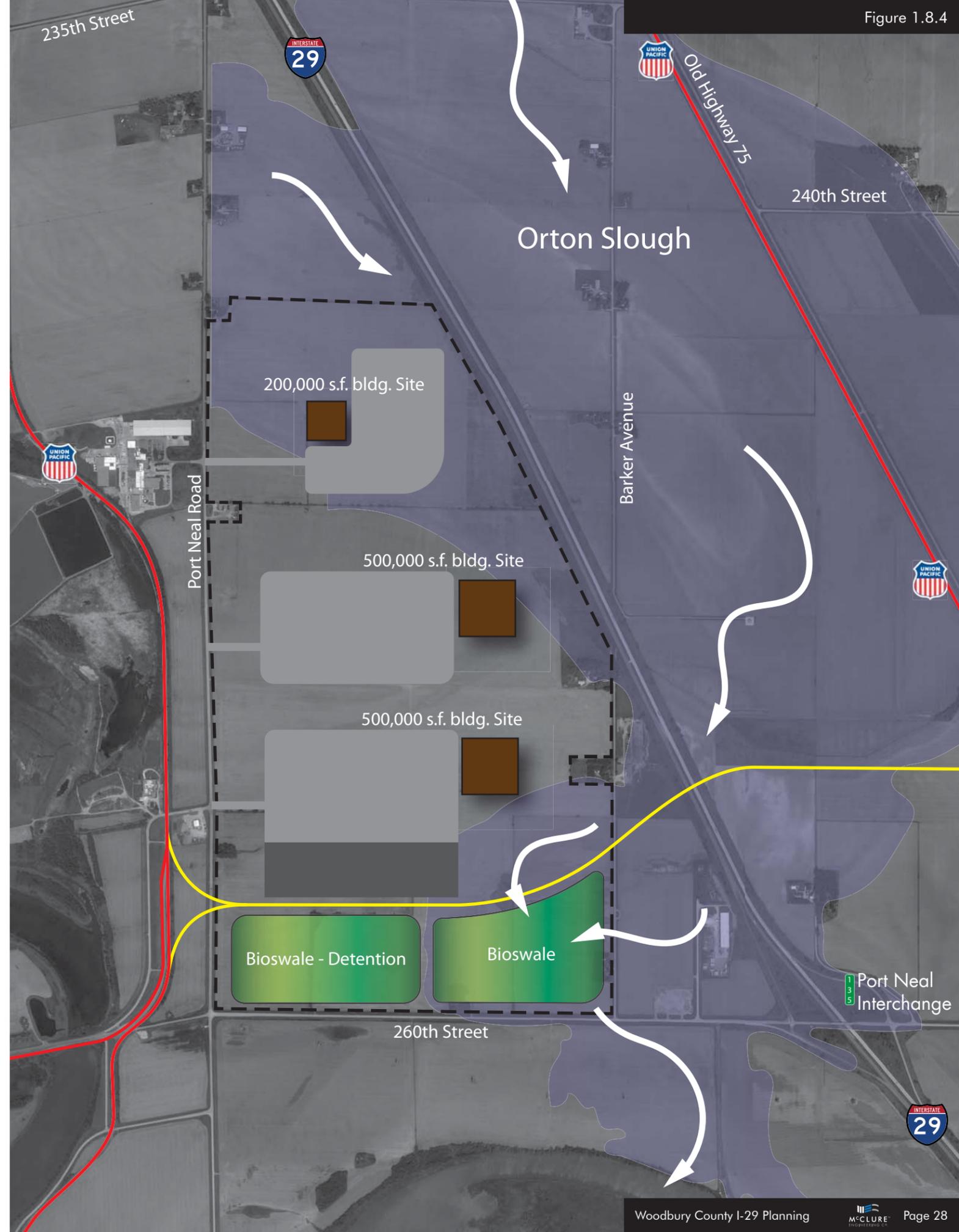
There are very few outside state or federal funding programs available to assist with stormwater enhancement or wetland mitigation projects. Through the Iowa Department of Natural Resources (IDNR) and the NRCS, there may be some assistance on a case by case study. Through the SRF Loan Program, if a city in the area is using this program, the state will provide funding to that city as a “rebate” of the interest cost paid to the state for water quality enhancement projects under the sponsored project program. This may be available to Sioux City and Sergeant Bluff if they have current SRF loans.

Typically, stormwater drainage improvements made within a drainage district to enhance farmland production and values are paid for on a pro-rata basis by all of the property owners “benefiting” from the drainage improvements. This is currently a viable source of funding for the typical drainage improvements.

When developing more complex, regional stormwater runoff and water quality enhancement projects, multiple funding sources will be required. The solutions usually require purchasing agricultural land to take it out of production to be used for detention and water quality enhancement areas, wetlands creation, etc. Regional stormwater management solutions will be critical to protecting Browns Lake while the area is converted from agricultural use to commercial and industrial use.

The county LPURA TIF Funds can be a source of funding all of these types of stormwater enhancement projects.

It is recommended the County Board of Supervisors take a fresh look at how the Orton Slough Drainage District improvements could be made while creating a Regional Stormwater Management process to enhance water quality. A combination of funding sources could make this a viable project while opening up land in the drainage district for development.



## 1.9 Electrical and Natural Gas Services

### 1.9.1 Electrical and Natural Gas Services

**Figure 1.9.1** illustrates the existing electric and natural gas service available in the study area.

#### Electric Service:

The Southbridge Business Park is served by two electric providers, depending on the location of the load center for the particular project. Woodbury Rural Electric Cooperative (REC) and MidAmerican Energy both provide electric service to the area with capacity to meet the growing demands of industrial and commercial businesses. But providers also have electric service throughout the entire study area.

#### Woodbury REC:

Ownership: Cooperative  
 Peak Demand: 175 KW  
 Regulated: Yes  
 General Capacity: 3,412 MW  
 Customers Served: 31,000

As indicated on **Figure 1.9.1**, Woodbury REC has completed construction of a \$1 million a new electrical substation to serve the needs of Southbridge businesses.

#### Mid-American Energy:

Ownership: Private, Investor-Owned  
 Peak Demand: 4,250 KW  
 Regulated: Yes  
 General Capacity: 5,150 MW  
 Customers Served (local): 36,364  
 Customers Served (system): 719,635

MidAmerican Energy has made a commitment to renewable energy generation. The company is #1 among all rate-regulated utilities in terms of ownership of wind-powered electric generation and has more than 1,200 MW of electric generation in operation, under construction, or contracted.

MidAmerican Energy serves areas along Port Neal Road, north from D51. The electric supplier depends upon the location of the load center. Mid-American Energy's existing electric lines are shown on **Figure 1.9.1**.

Distribution facilities are in place to respond quickly to the needs of the industry. Transmission facilities in the area would allow for the installation of a substation to serve large load additions. Depending on specific capacity needs of the industry, additional service can be made available relatively quickly.

#### Present Electric Load Serving Capability:

A 12.5 kV distribution feeder exits from the Knox Substation that is located just north of Gelita on the west side of Port Neal Road. The breakered substation transformer fed by 69kV lines. The distribution circuit

adjacent to Port Neal Road has 5 MVA available capacity that can be utilized immediately.

#### Load Increase above 5 MVA:

For this load level a new substation and transformation capacity to 12.5 kV is recommended. Facilities required to serve loads of this size or larger would require a breakered substation whose location would be driven by the load requirements. The 345kV, 161 kV and 69kV high voltage electric lines can be utilized to serve loads above 5 MW. At higher load levels, loads will likely be concentrated and require special considerations for reliable and cost effective service.

#### Natural Gas Service:

##### 280 Pound System:

MidAmerican Energy has 2 gas systems that provide service within the study area. The main system is a 16"/10" steel transmission line that operates at 280 psi. This line runs along the middle portion of the study area, west of Port Neal Road. Any new load would have to be served from a lateral off of this line. The line is fed directly from the Northern Natural Gas' Sioux City Town Border Station. There is also a 135 psi 8"/6" gas line that runs through the study area.

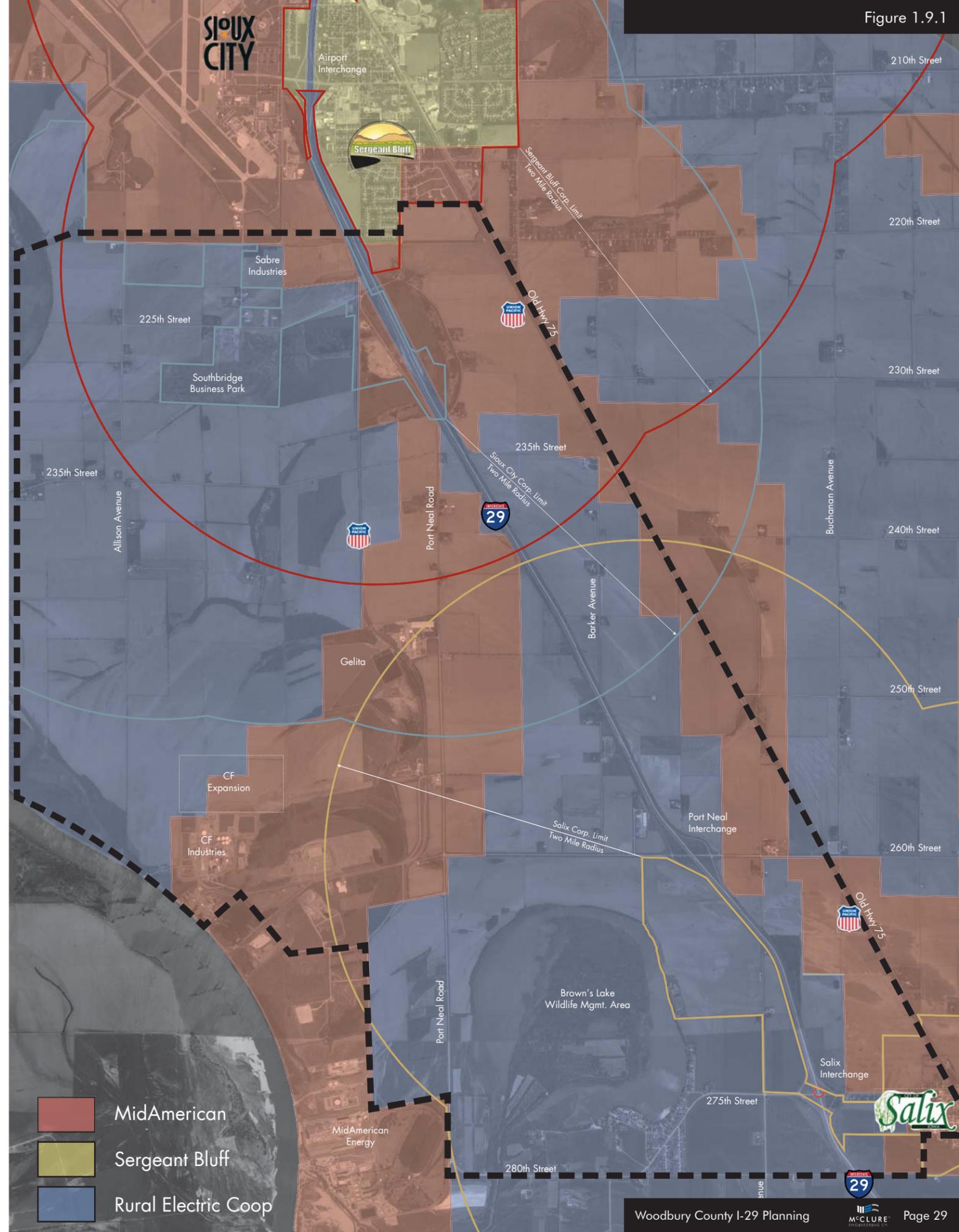
##### 135 Pound System:

The 135 psi gas line has additional gas capacity. This line is available for new projects but, depending on specific needs of industry, may require a system modification. The cost of this modification can be developed on a case by case basis.

