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Karen James - Agenda Items

From: David Gleiser
To: Karen James
Date: 2/11/2015 4:13 PM
Subject: Agenda Items

Karen, does this look ok?

Summary of Rural Economic Development Agenda Items 1-4

- 1.) Due to insufficient usage, staff recommends the Board to amend the Organic Conversions Policy resolution to terminate the policy and re-allocate the remaining balance of \$12,261 to the Investing in Woodbury County Loan Program for General Secured Business Loans and Unsecured Micro Loans.
 - 2.) Due to insufficient usage, staff recommends the Board to terminate the Local Food Purchase Policy resolution.
 - 3.) Due to the proposed Expo-Center project site no longer being located in Merville, Iowa, staff recommends the Board to amend the Investing in Woodbury County Loan Program resolution to terminate the Secured Expo-Service Loans and re-allocate the pool of \$500,000 to support General Secured Business Loans and Unsecured Micro Loans.
 - 4.) Due to the lack of funding for the Investing in Woodbury County Loan Program, staff recommends the Board to fund the Investing in Woodbury County Loan Program for General Secured Business Loans and Unsecured Micro Loans in the amount of \$666,666 from Local Option Sales Tax. According to the resolution, the Investing in Woodbury County Loan Program was to be funded up to \$1M for low-interest loans to start, expand or benefit a business in rural Woodbury County. The low interest loan may also be applied to advance or support economic development programs established by Woodbury County. In 2010, the program was allocated \$166,667 in Gaming Revenues and \$166,667 in Local Option Sales Tax.
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Resolution

Woodbury County Policy for Rural Economic Revitalization "Organics Conversion Policy"

Preamble

It is the policy of Woodbury County to promote the economic vitality, and public health and safety, of its rural communities. The "Organics Conversion Policy" is intended to increase per capita income, provide incentives for job creation, attract economic investment, and promote the health and safety of its citizens and communities.

Summary

Woodbury County will grant up to \$50,000 each year in real property tax rebate incentives for farms that convert from "conventional" farming techniques that use pesticides to "organic" farming that complies with the USDA "National Organic Program" Standards and Regulations. The "Organics Conversion Policy" provides tax relief in order to offset costs associated with the three-year conversion period and organic certification, and recognizes the possible reduction or elimination of federal farm subsidies by reason of a conversion.

Organics Conversion Policy

SECTION 1.0 GENERAL POLICY PROVISIONS

Section 1.1 Amount of Real Property Tax Rebates

Woodbury County will grant Woodbury County residents up to \$50,000 in real property tax rebates per year for farms that convert from "conventional" farming techniques that use pesticides to "organic" farming that complies with the USDA "National Organic Program" Standards and Regulations.

Section 1.2 Tax Rebates on Land Only

The tax rebates shall be only applied to taxes levied on the value of unimproved real property zoned as agriculture; there shall be no rebate under this policy for real property taxes levied on the value of improvements (i.e., homes or other structures) to real property within Woodbury County.

Section 1.3 Organics Conversion

The tax rebates shall be applied to farming operations that have used conventional farming techniques and are converting to organic farm production. The tax rebates shall also be applied under this policy for land that has been dormant, or not actively used for farming operations, and converting said property to organic farm production.

Section 1.4 Tax Rebate Program Participation Period

A tax rebate under this policy shall be awarded to a successful applicant (herein called a "participant") each year for a period of five (5) years during which time that applicant must comply with the USDA National Organic Program Standards and Regulations. The land subject to the rebate must be actively farmed in accordance with said standards and regulations throughout that five (5) year period.

Section 1.5 Certification Required After Third Year Participation

A participant must be "certified organic" at the end of year three (3) of its program participation and maintain said certification for the remaining two (2) years of its program participation.

Section 1.6 Program Withdrawal and Return of Tax Benefits

A participant who has taken advantage of a real property tax rebate under this policy, and who subsequently violates the USDA National Organic Program Standards and Regulations during any of the five (5) year participation period, or who has not received organic certification at the end of year three (3), shall immediately be liable for tax benefits received by reason of this policy, plus legal rate of interest from the date of conversion.