### 1.9.2 Service Territories

It is difficult to reassign service territories between electric suppliers until they agree to sell or trade service territories. Because of electric supply capabilities and rate differences between MidAmerican Energy and the REC, it is suggested the County consider facilitating a change of service territory. This may require a purchase or buyout of territory rights to get the parties to agree to reestablish territories.

This may prove to be a complex negotiation and buyout process, but with the County's financial resources and the possible need for large power resources at competitive rates, it may warrant the effort for MidAmerican Energy and Rural Electric to reestablish service territories to enhance the overall economic development opportunities. High electrical rates or low electrical capacity could be a significant detriment to attracting large industrial users.



### 1.10 Telecommunications Services

#### 1.10.1 Telecommunications Services

**Figure 1.10.1** illustrates both telephone utility service exchange boundaries in the study area. The Sioux City Exchange is served primarily by CenturyLink (formerly known as Qwest Communications). The Sergeant Bluff and Salix Exchanges are both served by Northwest Iowa Telephone Company, doing business as Long Lines.

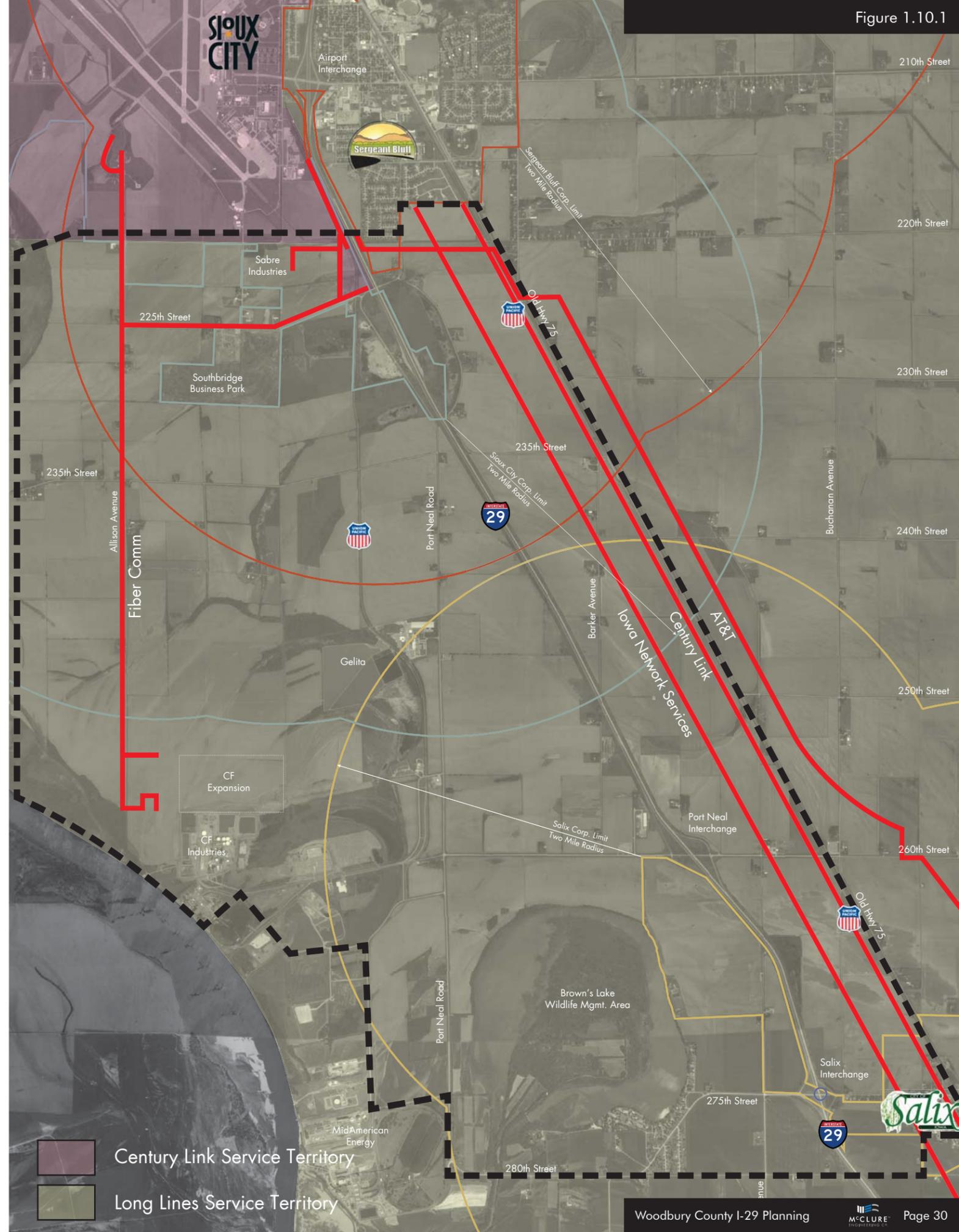
There are several major internet service providers in the Siouxland region with varying service platforms including cable, DSL, fiber, fixed wireless, mobile wireless, and satellite. The Iowa Economic Development Authority (IEDA) requires potential industrial sites seeking state certification to be served with a minimum of DS-1 or T-1 telecommunications infrastructure within 6 months. Therefore, only service providers with existing cable, DSL, and fiber networks catering to both residential and business customers were considered as viable alternatives for provided telecommunications services to the study area.

Based on these criteria, only five providers were deemed viable: Cable ONE, CenturyLink, Long Lines, Level 3 Communications, and FiberComm. AT&T Mobility recently purchased transport services from Long Lines fiber optic network. **Table 1.10.1** summarizes these alternatives and their maximum reported download/upload speeds to Connect Iowa, a non-profit organization funded by the IEDA. As shown in the table, a fiber platform provides the fastest maximum available download/upload speed, a cable platform provides medium download/upload speed, and a DSL platform provides the slowest download/upload speed.

**Figure 1.10.1** also illustrates existing fiber optic lines in the service area. As evidenced, AT&T, CenturyLink, Iowa Network Services (INS), and FiberComm all have existing fiber lines in the study area that could be used to serve large industry and be used as an asset when attempting to assemble land for a certified/mega-site.

Table 1.10.1 - Viable Telecommunications Providers

| Provider Name               | Platform | End User             | Maximum Download Speed | Maximum Upload Speed |
|-----------------------------|----------|----------------------|------------------------|----------------------|
| AT&T                        | Fiber    | Residential/Business | 100 Mbps - 40 Gbps     | 100 Mbps - 40 Gbps   |
| Level 3 Communications, LLC | Fiber    | Business Only        | 1 Gbps and up          | 1 Gbps and up        |
| Cable ONE                   | Cable    | Residential/Business | 50 Mbps - 99.99 Mbps   | 6 Mbps - 9.99 Mbps   |
| Long Lines                  | Cable    | Residential/Business | 50 Mbps - 99.99 Mbps   | 768 Kbps - 1.49 Mbps |
| CenturyLink                 | DSL      | Residential/Business | 25 Mbps - 49.99 Mbps   | 10 Mbps - 24.99 Mbps |
| FiberComm                   | DSL      | Residential/Business | 3 Mbps - 5.99 Mbps     | 200 Kbps - 767 Kbps  |



## Part II – Capital Investment Program

### 2.1 Ten Year Capital Investment Program (CIP)

This planning effort included meeting with key stakeholders from Sioux City, Sergeant Bluff, and Salix to get their perspectives on capital investment projects that they feel are high priority projects to grow jobs and tax base. From their input, a capital projects list was developed with “order of magnitude” costs assigned to each project. The list is large and includes a wide variety of infrastructure and land acquisition projects.

**Tables 2.1.1, 2.1.2 and 2.1.3** outline the projects identified from the stakeholders. These projects represent a total of \$154 million of capital investments. The projects were prioritized based on how quickly a return on investment could be achieved. Return on investment may be measured by retaining existing jobs, enhancing an existing development, opening up new land to create an opportunity for new jobs, creation of new tax base, etc.

The projects are placed in three priority brackets with Priority 1 projects expected to be completed in 1-5 years, Priority 2 projects in 6-10 years, and Priority 3 projects in 11-15 years or beyond.

From these projects, a more focused list of the Top 10 highest priority projects are identified in **Table 2.1.4**.

**Figure 2.1.1** illustrates each of the 10 highest priority projects. These projects are anticipated to yield immediate returns to the area. They can all begin prior to the County actually receiving LPURA TIF funds. The County’s portion of the costs of these projects can be financed now, with the debt repaid from future TIF revenues from the LPURA.

Table 2.1.4 - Top 10 Highest Priority Projects

| Top 10 Highest Priority Projects |                       |  |
|----------------------------------|-----------------------|--|
| Project                          | Principal Stakeholder | Project Description                                    |
| WC-CF-1                          | Woodbury County       | CF Industries 1st Roadway RISE Loan Repayment          |
| WC-CF-2                          | Woodbury County       | CF Industries Miscellaneous On-Site Road Reimbursement |
| WC-T-1                           | Woodbury County       | I-29 IJR Between Mile Markers 138-140                  |
| SB-T-1                           | Sergeant Bluff        | Sergeant Bluff South Bypass Road                       |
| SX-L-1                           | Sioux City            | Southbridge Land Options (Part I and II)               |
| SX-L-2                           | Sioux City            | Southbridge Land Assembly - Part I                     |
| SX-L-3                           | Sioux City            | Southbridge Land Assembly - Part II                    |
| SX-T-1                           | Sioux City            | Southbridge Industrial Park UP Railroad Extension      |
| SX-W-2                           | Sioux City            | Southbridge Water Improvements                         |
| SX-S-2                           | Sioux City            | Southbridge Sanitary Sewer Improvements                |
| SX-W-1                           | Sioux City            | Water Extension to Port Neal Road Interchange          |
| SX-S-1                           | Sioux City            | Sewer Extension to I-29 Port Neal Road Interchange     |
| SA-S-4                           | Salix                 | Sewer Extension to I-29 Port Neal Road Interchange     |
| WC-L-1                           | Woodbury County       | Land Options for Certified Site(s)                     |
| WC-D-1                           | Woodbury County       | Orton Slough Drainage Improvements                     |
| SA-W-1                           | Salix                 | Salix Water Tower                                      |
| SA-W-2                           | Salix                 | Water Extension to I-29 Salix Interchange (East)       |
| SA-S-1                           | Salix                 | Sewer Extension to I-29 Salix Interchange (East)       |
| SA-W-4                           | Salix                 | Water Extension through Brown's Lake Development       |
| SA-S-3                           | Salix                 | Sewer Extension through Brown's Lake Development       |
| WC-M-1                           | Woodbury County       | Joint Marketing Efforts                                |



Figure 2.1.1

Table 2.1.1 - Priority 1 (0-5 Years) Infrastructure Projects Identified

| Priority 1 Projects (0-5 Years) |                       |  |
|---------------------------------|-----------------------|--|
| Project                         | Principal Stakeholder | Project Description                                    |
| WC-CF-1                         | Woodbury County       | CF Industries 1st Roadway RISE Loan Repayment          |
| WC-CF-2                         | Woodbury County       | CF Industries Miscellaneous On-Site Road Reimbursement |
| WC-T-1                          | Woodbury County       | I-29 IJR Between Mile Markers 138-140                  |
| WC-F-1                          | Woodbury County       | Attorney Fees  |
| SB-T-1                          | Sergeant Bluff        | Sergeant Bluff South Bypass Road                       |
| WC-L-1                          | Woodbury County       | Land Options for Certified Site(s)                     |
| SX-L-1                          | Sioux City            | Southbridge Land Options (Part I and II)               |
| SX-L-2                          | Sioux City            | Southbridge Land Assembly - Part I                     |
| SX-L-3                          | Sioux City            | Southbridge Land Assembly - Part II                    |
| WC-D-1                          | Woodbury County       | Orton Slough Drainage Improvements                     |
| SX-T-1                          | Sioux City            | Southbridge Industrial Park UP Railroad Extension      |
| SA-W-1                          | Salix                 | Salix Water Tower                                      |
| SA-W-2                          | Salix                 | Water Extension to I-29 Salix Interchange (East)       |
| SA-S-1                          | Salix                 | Sewer Extension to I-29 Salix Interchange (East)       |
| SA-S-4                          | Salix                 | Sewer Extension to I-29 Port Neal Road Interchange     |
| SA-S-5                          | Salix                 | Sewer Extension to Corporate Limits                    |
| SX-W-1                          | Sioux City            | Water Extension to Port Neal Road Interchange          |
| SX-S-1                          | Sioux City            | Sewer Extension to I-29 Port Neal Road Interchange     |

Table 2.1.2 - Priority 2 (6-10 Years) Infrastructure Projects Identified

| Priority 2 Projects (6-10 Years) |                       |  |
|----------------------------------|-----------------------|--|
| Project                          | Principal Stakeholder | Project Description                                      |
| WC-L-2                           | Woodbury County       | Land Assembly for Certified Site(s)                      |
| WC-T-2                           | Woodbury County       | I-29 Interchange Between Mile Markers 138-140            |
| WC-T-3                           | Woodbury County       | I-29 Interchange West Connector Road Near 235th St       |
| WC-T-4                           | Woodbury County       | I-29 Interchange East Connector Road Near 235th St       |
| WC-T-5                           | Woodbury County       | Union Pacific Rail Line Extension Under I-29             |
| WC-T-6                           | Woodbury County       | I-29 Bridges Over UP Railroad Extension                  |
| SA-S-6                           | Salix                 | WWTP Lagoon Expansion                                    |
| SB-S-1                           | Sergeant Bluff        | Sewer/Pump Station at I-29 Interchange Near 235th Street |
| SX-W-2                           | Sioux City            | Southbridge Water Improvements                           |
| SX-W-3                           | Sioux City            | Water Extension to I-29 Interchange Near 235th St        |
| SX-S-2                           | Sioux City            | Southbridge Sanitary Sewer Improvements                  |
| SA-W-3                           | Salix                 | Water Extension to I-29 Salix Interchange (West)         |
| SA-W-4                           | Salix                 | Water Extension through Brown's Lake Development         |
| SA-W-5                           | Salix                 | Water Extension to I-29 Port Neal Road Interchange       |
| SA-W-6                           | Salix                 | Water Extension to Corporate Limits                      |
| SA-S-2                           | Salix                 | Sewer Extension to I-29 Salix Interchange (West)         |
| SA-S-3                           | Salix                 | Sewer Extension through Brown's Lake Development         |

Table 2.1.3 - Priority 3 (11-15 Years) Infrastructure Projects Identified

| Priority 3 Projects (11-15 Years) |                       |   |
|-----------------------------------|-----------------------|---|
| Project                           | Principal Stakeholder | Project Description                                     |
| WC-T-7                            | Woodbury County       | Allison Avenue RISE Project                             |
| SA-S-7                            | Salix                 | WWTP Conversion to Pump Station/Forcemain to Sioux City |
| SX-D-1                            | Sioux City            | Southbridge Drainage Ditch to Missouri River            |
| SX-L-4                            | Sioux City            | Southbridge Land Assembly - Part III                    |
| SX-L-5                            | Sioux City            | Southbridge Land Assembly - Part IV                     |
| SX-L-6                            | Sioux City            | Southbridge Land Assembly - Part V                      |
| SX-L-7                            | Sioux City            | Southbridge Land Assembly - Part VI                     |
| SX-L-8                            | Sioux City            | Southbridge Land Assembly - Part VII                    |

## 2.2 Ten Year Financial Model

### 2.2.1 County Taxable Valuation Projection

**Table 2.2.1** illustrates the past five years of total taxable valuation in the incorporated and unincorporated areas of Woodbury County.

Based on the CF Industries expansion and their signed minimum assessment agreement, a projection of the increase in County taxable valuation has been made. Assuming a 1% organic growth rate in the taxable valuation of existing properties, the addition of taxable valuation from private sector investments currently underway will result in anticipated growth of 42% by 2028 and 85% growth by 2038 above the current levels of unincorporated taxable valuation in Woodbury County. **Figure 2.2.1** is a graphical illustration of the anticipated growth in property tax valuation in the unincorporated area of the County.

This provides a significant opportunity for all residents of the County to realize property tax relief, while investing in other projects to leverage more growth in the tax base and new jobs.

### 2.2.2 Comparative County Taxable Valuation Analysis

**Table 2.2.2** illustrates general tax rates and tax levies for unincorporated areas of the counties within a 100 miles radius of Woodbury County in the state of Iowa. **Figure 2.2.2** illustrates the counties within a 100 miles radius of Woodbury County.

Figure 2.2.1 - Unincorporated Woodbury County Projected Taxable Valuation (FY 2011 - FY 2038)

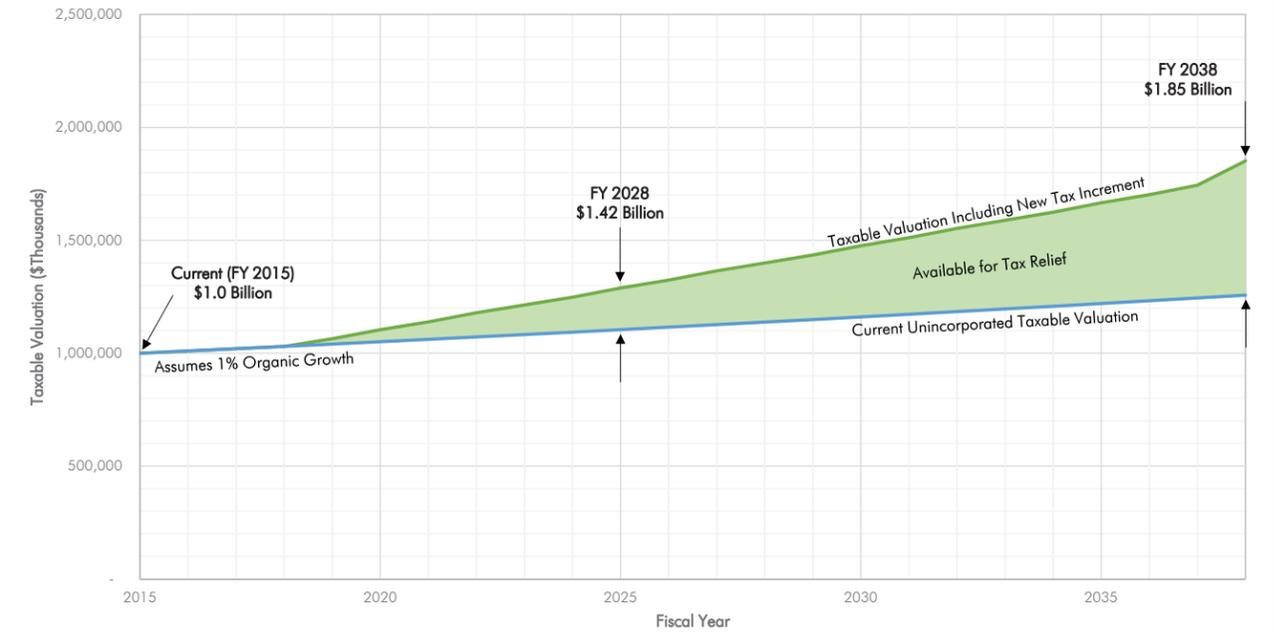


Table 2.2.1 - Past Five Years of Woodbury County Total Taxable Valuation

| Fiscal Year | Taxable Valuation  |                      |                 |
|-------------|--------------------|----------------------|-----------------|
|             | Incorporated Areas | Unincorporated Areas | Total           |
| 2011        | \$2,409,779,170    | \$844,193,851        | \$3,253,973,021 |
| 2012        | \$2,486,650,021    | \$873,948,867        | \$3,360,598,888 |
| 2013        | \$2,617,211,348    | \$929,835,348        | \$3,547,046,696 |
| 2014        | \$2,589,604,918    | \$966,342,861        | \$3,555,947,779 |
| 2015        | \$2,582,124,331    | \$999,698,451        | \$3,581,822,782 |