Section 1.7 Certification Authority

The recommended certifying agent for establishing compliance and organic certification is the Iowa Department of Agriculture and Land Stewardship (IDALS). However, a participant in this program may acquire organic certification from any USDA accredited organic certification authority. The initial organic certification and report, and any annual updates, will be the sole authority to determine compliance with the USDA National Organic Program Standards and Regulations under this policy.

Section 1.8 Initial & Last Year of Participation; Year of Rebate

The tax rebate shall be applied for unimproved real property, zoned as agriculture, in the initial calendar year of participation only if USDA National Organic Program Standards and Regulations have been complied with from January 1 of the first year of participation. A "Declaration of Compliance" shall be signed and verified by the participant prior to each rebate distribution for participation years prior to organic certification and following annual reports. The tax rebate shall be distributed for tax payments actually made in the year of participation and shall be distributed to the qualified participant on July 1 and December 15 of each year. The intent is to provide immediate incentive even though payments in the first year of participation are actually assessed for the previous tax year by the Woodbury County Assessor's Office.

Section 1.9 Source of Tax Rebate

The Woodbury County Rural Economic Development Department will be the agent for initiating the tax rebate to qualified participants. Successful applicants will be required to sign a contract incorporating the obligations in accordance with the terms of this policy in order to be a participant in this program.

SECTION 2.0 APPLICATION FOR TAX REBATE UNDER POLICY

Section 2.1 Application Process

The Woodbury County Rural Economic Development Department shall make an "Application Form" available to the landowners within Woodbury County on January 15, 2006. Woodbury County Rural Economic Development Department will need to receive the completed application no later than February 15, 2006 for consideration. Applications must be signed and submitted by the resident landowner who is of record with the Woodbury County Assessor's Office.

Section 2.2 Organics Board

The Woodbury County Rural Economic Development Department shall establish an "Organics Board" who will review all timely submitted applications under this policy. The Organics Board shall consist of the Woodbury County Director of Rural Economic Development and four additional members from the rural Woodbury County farming and business community. The Organics Board, as recommended by the Rural Economic Development Department, must be approved by the Woodbury County Board of Supervisors prior to the review of applications under this policy.

Section 2.3 Organics Board Duties

The Organics Board shall review each application to determine potential increase in employment, proposed markets for the organic products, relationship with other organic farming operations in the region, type of crop or agricultural product to be produced, potential increase in income, and other information provided in the application. The Organics Board has the authority to deny any application that fails to respond to any question, fails to provide a viable business plan, or that discloses that non-residents will primarily benefit from the potential increase in profits derived from the conversion.

Section 2.4 Right of Appeal for Rejected Applications

If an application has been denied by the Organics Board, the unsuccessful applicant may appeal the ruling to the Woodbury County Board of Supervisors within fifteen (15) days from the mailing of said ruling. All hearings related to an unsuccessful application shall be public and upon sufficient notice as provided by law.

Section 2.5 Priority of Application Approval

The Organics Conversion Board shall allocate the total \$50,000 in real property tax rebates between multiple program applicants, with a maximum of twenty percent (20%) of said total available tax benefits going to any one applicant. Allocation of the total available tax rebates (\$50,000) shall be made by the Organics Conversion Board among all the applicants based upon review of all factors stated in Section 2.3; the best applicant proposals having priority in being awarded participation in the tax rebate program.

Approved by Board of Supervisors
June 28, 2005

Resolution

Woodbury County Policy for Rural Economic Revitalization "Local Food Purchase Policy"

Preamble

It is the policy of Woodbury County to promote the economic vitality, and public health and safety, of its rural communities. The "Local Food Purchase Policy" is intended to increase regional per capita income, provide incentives for job creation, attract economic investment, and promote the health and safety of its citizens and communities.