Table 2.2.2 - Comparison of Tax Levies in Iowa Counties within a 100-Mile Radius

| County        | Largest City    | County Tax Rate (\$/\$1,000) | County Tax Rate Rank | Consolidated Rate (\$/\$1,000) | Consolidated Tax Rate Rank |
|---------------|-----------------|------------------------------|----------------------|--------------------------------|----------------------------|
| Pottawattamie | Council Bluffs  | \$12.25423                   | 1                    | \$30.53485                     | 1                          |
| Woodbury      | Sioux City      | \$11.41571                   | 2                    | \$26.10861                     | 9                          |
| Calhoun       | Rockwell City   | \$11.01865                   | 3                    | \$21.58928                     | 22                         |
| Audubon       | Audubon         | \$10.95460                   | 4                    | \$25.49247                     | 10                         |
| Palo Alto     | Emmetsburg      | \$10.64670                   | 5                    | \$24.21380                     | 13                         |
| Harrison      | Missouri Valley | \$10.60221                   | 6                    | \$28.25088                     | 3                          |
| Pocahontas    | Pocahontas      | \$10.45953                   | 7                    | \$24.11695                     | 14                         |
| Cass          | Atlantic        | \$10.16462                   | 8                    | \$28.33887                     | 2                          |
| Emmet         | Estherville     | \$10.13275                   | 9                    | \$27.89966                     | 4                          |
| Monona        | Onawa           | \$10.02418                   | 10                   | \$26.41234                     | 7                          |
| Buena Vista   | Storm Lake      | \$9.98018                    | 11                   | \$27.62085                     | 5                          |
| Crawford      | Denison         | \$9.95614                    | 12                   | \$25.47247                     | 11                         |
| Clay          | Spencer         | \$9.66461                    | 13                   | \$24.46157                     | 12                         |
| Mills         | Glenwood        | \$9.60974                    | 14                   | \$26.20497                     | 8                          |
| Osceola       | Sibley          | \$9.40120                    | 15                   | \$21.44265                     | 23                         |
| Greene        | Jefferson       | \$9.20000                    | 16                   | \$26.42619                     | 6                          |
| O'Brien       | Sheldon         | \$9.11865                    | 17                   | \$23.93437                     | 16                         |
| Sac           | Sac City        | \$9.08685                    | 18                   | \$22.32315                     | 21                         |
| Shelby        | Harlan          | \$8.72937                    | 19                   | \$22.97960                     | 19                         |
| Lyon          | Rock Rapids     | \$8.48748                    | 20                   | \$22.91227                     | 20                         |
| Cherokee      | Cherokee        | \$8.40945                    | 21                   | \$23.29171                     | 18                         |
| Plymouth      | Le Mars         | \$7.92096                    | 22                   | \$19.90894                     | 25                         |
| Guthrie       | Guthrie Center  | \$7.80530                    | 23                   | \$23.31646                     | 17                         |
| Sioux         | Sioux Center    | \$7.39350                    | 24                   | \$24.04172                     | 15                         |
| Carroll       | Carroll         | \$6.71307                    | 25                   | \$16.94430                     | 27                         |
| Ida           | Ida Grove       | \$5.40000                    | 26                   | \$21.01189                     | 24                         |
| Dickinson     | Spirit Lake     | \$5.05006                    | 27                   | \$18.04360                     | 26                         |



Based on the financial model developed for this study, by the Year 2028, approximately \$262 million of new taxable valuation will be added from projects currently underway, which corresponds to approximately 40% growth from the County's current taxable valuation. This assumes a modest, organic annual growth rate of 1% of taxable valuation, which has been used through this planning process. By 2038 when the LPURA will sunset, the total valuation of the unincorporated Woodbury County is estimated to be \$1.85 billion, which represents 85% growth above current levels because of projects currently underway.

The County property tax levy in unincorporated portions of Woodbury County is \$11.41571 per \$1,000 of taxable valuation. **Table 2.2.2** lists the tax levies of Iowa counties within 100 miles of Woodbury County. As evidenced, Woodbury County has the second highest County levy among Iowa counties that were compared. Only Pottawattamie County (Council Bluffs) has a greater County tax levy among the 27 Iowa counties that were compared. It should be noted that Woodbury County is the most populous Iowa County and Sioux City is the largest City in this area, however.

In general, counties in Nebraska and South Dakota have tax levies between \$2 and \$6 per \$1,000 of taxable valuation. However, differences in how the taxable valuation of property is calculated among the three states make it difficult to compare information between counties in different states directly.

When including other property tax components (i.e. school districts, community colleges, public hospitals, etc.) over which the County has no control, the consolidated tax rate for Liberty Township is \$26.10861 per \$1,000 of taxable valuation, which ranks as the ninth highest of the 27 Iowa counties listed in **Table 2.2.2**.

**Table 2.2.3** displays two examples of current property taxes in unincorporated Woodbury County and Sioux City. The total annual property tax payment due for a home valued at \$120,000 in the County is \$1,746, of which the County's share is \$764. If this same home were in Sioux City, the total annual property tax bill would be \$2,994, of which the County's share is \$519. For commercial or industrial property valued at \$5,000,000 in the County, the annual property tax payment would be \$117,489, of which the County's share is \$51,371. If the same commercial or industrial property were located in Sioux City, the total annual property tax bill would be \$199,243, of which the County's share is \$34,936.

Given these tax rates are high relative to surrounding Iowa counties and to Nebraska and South Dakota for reasons outside the County's control (i.e. different rollback percentages, lack of state income tax in South Dakota, etc.), the Board of Supervisors desires to use LPURA TIF revenues for property tax relief to make the County a more competitive place to live and do business.

### 2.2.3 Urban Renewal Areas

When CF Industries announced its \$1.7 billion expansion at their existing plant site in the unincorporated area of the County, the County Supervisors created the Liberty Park Urban Renewal Area (LPURA) and Tax Increment Financing (TIF) District to include the CF Industries property. The County has full legal authority to do so under Section 403 of the Iowa Administrative Code. Because this land lies outside the 2-mile boundary of any city, the County has full authority to manage new property tax revenues generated in this Urban Renewal Area.

Creating the LPURA and TIF District has no negative financial impact on CF Industries, because it does not increase or decrease the amount of taxes CF Industries will pay. In fact, by creating this Urban Renewal Area and TIF District, the County has a legal means by which to use a portion of the property taxes paid by CF Industries to invest back into the CF Industries expansion project. To date, the County has committed approximately \$1.6 million of future tax revenues generated from CF Industries back to the CF Industries expansion project. The County has financed and is building a road to support the CF Industries project at a cost of \$800,000, which will be paid back by CF Industries property taxes beginning in 2018. The County has also agreed to rebate \$200,000 per year for four years (\$800,000 total) back to CF Industries to help defray some of CF Industries on-site improvement costs beginning in 2019.

Table 2.2.2 - Comparison of Tax Levies in Iowa Counties within a 100-Mile Radius

| County        | Largest City    | County Tax Rate (\$/\$1,000) | County Tax Rate Rank | Consolidated Rate (\$/\$1,000) | Consolidated Tax Rate Rank |
|---------------|-----------------|------------------------------|----------------------|--------------------------------|----------------------------|
| Pottawattamie | Council Bluffs  | \$12.25423                   | 1                    | \$30.53485                     | 1                          |
| Woodbury      | Sioux City      | \$11.41571                   | 2                    | \$26.10861                     | 9                          |
| Calhoun       | Rockwell City   | \$11.01865                   | 3                    | \$21.58928                     | 22                         |
| Audubon       | Audubon         | \$10.95460                   | 4                    | \$25.49247                     | 10                         |
| Palo Alto     | Emmetsburg      | \$10.64670                   | 5                    | \$24.21380                     | 13                         |
| Harrison      | Missouri Valley | \$10.60221                   | 6                    | \$28.25088                     | 3                          |
| Pocahontas    | Pocahontas      | \$10.45953                   | 7                    | \$24.11695                     | 14                         |
| Cass          | Atlantic        | \$10.16462                   | 8                    | \$28.33887                     | 2                          |
| Emmet         | Estherville     | \$10.13275                   | 9                    | \$27.89966                     | 4                          |
| Monona        | Onawa           | \$10.02418                   | 10                   | \$26.41234                     | 7                          |
| Buena Vista   | Storm Lake      | \$9.98018                    | 11                   | \$27.62085                     | 5                          |
| Crawford      | Denison         | \$9.95614                    | 12                   | \$25.47247                     | 11                         |
| Clay          | Spencer         | \$9.66461                    | 13                   | \$24.46157                     | 12                         |
| Mills         | Glenwood        | \$9.60974                    | 14                   | \$26.20497                     | 8                          |
| Osceola       | Sibley          | \$9.40120                    | 15                   | \$21.44265                     | 23                         |
| Greene        | Jefferson       | \$9.20000                    | 16                   | \$26.42619                     | 6                          |
| O'Brien       | Sheldon         | \$9.11865                    | 17                   | \$23.93437                     | 16                         |
| Sac           | Sac City        | \$9.08685                    | 18                   | \$22.32315                     | 21                         |
| Shelby        | Harlan          | \$8.72937                    | 19                   | \$22.97960                     | 19                         |
| Lyon          | Rock Rapids     | \$8.48748                    | 20                   | \$22.91227                     | 20                         |
| Cherokee      | Cherokee        | \$8.40945                    | 21                   | \$23.29171                     | 18                         |
| Plymouth      | Le Mars         | \$7.92096                    | 22                   | \$19.90894                     | 25                         |
| Guthrie       | Guthrie Center  | \$7.80530                    | 23                   | \$23.31646                     | 17                         |
| Sioux         | Sioux Center    | \$7.39350                    | 24                   | \$24.04172                     | 15                         |
| Carroll       | Carroll         | \$6.71307                    | 25                   | \$16.94430                     | 27                         |
| Ida           | Ida Grove       | \$5.40000                    | 26                   | \$21.01189                     | 24                         |
| Dickinson     | Spirit Lake     | \$5.05006                    | 27                   | \$18.04360                     | 26                         |

Table 2.2.3 - Property Tax Example

| Parameter                                    | Unincorporated Woodbury County |                       | City of Sioux City |                       |
|--|--------------------------------|-----------------------|--------------------|-----------------------|
|  | Residential                    | Commercial/Industrial | Residential        | Commercial/Industrial |
| Sale Value of Property                       | \$120,000                      | \$5,000,000           | \$120,000          | \$5,000,000           |
| Rollback Percentage                          | 44.2605%                       | 10%                   | 44.2605%           | 10%                   |
| <b>Taxable Value of Property</b>             | <b>\$66,887</b>                | <b>\$4,500,000</b>    | <b>\$66,887</b>    | <b>\$4,500,000</b>    |
| Consolidated Tax Rate (\$/\$1,000)           | \$26.10861                     |                       | \$44.27612         |                       |
| County Tax Rate (\$/\$1,000)                 | \$11.41571                     |                       | \$7.76353          |                       |
| Total Property Tax Payment                   | \$1,746                        | \$117,489             | \$2,962            | \$199,243             |
| <b>County Property Tax Payment</b>           | <b>\$764</b>                   | <b>\$51,371</b>       | <b>\$519</b>       | <b>\$34,936</b>       |
| <b>LPURA TIF Revenue Used For Tax Relief</b> | <b>\$130,000,000</b>           |                       |                    |                       |
| Average Annual County Tax Reduction (%)      | 16.6%                          |                       |                    |                       |
| Average Annual County Tax Reduction (\$)     | \$126.75                       | \$8,527.54            | \$86.20            | \$5,799.36            |
| <b>Effective Total Tax Reduction (%)</b>     | <b>7.3%</b>                    | <b>7.3%</b>           | <b>2.9%</b>        | <b>2.9%</b>           |
| <b>LPURA TIF Revenue Used For Tax Relief</b> | <b>\$89,400,000</b>            |                       |                    |                       |
| Average Annual County Tax Reduction (%)      | 11.3%                          |                       |                    |                       |
| Average Annual County Tax Reduction (\$)     | \$86.28                        | \$5,804.89            | \$58.68            | \$3,947.76            |
| <b>Effective Total Tax Reduction (%)</b>     | <b>4.9%</b>                    | <b>4.9%</b>           | <b>2.0%</b>        | <b>2.0%</b>           |

**Figure 2.2.3** illustrates the original Liberty Park Urban Renewal Area (LPURA).

After the original LPURA was formed, the County amended the area to include other areas so TIF revenues generated in the original LPURA could be used to pay for needed infrastructure projects in the other areas.

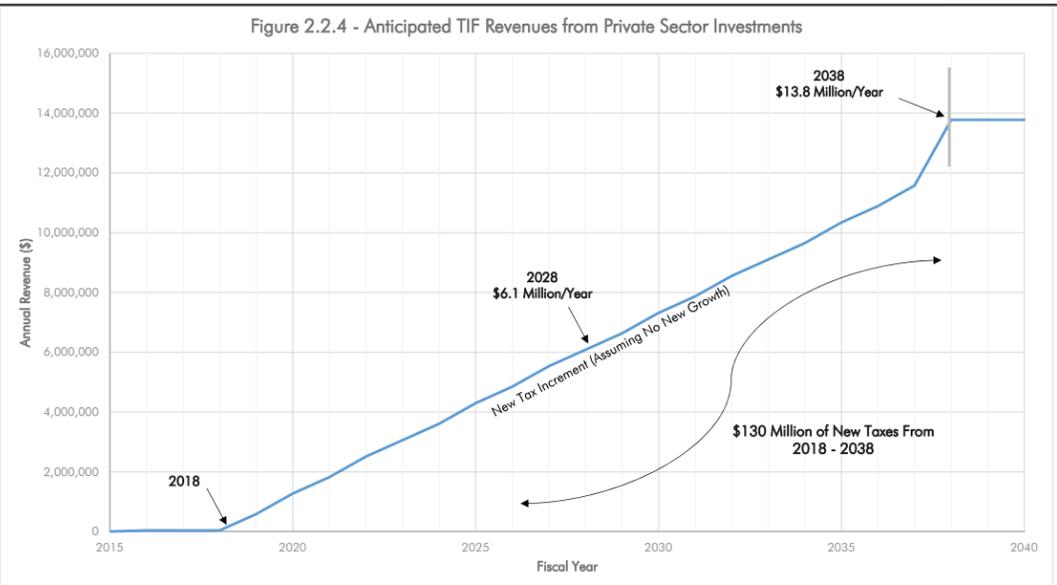
It is within this LPURA that it is estimated over \$130 million of new incremental taxes will be generated through 2038.

**2.2.4 Projected TIF Revenues**

**Table 2.2.4** outlines the known new anticipated property tax revenues that will be generated within the LPURA from private sector investments underway at the time of the writing of this report. **Figure 2.2.4** is a graphical illustration of the anticipated revenues.

**Table 2.2.4 - Anticipated TIF Revenues from Private Sector Investments**

| Fiscal Year                     | New Increment Taxes |            |                         | Total TIF Revenues   |
|---------------------------------|---------------------|------------|-------------------------|----------------------|
|                                 | CF Industries       | RailToRoad | RailToRoad Amendment #2 |                      |
| 2016                            | -                   | \$37,847   | \$6,857                 | \$44,704             |
| 2017                            | -                   | \$35,855   | \$6,857                 | \$42,712             |
| 2018                            | \$0                 | \$35,855   | \$6,857                 | \$42,712             |
| 2019                            | \$549,236           | \$35,855   | \$6,857                 | \$591,948            |
| 2020                            | \$1,235,780         | \$35,855   | \$6,857                 | \$1,278,493          |
| 2021                            | \$1,785,016         | \$35,855   | \$6,857                 | \$1,827,728          |
| 2022                            | \$2,471,561         | \$35,855   | \$6,857                 | \$2,514,273          |
| 2023                            | \$3,020,796         | \$35,855   | \$6,857                 | \$3,063,509          |
| 2024                            | \$3,570,032         | \$35,855   | \$6,857                 | \$3,612,744          |
| 2025                            | \$4,256,577         | \$35,855   | \$6,857                 | \$4,299,289          |
| 2026                            | \$4,805,812         | \$35,855   | \$6,857                 | \$4,848,525          |
| 2027                            | \$5,492,357         | \$35,855   | \$6,857                 | \$5,535,069          |
| 2028                            | \$6,041,593         | \$35,855   | \$6,857                 | \$6,084,305          |
| 2029                            | \$6,590,828         | \$35,855   | \$6,857                 | \$6,633,541          |
| 2030                            | \$7,277,373         | \$35,855   | \$6,857                 | \$7,320,085          |
| 2031                            | \$7,826,609         | \$35,855   | \$6,857                 | \$7,869,321          |
| 2032                            | \$8,513,153         | \$35,855   | \$6,857                 | \$8,555,866          |
| 2033                            | \$9,062,389         | \$35,855   | \$6,857                 | \$9,105,101          |
| 2034                            | \$9,611,625         | \$35,855   | \$6,857                 | \$9,654,337          |
| 2035                            | \$10,298,169        | \$35,855   | \$6,857                 | \$10,340,882         |
| 2036                            | \$10,847,405        | \$35,855   | \$6,857                 | \$10,890,117         |
| 2037                            | \$11,533,950        | \$35,855   | \$6,857                 | \$11,576,662         |
| 2038                            | \$13,730,892        | \$35,855   | \$6,857                 | \$13,773,605         |
| <b>TOTAL LPURA TIF REVENUES</b> |                     |            |                         | <b>\$129,505,531</b> |



**2.2.5 County TIF Use Policy**

This significant increase in TIF revenues is estimated to be a minimum of \$130 million through 2038. Therein lies the opportunity and obligation of the County Board of Supervisors to maximize the use of this new revenue stream. The County has the authority and option of investing all or a portion of these revenues in capital infrastructure projects, or allowing all or a portion of these revenues to be used for property tax relief. The current Board of Supervisors desires to do both.

The primary points of the TIF Policy include the following use of TIF revenues as a non-binding guideline:

1. 40-70% of TIF revenues used for property tax relief to property owners in the incorporated and unincorporated areas of Woodbury County.
2. 30-60% of TIF revenues used to finance joint marketing efforts or invest in infrastructure projects to grow jobs and tax base in the region.
3. Leverage the County TIF revenues 2-4 times by encouraging the private sector or cities to seek other funding sources to match County TIF revenues.
4. Fund approximately 25% of the total cost of City or County infrastructure projects (will vary from project to project).
5. Fund approximately 50% of the total cost of purchasing land to be held for economic development purposes.
6. Work collaboratively with other community and private sector leaders to be a catalyst to help drive projects and to get in and out of specific projects as soon as possible.

A copy of the TIF Use Policy is in Appendix A.

It is recommended the County adopt this TIF Use Policy. While it can certainly be revised and is intended to only provide guidelines for future decision making, it sets the stage by outlining the intended use of the significant new tax revenues coming into the County.

**Figure 2.2.5** illustrates graphically the annual revenues earmarked for capital investments and property tax relief based on the TIF use policy.

**2.2.6 Capital Investment Program and TIF Model**

If **all** of the LPURA TIF revenues generated from projects currently underway (approximately \$130 million) were used toward tax relief, taxpayers could see an approximate annual tax reduction of 16.6%. For the same home referenced above, the homeowner would see a property tax reduction of \$127 in the County and \$86 in Sioux City. For the same commercial or industrial property, the owner would see a property tax reduction of \$8,528 in the County and \$5,799 in Sioux City. Since the County has no control over some portions of the property tax levy, these reductions equate to an approximate effective tax reduction of 7% in unincorporated Woodbury County and 3% in Sioux City.

If LPURA TIF revenues are used consistently with the TIF Use Policy (as displayed in **Figure 2.2.6** and **2.2.7**), approximately \$89.6 million would be for property tax relief and County taxpayers could see an approximate annual tax reduction of 11.3%. For the same home referenced above, the homeowner would see a property tax reduction of \$86 in the County and \$59 in Sioux City. For the same commercial or industrial property, the owner would see a property tax reduction of \$5,805 in the County and \$3,948 in Sioux City. These reductions equate to an approximate effective tax reduction of 5% in unincorporated Woodbury County and 2% in Sioux City, while also leveraging approximately \$40.4 million of TIF revenues to invest \$154 million in infrastructure and land acquisition for future economic development.