Summary

Woodbury County shall purchase, by or through its food service contractor, locally produced organic food when a department of Woodbury County serves food in the usual course of business. The Woodbury County Jail, Work Release Center, and Juvenile Detention facilities are presently serving food in their usual course of business. The contractor may cover for unavailable local organic supply through its current procurement practices with preference to be given local non-organic food products. An arbitration board shall be established to assure fair value to Woodbury County. A single-point-of-contact broker, located in Woodbury County, shall interact with food service contractor, for availability, price, quality, presentation and delivery terms of all locally produced organic food. The current food service contract shall be modified to carry out the intent of this policy. Purchases under this policy shall begin June 1, 2006.

Local Food Purchase Policy

SECTION 1.0 GENERAL POLICY TERMS DEFINED

Section 1.1 Locally Produced Food

'Locally produced food' is food that is grown and processed within a 100-mile radius of the Woodbury County courthouse, Sioux City, Iowa. The source of a grown food item, or of processing services, may be from beyond that 100-mile radius when sufficient supply, or service, is not available within that radius.

Section 1.2 Organic Food

'Organic food' is defined to include food that has been certified organic by an accredited certifying agency and compliant with the USDA's National Organic Program standards and guidelines. Food that is being produced by farmers who are converting from conventional to organic production practices, and who are seeking organic certification, is also approved for purchase (i.e., transitional).

Section 1.3 Food Service Contractor

'Food service contractor' is defined to include Woodbury County's existing food service contractor, CBM Food Services, and any assigns or successors.

Section 1.4 Single-Point-of-Contact Broker

'Single-Point-of-Contact Broker' is defined to be an incorporated farmer-run cooperative with its main business office located within Woodbury County, Iowa that primarily handles locally produced organic (or transitional) food products as defined hereunder. The only presently known broker to be formed is Woodbury Farm Foods Cooperative, with a business address of 1211 5th Street, Sioux City, Iowa.

SECTION 2.0 GENERAL POLICY PROVISIONS

Section 2.1 County Purchase of Locally Produced Food

Woodbury County shall purchase, by or through its food service contractor (hereinafter referred to as "Contractor"), locally produced organic food when a department of Woodbury County serves food in the usual course of business. The Woodbury County Jail, Work Release Center, and Juvenile Detention facilities are presently the only departments serving food in their usual course of business.

Section 2.2 Organic Food Supply and Non-Organic Cover

Subject to the price and quality provisions contained within this policy, it is mandatory that Contractor purchase available supply of locally produced organic (and transitional) food from the single-point-of-contact broker (hereinafter referred to as "Broker") in accordance with Contractor's historical food needs. Contractor may revise recipes to include more local food if deemed more healthful or cost-effective. If the available local organic (or transitional) food supply does not meet Contractor needs, Contractor may look to cover shortfalls through its regular purchasing procurement policies; however, it is desired that Contractor look to local non-organic producers for cover, when practicable.

Section 2.3 Purchase Procedures

Contractor shall work with Broker to establish a timely notification procedure with respect to Contractor periodic demands and Broker delivery guarantees. If Broker is unable to guarantee delivery of a specified item of Contractor demand, there should be sufficient time provided by the procedure for Contractor to exercise cover. Contractor demand shall specify quantity, quality, presentation, and delivery terms.

Section 2.4 Price Terms

Contractor and Broker shall negotiate prices that are fair to all parties concerned for each item traded, and with accountability to Woodbury County Board of Supervisors, as stated herein. It is preferred, but not mandatory, that the overall annual food cost to Woodbury County will not increase by reason of this policy. The price to be paid Broker for a particular food item, if cost is higher for locally produced organic food, shall be established by the following guidelines:

Section 2.4.1 Guidelines for Establishing Item Cost

- (a) The price for a particular food item shall reflect the fixed and variable costs of production, anticipating a reasonable profit to the local farmer, and include reasonable commission to Broker.
- (b) The price for a particular food item under this policy can be compared with the price a farmer (who supplies Broker) charged for the same item to other buyers over the previous 12-month period. Broker must justify any increase in price to the Contractor.
- (c) Contractor shall consider the cost of a particular item in view of the overall contract cost (i.e., another organic item may cost less, so the overall contract cost to the County is the same).
- (d) Fair market value for the food item may be established through comparable sales in comparable markets (i.e., local supermarket price, or the price charged for an item by other Midwest food brokers, wholesalers, and retailers).
- (e) Special attention shall be given if there is material increase in price over what Contractor would otherwise pay for a similar item.