The County Board is encouraged to weigh the impact and value of what is a relatively small reduction in property taxes if all or a portion of the LPURA TIF revenues are allocated towards property tax relief versus the potential benefits from investing in new infrastructure projects that will help grow the tax base of the area and create new jobs.

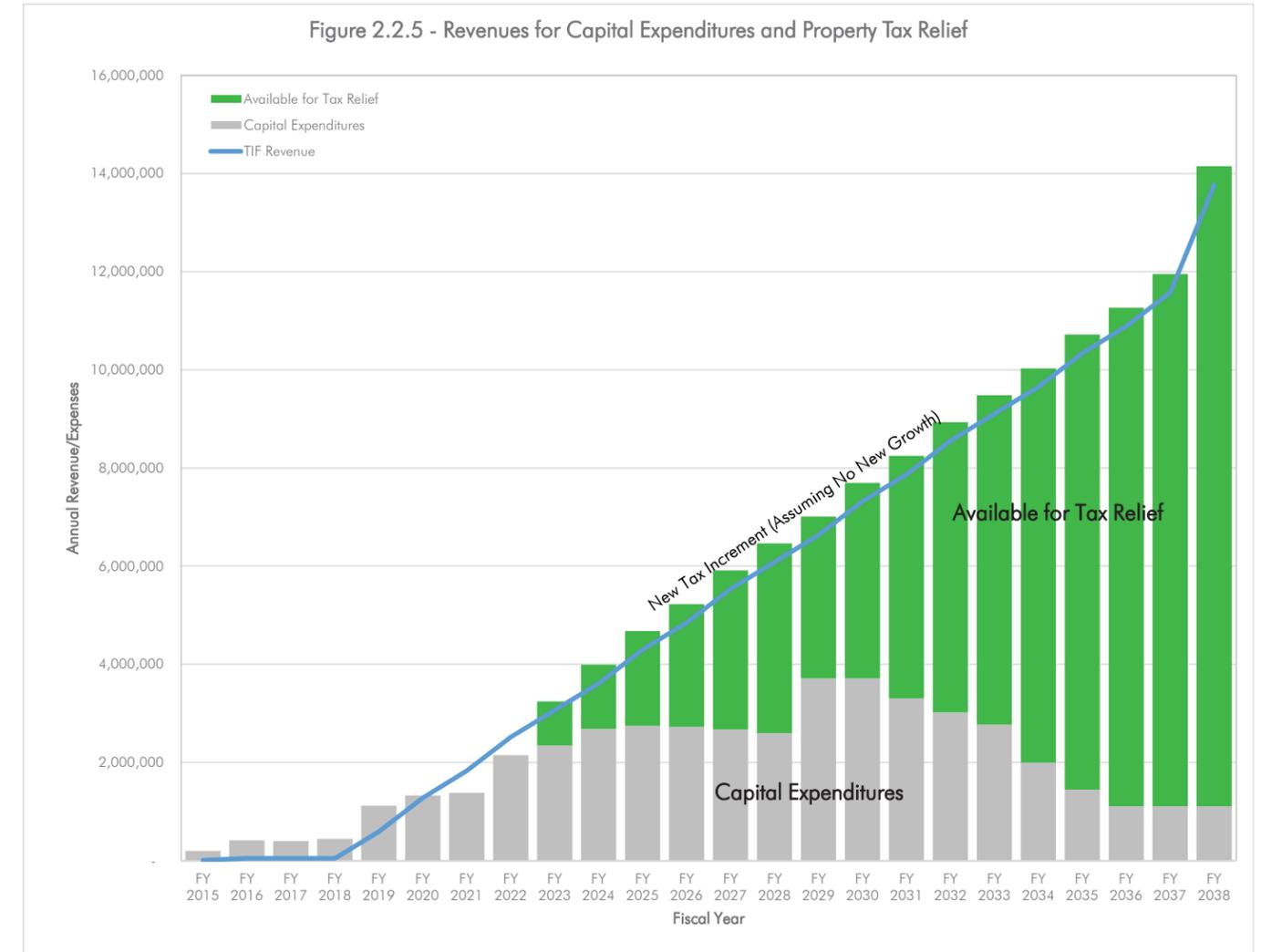


Figure 2.2.6 - TIF Financial Model (10-Yr)

| Financing Assumptions |          |
|-----------------------|----------|
| Interest Rate         | 2.50%    |
| Term                  | 12 Years |

|  |  |                      | FY 2015              | FY 2016           | FY 2017          | FY 2018            | FY 2019            | FY 2020            | FY 2021          | FY 2022          | FY 2023          | FY 2024          |
|--|--|----------------------|----------------------|-------------------|------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|
| <b>Urban Renewal District Revenues</b> |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| <b>Source</b>                          | <b>Business</b>  | <b>Total Revenue</b> |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| TIF                                    | CF Industries  | 128,521,152          | -                    | -                 | -                | -                  | 549,236            | 1,235,780          | 1,785,016        | 2,471,561        | 3,020,796        | 3,570,032        |
| TIF                                    | RailToRoad   | 826,667              | -                    | 37,847            | 35,855           | 35,855             | 35,855             | 35,855             | 35,855           | 35,855           | 35,855           | 35,855           |
| TIF                                    | RailToRoad Amendment No 2                              | 164,568              | 6,857                | 6,857             | 6,857            | 6,857              | 6,857              | 6,857              | 6,857            | 6,857            | 6,857            | 6,857            |
| TIF                                    | Future TIF Revenues                                    | -                    | -                    | -                 | -                | -                  | -                  | -                  | -                | -                | -                | -                |
| Farm Income                            | Southbridge area (350 acres @ \$300/ac)                | 1,995,000            | -                    | -                 | -                | -                  | -                  | 105,000            | 105,000          | 105,000          | 105,000          | 105,000          |
| Farm Income                            | Mega Site (900 acres @ \$300/ac)                       | 4,860,000            | -                    | -                 | -                | -                  | -                  | -                  | 270,000          | 270,000          | 270,000          | 270,000          |
| <b>Total Revenues</b>                  |  |                      | <b>6,857</b>         | <b>44,704</b>     | <b>42,712</b>    | <b>42,712</b>      | <b>591,948</b>     | <b>1,383,493</b>   | <b>2,202,728</b> | <b>2,889,273</b> | <b>3,438,509</b> | <b>3,987,744</b> |
| <b>County Capital Investment Plan</b>  |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| <b>Project Code</b>                    | <b>Project Description</b>                             | <b>Total Cost</b>    | <b>County Share*</b> |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| <b>Priority 1 (1-5 yrs)</b>            |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| WC-CF-1                                | CF Industries 1st Roadway RISE Loan Repayment          | 800,000              | 800,000              | -                 | -                | -                  | -                  | 80,000             | 80,000           | 80,000           | 80,000           | 80,000           |
| WC-CF-2                                | CF Industries Miscellaneous On-Site Road Reimbursement | 800,000              | 800,000              | -                 | -                | -                  | -                  | 200,000            | 200,000          | 200,000          | -                | -                |
| WC-T-1                                 | I-29 IJR Between Mile Markers 138-140                  | 500,000              | 165,000              | 100,000           | 65,000           | -                  | -                  | -                  | -                | -                | -                | -                |
| WC-F-1                                 | Attorney Fees  | 100,000              | 100,000              | 42,000            | 20,000           | 20,000             | 18,000             | -                  | -                | -                | -                | -                |
| SB-T-1                                 | Sergeant Bluff South Bypass Road                       | 2,375,000            | 780,000              | -                 | 76,040           | 76,040             | 76,040             | 76,040             | 76,040           | 76,040           | 76,040           | 76,040           |
| WC-L-1                                 | Land Options for Certified Site(s)                     | 850,000              | 425,000              | -                 | 100,000          | 150,000            | 200,000            | 200,000            | -                | -                | -                | -                |
| SX-L-1                                 | Southbridge Land Options (Part I and II)               | 300,000              | 150,000              | -                 | 75,000           | 75,000             | 75,000             | 75,000             | -                | -                | -                | -                |
| SX-L-2                                 | Southbridge Land Assembly - Part I                     | 3,960,000            | 1,980,000            | -                 | -                | -                  | -                  | -                  | 193,025          | 193,025          | 193,025          | 193,025          |
| SX-L-3                                 | Southbridge Land Assembly - Part II                    | 1,875,000            | 937,500              | -                 | -                | -                  | -                  | -                  | 91,394           | 91,394           | 91,394           | 91,394           |
| WC-D-1                                 | Orton Slough Drainage Improvements                     | 787,000              | 200,000              | -                 | 20,000           | 20,000             | 20,000             | 20,000             | 20,000           | 20,000           | 20,000           | 20,000           |
| SX-T-1                                 | Southbridge Industrial Park UP Railroad Extension      | 6,645,000            | 547,500              | 53,374            | 53,374           | 53,374             | 53,374             | 53,374             | 53,374           | 53,374           | 53,374           | 53,374           |
| SA-W-1                                 | Salix Water Tower                                      | 676,500              | -                    | -                 | -                | -                  | -                  | -                  | -                | -                | -                | -                |
| SA-W-2                                 | Water Extension to I-29 Salix Interchange (East)       | 280,000              | 70,000               | -                 | -                | -                  | -                  | 6,824              | 6,824            | 6,824            | 6,824            | 6,824            |
| SA-S-1                                 | Sewer Extension to I-29 Salix Interchange (East)       | 4,505,000            | 1,126,250            | -                 | -                | -                  | -                  | 109,795            | 109,795          | 109,795          | 109,795          | 109,795          |
| SA-S-4                                 | Sewer Extension to I-29 Port Neal Road Interchange     | 4,650,000            | 1,162,500            | -                 | -                | -                  | -                  | 113,329            | 113,329          | 113,329          | 113,329          | 113,329          |
| SA-S-5                                 | Sewer Extension to Corporate Limits                    | 675,000              | 168,750              | -                 | -                | -                  | -                  | 16,451             | 16,451           | 16,451           | 16,451           | 16,451           |
| SX-W-1                                 | Water Extension to Port Neal Road Interchange          | 2,640,000            | 660,000              | -                 | -                | -                  | -                  | 64,342             | 64,342           | 64,342           | 64,342           | 64,342           |
| SX-S-1                                 | Sewer Extension to I-29 Port Neal Road Interchange     | 4,075,000            | 1,018,750            | -                 | -                | -                  | -                  | 99,315             | 99,315           | 99,315           | 99,315           | 99,315           |
| <b>Sub Total Priority 1</b>            |  | <b>36,493,500</b>    | <b>11,091,250</b>    | <b>195,374</b>    | <b>409,414</b>   | <b>394,414</b>     | <b>442,414</b>     | <b>1,114,469</b>   | <b>1,323,888</b> | <b>1,123,888</b> | <b>1,123,888</b> | <b>923,888</b>   |
| <b>Priority 2 (6-10 yrs)</b>           |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| <b>Sub Total Priority 2</b>            |  | <b>89,170,000</b>    | <b>18,026,250</b>    | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>252,735</b>   | <b>1,021,909</b> | <b>1,417,828</b> | <b>1,757,327</b> |
| <b>Priority 3 (11-15 yrs)</b>          |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
| <b>Sub Total Priority 3</b>            |  | <b>28,475,000</b>    | <b>11,315,000</b>    | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Total Expenses</b>                  |  |                      | <b>154,138,500</b>   | <b>40,432,500</b> | <b>195,374</b>   | <b>409,414</b>     | <b>394,414</b>     | <b>442,414</b>     | <b>1,114,469</b> | <b>1,323,888</b> | <b>1,376,623</b> | <b>2,145,797</b> |
| <b>Annual Net Revenue</b>              |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
|  |  |                      | <b>(188,517)</b>     | <b>(364,710)</b>  | <b>(351,702)</b> | <b>(399,702)</b>   | <b>(522,521)</b>   | <b>59,605</b>      | <b>826,105</b>   | <b>743,476</b>   | <b>1,096,792</b> | <b>1,306,529</b> |
| <b>Cumulative Net Revenue</b>          |  |                      |                      |                   |                  |                    |                    |                    |                  |                  |                  |                  |
|  |  |                      | <b>(188,517)</b>     | <b>(553,227)</b>  | <b>(904,929)</b> | <b>(1,304,630)</b> | <b>(1,827,152)</b> | <b>(1,767,547)</b> | <b>(941,442)</b> | <b>(197,966)</b> | <b>898,827</b>   | <b>2,205,356</b> |

↑ Max Deficit

↑ Cash Flow Positive

| Legend |                           |
|--------|---------------------------|
| TIF    | = Tax Increment Financing |
| WC     | = Woodbury County         |
| SA     | = Salix                   |
| SB     | = Sergeant Bluff          |
| SX     | = Sioux City              |
| T      | = Transportation          |
| F      | = Fees                    |
| D      | = Drainage                |
| L      | = Land                    |
| W      | = Water                   |
| S      | = Sanitary Sewer          |

| Cost Sharing Assumptions |              |             |                 |
|--------------------------|--------------|-------------|-----------------|
|                          | County Share | Other Local | Potential Grant |
| Land Assembly            | 50%          | 50%         | 0%              |
| Utilities                | 25%          | 75%         | 0%              |

- \* This sheet shows the County financing all or a portion of specific projects. No decisions have been made to do so. The County intends to discuss each project with the entity/entities impacted and negotiate a
- \* No County TIF funds can be used in areas outside the current Urban Renewal Area without amending the current Urban Renewal Area.
- \* Use of County TIF funds inside the 2-mile boundary of an incorporated City will require approval by that City to amend the Urban Renewal Area.



## Part III – Collaborative Regional Economic Development & Marketing Activities

### 3.1 Collaborative Regional Economic Development & Marketing Activities

With the generation of significant new tax revenues from the CF Industries project, it is recommended the County think differently than they have in the past with regards to marketing the region nationally and globally.

The concern most elected officials face when allocating funds to economic development administrative and marketing efforts is that it is difficult to measure the effectiveness of these investments. Marketing commercial and industrial sites can take a long time to produce results.

Most cities, and certainly most counties, do not typically participate in economic development, marketing efforts, workforce development or solving housing issues. Traditionally, if counties are involved at all, they may contribute funds to a city or regional economic development organization. In the Siouxland area, this organization is The Siouxland Initiative. The Siouxland Initiative's mission is to serve the tri-state region including the Cities of Sioux City and Sergeant Bluff, Iowa; South Sioux City and Dakota City, Nebraska; and North Sioux City and Dakota Dunes, South Dakota by promoting economic development and quality of life for the region.

At the writing of this report, The Siouxland Initiative has an annual budget of approximately \$500,000. The region should determine a more aggressive budget.

Given the vast amount of land in the planning area, considerable existing infrastructure and the goal to invest in more infrastructure, it will be critical for all the Cities, County and *The Siouxland Initiative* to work together in marketing the area. **One marketing campaign to “brand” the region to be marketed globally will create the most consistent message and create the most cost effective exposure.**

Suggesting how or what the County's role is or should be in the Region's economic development efforts is beyond the scope of this report. However, it is recognized that the County will receive significant TIF revenues starting in 2019. It is suggested they consider allocating significantly more funds to assist in regional marketing activities than they have in the past.

These efforts could be marketing, workforce development, housing, etc. As new jobs are added, a lack of workforce housing will be a major factor in being able to keep good businesses and attract new ones. It is suggested the County get actively involved with other organizations trying to improve these issues. The County will have the financial resources to make a significant difference in helping the Region solve these issues.

Under Chapter 403 of the Iowa Code, cities and counties may use TIF revenues to fund economic development opportunities, as long as those activities are related to areas within established Urban Renewal Areas.

In the last few years, the County has funded a Rural Economic Development Director position. It is also understood the County has contributed about \$10,000 annually to *The Siouxland Initiative* to support their efforts. Both of these efforts are positive steps towards marketing and supporting economic development activities in the region.

Given the significant new investments likely to be made by the County and the large amount of new tax revenues to be realized, there is a tremendous opportunity for the County to participate in *The Siouxland Initiative* at a much higher financial level than in the past and in the strategic marketing of the region. Higher financial participation should come with more active engagement and collaboration with *The Siouxland Initiative* in promoting the region.

There are several successful models around the State of Iowa that highlight how well regions are doing when there is a positive, strong working relationship between cities and counties. It is recommended the County lead the way in continuing to forge positive working relationships with all cities and the private sector.



## Woodbury County, Iowa "Envision 2050"

### Tax Increment Financing (TIF) Use Policy October 26, 2014,

#### 1. Purpose of TIF Use Policy

The purpose of this *Tax Increment Financing (TIF) Use Policy* is to establish guidelines for the County's use of new incremental property tax revenues generated in the unincorporated areas of the County, for property tax relief and capital investments in the incorporated and unincorporated areas of the County that align with the stated Vision and Mission of the *Woodbury County Envision 2050 Plan*. This TIF use policy is a planning tool for the County Board of Supervisors to use when making decisions on how to invest new incremental property tax revenues generated from new private sector investments in Woodbury County, Iowa.

Woodbury County, Iowa is experiencing significant new private sector investments that will generate significant new incremental property tax revenues in the unincorporated areas of the County. This revenue will begin in 2016 and increase significantly after 2018. Through 2038 it is anticipated a minimum of \$130,000,000 of new tax revenue will be generated, just from the private sector investments underway at the time this policy is written.

The County Board of Supervisors recognizes the significant opportunity this creates for all tax payers in the incorporated and unincorporated areas of the County. The Supervisors have adopted this policy to guide the Board in their decision making as to the use of these new incremental tax revenues.

The policies outlined herein have been developed by seeking input from the County Supervisors, City officials and The Siouxland Initiative. The County has worked collaboratively with area cities, businesses, and land owners to identify growth areas and projects that will continue to enhance economic development opportunities throughout the County. The County encourages all cities in the county and the private sector to apply for County TIF revenues to enhance their projects.

#### 2. TIF Use Policy Statement

The County has established this general *TIF Use Policy Statement*:

New incremental tax revenues being created from private sector investments are to be used for both property tax relief to minimize the tax burden on all taxpayers in Woodbury County, Iowa and capital investments that maintain existing jobs, create new good paying jobs, increase the region's tax base, eliminate blighted areas and enhance the environment.

In general, the county will allocate 30% - 60% of new property taxes for property tax relief over a 20 year TIF horizon.

The remaining 40%-70% of new tax revenues are intended to be used for investing in infrastructure and other development projects that enhance the opportunity to retain existing jobs, create new good paying jobs and grow the tax base in the region.

The County may use new incremental property tax revenues generated in the unincorporated areas of the County, in both the unincorporated and incorporated areas of the County.

The new incremental property tax revenues generated in the unincorporated areas of the County shall be considered the **"last money in"** a project and shall be used to leverage other city, state, federal, and private funds.

A hierarchy of project rankings is listed below and is primarily based on where the tax payers in the entire county may receive the quickest and greatest return on the investment of the TIF revenues. The return on the investments will be measured by the number of existing jobs retained, new good paying jobs created and new property tax base created in the region.

- i. Investments in specific *private sector projects* to fill a "gap" in other funding to "buy down" the private sector's investment that will help an existing business expand or help attract new businesses to the region. TIF revenues may be offered as TIF rebates on private sector investments or as direct investments in projects. This use of TIF is focused on leveraging privately funded projects such as an industrial, commercial, warehousing, office, etc.
- ii. Infrastructure investments that *compliment or leverages existing infrastructure* to expand existing developed areas.
- iii. Infrastructure investments that *open up new property to create new development opportunities*.
- iv. Investments in projects that *eliminate blighted areas*.
- v. Investments in projects to *correct environmental hazards or enhance the environment*.

## 3. Key Funding Strategies

Four key funding strategies have been identified to guide the decisions as to the use of new incremental property tax revenues.

- 1.) Initially assist CF Industries, by using TIF to finance infrastructure needed for their projects through up front assistance and TIF rebates of private sector investments.
- 2.) Create a balance by allocating a portion (30% - 60%) of new tax revenues for property tax relief, and a portion (40% - 70%) for infrastructure investments to retain existing jobs, create new good paying jobs, grow the tax base, eliminate blighted areas and enhance the environment in the region.
- 3.) Leverage County TIF revenues with other revenues from city, state, federal and private sources.
- 4.) Leverage new tax revenues by investing in projects that enhance existing infrastructure, to get the quickest and greatest return on investments.

## 4. Legal Authority

Woodbury County has the legal authority to establish Urban Renewal Areas and TIF districts for the purpose of using a portion of the new incremental tax revenues generated from new private sector investments for property tax relief, investment in public and private projects to retain existing jobs, create new good paying jobs, increase the tax base, eliminate blighted areas and enhance the environment in all areas of the County.