Section 2.4.2. Guidelines for Woodbury County Policy Review

- (a) Woodbury County, through the Organics Board, shall review the costs of this policy in terms of food costs every 3 months to determine if costs to the County under this policy exceed existing contract price. A report to the Woodbury County Board of Supervisors will be provided on a quarterly basis.
- (b) If the overall food service contract cost increases as a result of this policy, the higher cost can never exceed the expected benefits of the policy to Woodbury County. In determining the value of the policy to Woodbury County, it is accepted as general principle that dollars expended locally will circulate within the regional economy.
- (c) Woodbury County will consider the impact of this policy on the reduction of health care costs related to inmates, behavioral changes of inmates, and other factors that may potentially reduce costs to Woodbury County.
- (d) If the policy results in job creation by Broker, expanded markets for local organic products, or results in increased organic food production within the county, Woodbury County will compare the increase in costs under this policy with comparable costs associated with other forms of economic development tools to determine reasonableness of the increased costs.
- (e) Allowances will be made for the learning curves of local producers and suppliers to meet county demand.
- (f) It may be acceptable for the county to endure higher costs in the short term if there is clear evidence that in so doing, economics of size are being built that will reduce costs in the long term.

Section 2.5 Arbitration Board, Non-Binding Arbitration

An Arbitration Board shall be established by Woodbury County to hear any disputes between Contractor, Contract-Broker, or Woodbury County in the operation of this policy. Dispute resolution shall be by "non-binding arbitration". Woodbury County directly, or by and through Contractor, reserves the right to reject a proposed purchase of locally produced organic food.

SECTION 3.0 SPECIFIC OBLIGATIONS OF PARTICIPANTS

Section 3.1 Special Obligations of Contractor

Section 3.1.1 Food Service Contract

Contractor has existing obligations to Woodbury County pursuant to the Food Service Contract. Except as to modifications mandated by this Local Food Purchase Policy, Contractor obligations shall remain in full force and effect under its existing Food Service Contract with Woodbury County. Woodbury County and Contractor shall review the existing food service contract and make such modifications as are necessary to implement this policy.

Section 3.1.2 Policy Initiation and Planning

The initial purchase of locally grown organic food shall begin on June 1, 2006. Contractor and Broker, from the time of the adoption of the policy to June 1, 2006, shall develop a reliable and efficient process that will facilitate the purposes of this policy. Woodbury County, Contractor, and Broker shall also work during this time to develop reporting schedules from which to judge the success of this policy, as further specified in Section 4.2 below.

Section 3.1.3 Recipes and Food Quality

It is encouraged that Contractor review recipes, and to increase the locally grown organic food content, when such modification would be more healthful and would reduce or not substantially increase the total contract costs.

Section 3.1.4 Reporting to Woodbury County of Food Costs

Contractor is required under this policy to report to the Woodbury County Rural Economic Development Department, on a quarterly basis, with its first report on September 1, 2006, any increase or decrease in price it has paid for locally produced organic food as compared with the cost of similar items that it would have had to purchase if Contractor followed its standard procurement practices.

Section 3.1.5 Contractor Notice or Rejection of Increased Price

Contractor may request of Broker a justification of price if materially higher than it would otherwise pay for the food item. Contractor reserves the right to reject the sale if price is materially higher, without justification, than it presently pays for similar items taking into account the factors set forth in Section 2.4.1.

Section 3.1.6 Local Non-Organic Food Purchase As Cover

Contractor is required under this policy to purchase locally grown organic (and transitional) food to the extent that supply is available. Contractor is encouraged to consider the purchase of locally grown non-organic food when the locally grown organic supply cannot fully meet Contractor demand for a particular food item.

Section 3.2 Special Obligations of Broker

Section 3.2.1 Broker Organization

Broker must be a cooperative, preferably an Iowa Code 501A organization, that maintains standard liability insurance and designates a single contact to Contractor through whom all communications shall be made. The Broker must consist of a Board of Directors with at least 50% of the Board of Directors being farmer-suppliers to the cooperative.