The County, as of the date of this policy, has created the Liberty Park Urban Renewal Area (LPURA) and TIF district. This area includes mostly land owned and by CF Industries and includes the area of their plant expansion underway in 2014 and 2015. It is anticipated these private sector investments will generate a minimum of \$130 million of new tax revenues through 2038.

The County may amend the LPURA or create other Urban Renewal Areas in the unincorporated areas of the County if needed.

If requested by a City in Woodbury County and approved by that City and the County, the County may amend the existing LPURA in order to include certain property located inside the corporate boundaries of the City or within two (2) miles outside the City's corporate boundaries. The County may use TIF revenues generated in the unincorporated areas of the County LPURA, to fund projects located inside a City's corporate boundaries or within two (2) miles outside City's corporate boundaries that have been added to the LPURA.

If private property that is proposed to be added to the LPURA is currently used for agricultural purposes, the owners of that property must give their permission that the property may be included in the LPURA.

TIF revenues generated in one part of an Urban Renewal Area may be used to fund projects in any other part of the Urban Renewal Area.

Whenever a City or the County agree to include property located within a City or within two (2) miles of the City's corporate boundaries, and the County is requested by a City to use TIF revenues generated in the unincorporated areas of the LPURA, the County will enter into a development agreement with the City. This agreement will provide the details of how TIF revenues will be allocated for a specific project or projects within that City or within two (2) miles of that City's corporate boundaries.

## 5. Leveraging County TIF Funds With Other Funds

The County Board of Supervisors desires to leverage the new incremental property tax revenues expected to be generated from the LPURA, *two to four* times with other revenue sources depending upon the needs of a specific project.

When investing new tax revenues in capital projects for new infrastructure projects and purchasing land, County TIF revenues are to be considered the *"last dollars in"* a project. The County TIF funds are to be used to fund any "gap" in funding that other public entities and/or the private sector cannot fill to complete a project. Entities wishing to use County TIF revenues are strongly encouraged to seek other city, state, federal, or private sector funds to leverage the County TIF. The general funding guidelines are as follows:

### Projects in the unincorporated areas of the County and outside two (2) miles of a City's corporate boundaries

#### Private Sector Projects:

The County may use County TIF revenues to fill whatever gap is outstanding and necessary to incent the private sector to invest in the region. The County will encourage the private sector to seek as many other funding options available so as to leverage the County TIF funds as much as possible with private sector (and other) investments for projects that retain existing, create new good paying jobs, and grow the region's tax base.

#### Public Sector Projects:

For investments in public infrastructure (roadways, utilities, rail, etc.) to complement existing developments or open up land for new development, the County may use County TIF funds as necessary for projects that will expand upon an existing development and leverage existing infrastructure, or open up new property for development opportunities, eliminate blighted areas or enhance the environment.

For investments in land to be held for development for commercial or industrial purposes, the County may use County TIF funds to purchase land to be held for development if it can be demonstrated the area can be readily served with utilities that will expand upon an existing development and leverage existing infrastructure, or create new property for development opportunities, eliminate blighted areas or enhance the environment.

### Projects within a City's corporate boundaries or within two (2) miles of a City's corporate boundaries:

#### Private Sector Projects

If requested by a City in Woodbury County, Iowa, the County may work closely with that City to use County TIF revenues to fill a "gap" in funding necessary to incent the private sector to invest in the region. The County will encourage the private sector and City to seek as many other funding options available so as to leverage the County TIF funds as much as possible with private sector (and other) investments for projects that retain existing, create new good paying jobs, and grow the region's tax base.

#### Public Sector Projects

For investments in public infrastructure (roadways, utilities, rail, etc.) to complement existing developments or open up land for new development, if requested by a City in Woodbury County, Iowa, the County may work closely with that City to use County TIF funds to match dollar for dollar, funds from that respective City to provide up to 25 percent (25%) of the total cost of a project. The City must demonstrate the project will expand upon an existing development, leverage existing infrastructure, open up new property for development opportunities, eliminate blighted areas or enhance the environment.

For investments in land to be held for development for commercial or industrial purposes, if requested by a City in Woodbury County, Iowa, the County may work closely with that City to use County TIF funds to match dollar for dollar, funds from that respective City to provide up to 50 percent (50%) of the total cost of purchasing the land. The City must demonstrate the land purchase will be in an area that can be readily served with city utilities that will expand upon an existing development and leverage existing infrastructure, or create new property for development opportunities, eliminate blighted areas or enhance the environment.

**6. Allocation of TIF Revenues for Capital Investments**

The County Board of Supervisor’s intent is to invest new incremental property tax revenues generated in the LPURA (TIF), in projects that will create additional new incremental property tax revenues to be used to “repay” the County’s TIF debt used to enhance a project.

The new incremental property tax revenues generated in the LPURA that are used for capital investment may be allocated as needed on a project by project basis, and the method used to “repay” the County’s TIF debt may vary as necessary (especially to make a project more competitive to retain existing jobs or create new good paying jobs).

A *guide* for investing and allocating TIF funds and repaying County TIF debt is as follows:

Projects in the unincorporated areas of the County and outside two (2) miles from a City’s corporate boundaries

For the first seven (7) years of a project, up to 80% of new incremental tax revenues generated may be allocated to that specific project to pay for the cost of items needed to make that project competitive. The remaining 20% of new incremental tax revenues generated for the first seven (7) years are to be allocated to the County to repay County TIF debt. After seven (7) years, all new incremental tax revenues generated from that project may be allocated to the County until the County TIF debt is repaid. After the County’s TIF debt is repaid, all new incremental tax revenues may be allocated 100% to all taxing bodies with the taxing district for property tax relief or used for other projects to leverage new private sector investments.

The follow schedule illustrates the allocation of new TIF revenues

| Year  | New Incremental Tax Revenues Allocated to a Specific Project | New Incremental Tax Revenues Allocated to Repay County TIF Debt |
|-------|--|---|
| 1     | 80%  | 20%   |
| 2     | 80%  | 20%   |
| 3     | 80%  | 20%   |
| 4     | 80%  | 20%   |
| 5     | 80%  | 20%   |
| 6     | 80%  | 20%   |
| 7     | 80%  | 20%   |
| 8     | 0%   | 100%  |
| 9     | 0%   | 100%  |
| 10    | 0%   | 100%  |
| 11-20 | 0%   | 100%  |

Exhibit “A 1” provides an example as to how this allocation may work on a specific project.

Projects within a City’s corporate boundaries or within two (2) miles of a City’s corporate boundaries:

For the first seven (7) years of a project, up to 80% of new incremental tax revenues generated may be allocated to that specific project to pay for the cost of items needed to make that project competitive. The remaining 20% of new incremental tax revenues generated for the first seven years are to be allocated to the City and County on a pro rata basis proportionally to each entity’s capital investment until the County’s TIF debt is repaid. After seven (7) years, all new incremental tax revenues generated from that project may be allocated to the City and County on a pro rata basis proportionally to each entity’s capital investment until the County’s TIF debt is repaid. After the County’s TIF debt is repaid, all new incremental tax revenues may be allocated 100% to all taxing bodies within the district or as mutually agreed by the City and County.

The following schedule illustrates the allocation of new TIF revenues

| Year  | New Incremental Tax Revenues Allocated to a Specific Project | New Incremental Tax Revenues Allocated to Repay City TIF Debt | New Incremental Tax Revenues Allocated to Repay County TIF Debt |
|-------|--|---|---|
| 1     | 80%  | 10%   | 10%   |
| 2     | 80%  | 10%   | 10%   |
| 3     | 80%  | 10%   | 10%   |
| 4     | 80%  | 10%   | 10%   |
| 5     | 80%  | 10%   | 10%   |
| 6     | 80%  | 10%   | 10%   |
| 7     | 80%  | 10%   | 10%   |
| 8     | 0%   | 50%   | 50%   |
| 9     | 0%   | 50%   | 50%   |
| 10    | 0%   | 50%   | 50%   |
| 11-20 | 0%   | 50%   | 50%   |

*New incremental tax revenues allocated to repay County TIF debt will stop after the County TIF debt is repaid*

Exhibit “A 2” provides an example as to how this allocation may work on a specific project.

Because the nature of any given project varies, the above guidelines are to be considered guiding policy. It is recognized by the County Board of Supervisors that to incent private sector investment to retain existing jobs, attract new good paying jobs and to grow the tax base in the region, the County is willing to consider each application on its own merit and to use the County TIF funds where needed to enhance a project as much as possible.

## 7. Application Process

The County intends to consider any request for the use of County TIF funds that aligns with the *Woodbury County Vision 2050 Plan*, and follows the policies outlined herein. Any public or private sector entity within Woodbury County, Iowa is encouraged to apply for the use of County TIF funds at any time throughout the year.

The application is to be submitted to the County's Economic Development Director. An application review team will be established including two members of the Board of Supervisors, the County Economic Development Director and the County Finance/Operations Controller. An application review meeting will be held with the applicant to discuss and review the application. The review team will review the application and present it to the full County Board of Supervisors with their recommendations.

It is recognized that if the applicant is a City, the applicant must request and approve the County to amend the LPURA to add the property that the City wants included, if the property is within that City's corporate boundaries or within two (2) miles of that City's corporate boundaries.

If a City requests that the County use new incremental tax revenues generated in the LPURA within the City's corporate boundaries or within two (2) miles of the City's corporate boundaries, the County views its role as an initial partner with the City to help fill a "gap" in funding a project and whereby the project may be the catalyst to spur new development.

In general it shall be the County's policy to no longer participate in new incremental tax revenues generated in Urban Renewal Areas within a City's corporate boundaries or within two (2) miles of a City's corporate boundaries, once the County's TIF debt is repaid through new incremental tax revenues from that area, unless mutually agreed otherwise.

Application Form:

- 1.) A letter or brief report explaining the project. This may include the type of project, number of jobs retained, and new jobs created.
- 2.) Map or drawing illustrating the location and as much detail as possible to illustrate the project's elements including any on-site or off-site infrastructure needed to support the project.
- 3.) Estimate of total dollars to be invested in the project (public and private).
- 4.) Estimate of new property tax revenues that might be expected annually over a 10 year planning horizon.
- 5.) Detailed cost estimate of investments or items the applicant is requesting County TIF funds for. This should be prepared by a professional engineer licensed in Iowa if possible.
- 6.) Detailed breakdown of all funding sources purposed for the project identifying the funding "gap" to be filled with County TIF.