Section 3.2.2 Periodic Publications of Demand and Supply

Broker shall publish in a conspicuous place, at its main place of business, the Contractor listing of all food items purchased by Contractor over the previous 12-month period. Broker shall also publish in a conspicuous place, at its main place of business, and by email to farmer members (if farmer has such email service), a copy of Contractor periodic demand for food items; said notice shall be given within 18 hours of Broker receipt.

Section 3.2.3 Certification and Transitional Farm Products

Broker shall deliver only certified organic products, or products from farms that are transitioning to certified organic, in accordance with the USDA's National Organic Program standards and guidelines. Transitional farm products are those produced by farmers who currently employ organic practices in accordance with USDA standards, but cannot qualify for organic certification until a transitional period is completed. Broker shall verify farmer certification and verify transitional farm organic practices.

Section 3.3 Special Obligations of Woodbury County

Section 3.3.1 Maintain Listings of Organic and Non-Organic Farmers

Woodbury County Rural Economic Development shall compile contact information and production data for all farmers who supply food items to Broker. Woodbury County will also maintain a listing of non-organic farmers, located within the 100-mile local food radius, who want to make their crops available for purchase by Contractor as cover for unavailable organic supply.

Section 3.3.2 Additional Markets for Local Food Production

Woodbury County Rural Economic Development shall investigate markets, beyond that which is established by this policy, for local food producers and shall publish opportunities that become available and known to Woodbury County. One goal of this policy is to provide an example to local school districts, and other institutional consumers of food products, to consider establishing local food purchase policies that will promote health and improve the local farm economy.

SECTION 4.0 REPORTING PROVISIONS AND POLICY DURATION

Section 4.1 Monitoring Impacts of Policy and Reporting Schedule

Woodbury County shall monitor, on a quarterly basis, the impacts of this Local Food Purchase Policy to determine overall benefits and costs to Woodbury County taxpayers. Reporting from Contractor and Broker, as provided in Section 4.2 below, shall provide most of the information needed to accurately monitor the success of this policy.

Section 4.2 Producer and Product Purchase Reporting

In exchange for County efforts to promote local food sales, Contractor and Broker shall provide a joint report to Woodbury County Rural Economic Development Department, on a quarterly basis, that supplies the following information:

- (a) What are the costs of food purchased by Woodbury County that were sourced by local and non-local, organic and non-organic sources;
- (b) How much value-added food products did the Broker produce and how much of this used products from local producers;
- (c) What percentage of Broker's business is devoted to filling the Woodbury County food service contract;
- (d) Amount of production costs of producer-members that are spent locally;
- (e) Dividends returned to producer members;
- (f) Labor statistics to determine increase in jobs and wage information;
- (g) Farm and producer information that will disclose acreage devoted to organic production practices, type of product sold, value of organic sales per producer, and other information as requested by Woodbury County needed to determine success of this policy.

Section 4.3 Policy Duration

The Local Food Purchase Policy shall be in force until amended or revoked by Woodbury County. Woodbury County reserves the right to amend, or revoke, this policy for any reason.

WOODBURY COUNTY, IOWA

RESOLUTION # 10.910

RESOLUTION APPROVING THE REVISED INVESTING
IN WOODBURY COUNTY LOAN PROGRAM

05/22/12. Bds mtg

WHEREAS, in order to facilitate economic development in rural Woodbury County, and in order to offer local solutions to the national economic recession, it is determined that businesses located in rural Woodbury County should have access to low-cost capital;

WHEREAS, there is a need to establish a program to make low-cost loans available for the purpose of either starting or expanding a business in rural Woodbury County, or advancing an economic development program established by Woodbury County; and

WHEREAS, Woodbury County is a duly recognized political subdivision of the State of Iowa acting under the laws of the State of Iowa; and

WHEREAS, the Board of Supervisors is the duly elected governing body of Woodbury County, Iowa; and

WHEREAS, the Board of Supervisors desires to replace the "Investing in Woodbury County Loan Program, Resolution No. 10776, adopted on May 31, 2011, and establish this revised "Investing in Woodbury County Loan Program" as specified below; and

WHEREAS, this "Investing in Woodbury County Loan Program", established by this Resolution, shall completely supersede and replace the program that was established pursuant to Resolution No. 10776, adopted on May 31, 2011, as follows:

IT IS HEREBY RESOLVED by the Board of Supervisors of Woodbury County, Iowa, as follows:

1. Woodbury County hereby establishes the "Investing in Woodbury County Loan Program" with the following general provisions:

2. Woodbury County will provide up to \$1M in low-interest loans to start, expand, or benefit a business in rural Woodbury County. ("rural Woodbury County" includes all areas of Woodbury County, except Sioux City). The low-interest loans may also be applied to advance or support economic development programs established by Woodbury County. The target interest rate of said loans will be two percent (2%).

3. There will be three different classes of loans made under the program:

a. A pool of \$600,000 is established for the following classification of loans:

I. "General Secured Business Loans" for up to the following amounts:

1. Loans up to \$100,000 each; or

2. Loans exceeding \$100,000 (max. \$200,000) each if, and only if, borrower matches the amount of the loan with at least the same amount of personal monetary contributions;

II. "Unsecured Micro-Loans" up to \$10,000 each;

b. A pool of \$600,000 is established for the following classification of loans:

I. Secured "Expo-Service Loans"

These loans are for businesses that service the up-coming Woodbury County Expo Center. The business must be located within a 10-mile radius of the Woodbury County Fairgrounds. Expo-Service Loans will not be available until construction begins on the Expo Center.

4. A loan under the Investing in Woodbury County Loan Program may be made after consideration of certain factors, including, but not limited to, the number of jobs created, the adequacy of security provided (when required), the amount of increased tax base from the project, or the extent to which the loan supports an economic development program established by Woodbury County.

5. The Stoutland Economic Development Corporation (SEDC), or approved successor, will provide the administrative services of this loan program.

6. Woodbury County Department of Rural Economic Development will make the initial judgment as to whether a specific application for loan meets the basic requirements of the program (i.e., adds jobs, adds to tax base, adequacy of loan security, credit risks, provides a sound business plan). If a specific application meets the general requirements, then Woodbury County will charge the applicant a fee for having SEDC further review the application and, if the loan is recommended, formalize the loan documents. SEDC will recommend to county only loans that SEDC believe to be viable.

7. The Woodbury County Board of Supervisors must approve each loan before the loan can be made to the citizen borrower.

8. The term of the loan to the citizen will be determined on a case-by-case basis.

9. The costs associated with administering the "Investing in Woodbury County Loan Program" will be covered from fees paid by loan applicant and fees added to loan amounts for general administration anticipated to service the loan, if any, once approved. The funding of loans under the program will be from the General Fund, or from a Loan Account Fund, established by the Board of Supervisors prior to September 1, 2010.

10. An applicant for a loan under the "Investing in Woodbury County Loan Program" need not be a resident of Woodbury County; however, the business either started or expanded must be located in rural Woodbury County.

11. The loan program will be considered to be in effect retroactive as of September 1, 2010. This specific application process, as well as objective criteria for making loans established under this resolution, will be posted on the www.woodburytowa.com website on May 31, 2012.

SO RESOLVED this 22 day of May 2012.

WOODBURY COUNTY BOARD OF SUPERVISORS

Copy filed.

Motion by Monson second by Boykin to approve making an Iowa Energy Bank Revolving Loan Pre-Application. Carried 5-0.

Motion by Tripp second by Monson to set June 19, 2012 for County Employee Appreciation Day. Carried 5-0.

The Chairperson asked if there were any individuals or groups wishing to make a presentation of items not on the agenda, or Supervisors concerns.

Motion by Tripp second by Boykin to postpone for one week for the Tour of Social Services: Courthouse Basement, 5th Floor of the Courthouse and the County Building on Tri-View Ave. Carried 5-0.

The Board adjourned the regular meeting until May 29, 2012.