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CHARLINE L THUMM, RECORDER  
CEDAR COUNTY IOWA

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ORDINANCE NO. 627

AN ORDINANCE GRANTING PARTIAL INDUSTRIAL PROPERTY TAX EXEMPTION

1. BE IT ENACTED by the Council of the City of West Branch, Iowa, Chapter 8-Industrial Property Tax Exemption is hereby amended by adding the following subsection 8.10:

8.10 PRIOR APPROVAL OF PARTIAL INDUSTRIAL PROPERTY TAX EXEMPTION

1. Public hearing was held Council Chambers of the City Council of the City of West Branch at 6:30 P.M. on the 20<sup>th</sup> day of November, 2006, on an application by Plastic Products Company, Inc. for a partial industrial property tax exemption under the provisions of Chapter 427B, Code of Iowa, and Chapter 8, Code of Ordinances of the City of West Branch, Iowa., for the real estate Parcel No. 0500-13-08-326-002-2 located at 228 Tidewater Dr., West Branch, Cedar County, Iowa, and legally described as follows:

Lot Ten (1) of Lacina Subdivision, West Branch, Cedar County, Iowa, and Lot 3 of Rummell's Commercial Subdivision to West Branch, Cedar County, Iowa, excepting therefrom the following:

Commencing at the Northwest corner of the Southwest Quarter of the Southwest Quarter of Section 8, Township 79 North, Range 4 West of the 5<sup>th</sup> Principal Meridian, Cedar County, Iowa; thence, N90E00'00"E along the North line of said SW1/4SW1/4, 1119.49 feet to the point of beginning; thence, N00E33'00"W, 264.00 feet; thence, N90E00'00"E, 50.02 feet; thence, S00E28'35"E, 264.00 feet; thence, S90E00'00"W, 49.68 feet to the point of beginning, subject to easements and restrictions of record and also excepting therefrom the following:

A portion of Parcel "B", Cedar County, Iowa, as recorded in Surveyor's Record Book 6, at Page 599, records of Cedar County, Iowa, the boundaries of which are described as follows:

Commencing at the Northerly corner of Parcel "B", Cedar County, Iowa, as recorded in Surveyor's Record Book 6, at Page 599, Records of Cedar County, Iowa: thence S31E21'00"E, along the Easterly line of said Parcel "B", 240.90 feet to the most Southerly corner of Lot 10 of Lacina Subdivision, Cedar County, Iowa, as recorded in Book 54 (Misc), Page 114, records of Cedar County, Iowa, and the point of beginning; thence continuing S31E21'00", along said Easterly line, 29.33 feet to the Southeast corner of said Parcel "B", thence N90E00'00"W, along the Southerly line of said Parcel "B", 15.02 feet to a point on the Westerly line of Lot 3 of Rummells' Commercial Subdivision, as recorded in Book 146, Page 267, records of Cedar County, Iowa; thence N00E33'10"W, along said Westerly line, 25.05 feet to said point of beginning, containing 0.004 acres (188 square feet), and is subject to easements and restrictions of record, and also excepting therefrom the following:

Commencing at a set PK nail located at the intersection of the centerline of Commercial Drive and the west boundary, if extended, of Lot 10 of Lacina Subdivision, West branch, Cedar County, Iowa, thence southeasterly 50' along the west boundary, if extended, of said Lot 10, thence northeasterly in a straight line parallel to the north boundary of Lot 10 of Lacina Subdivision, to a point on the east boundary of said Lot 10 which is 30' south of the centerline of Commercial Drive, thence north along the east boundary of said Lot 10 a distance of 30', thence

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southwesterly along the centerline of Commercial Drive to the point of beginning.

The proposal anticipates adding a 22,000 square foot addition and related equipment at an estimated cost of \$3,500,000. An estimated 20 to 30 jobs would be created upon completion of the project.

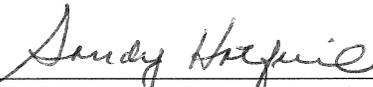
2. The City Council, have considered the application of Plastic Products Company, Inc., finds that prior approval of the application as stated above, and as authorized by West Branch Code of Ordinances Section 8.07 should be, and is hereby, given. The conditions of Chapter 8, Code of Ordinances of the City of West Branch, Iowa, shall apply to this grant of prior approval.

Passed and approved this 2<sup>nd</sup> day of January, 2007.

Read First Time: December 4, 2006

Read Second Time: December 18, 2006

Read Third Time: January 2, 2007

  
SANDY HATFIELD, MAYOR

ATTEST:

  
TY DOERMANN, CITY CLERK



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## CHAPTER 8

# INDUSTRIAL PROPERTY TAX EXEMPTIONS

8.01 Purpose	8.06 Applications
8.02 Definitions	8.07 Approval
8.03 Period of Partial Exemption	8.08 Exemption Repealed
8.04 Amounts Eligible for Exemption	8.09 Dual Exemptions Prohibited
8.05 Limitations	

**8.01 PURPOSE.** The purpose of this chapter is to provide for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate.

**8.02 DEFINITIONS.** For use in this chapter the following terms are defined:

1. "Actual value added" means the actual value added as of the first year for which the exemption is received, except that actual value added by improvements to machinery and equipment means the actual value as determined by the local assessor as of January 1 of each year for which the exemption is received.
2. "Distribution center" means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. Distribution center does not mean a building or structure used primarily to store raw agricultural products, used primarily by a manufacturer to store goods to be used in the manufacturing process, used primarily for the storage of petroleum products, or used for the retail sale of goods.
3. "New construction" means new buildings and structures and includes new buildings and structures which are constructed as additions to existing buildings and structures. New construction does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required for the owner of the building or structure to continue competitively to manufacture or process

those products, which determination shall receive prior approval from the City Council of the City upon the recommendation of the Iowa Department of Economic Development.

4. "New machinery and equipment assessed as real estate" means new machinery and equipment assessed as real estate pursuant to Section 427A.1, Subsection 1, Paragraph "e", Code of Iowa, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

5. "Research-service facilities" means a building or group of buildings devoted primarily to research and development activities, including, but not limited to, the design and production or manufacture of prototype products for experimental use, and corporate research services which do not have a primary purpose of providing on-site services to the public.

6. "Warehouse" means a building or structure used as a public warehouse for the storage of goods pursuant to Chapter 554, Article 7, of the Code of Iowa, except that it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail.

**8.03 PERIOD OF PARTIAL EXEMPTION.** The actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers, and the acquisition of or improvement to machinery and equipment assessed as real estate, is eligible to receive a partial exemption from taxation for a period of five (5) years.

*(Code of Iowa, Sec. 427B.3)*

**8.04 AMOUNTS ELIGIBLE FOR EXEMPTION.** The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

*(Code of Iowa, Sec. 427B.3)*

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

**8.05 LIMITATIONS.** The granting of the exemption under this chapter for new construction constituting complete replacement of an existing building or structure shall not result in the assessed value of the industrial real estate being

reduced below the assessed value of the industrial real estate before the start of the new construction added.

*(Code of Iowa, Sec. 427B.3)*

**8.06 APPLICATIONS.** An application shall be filed for each project resulting in actual value added for which an exemption is claimed.

*(Code of Iowa, Sec. 427B.4)*

1. The application for exemption shall be filed by the owner of the property with the local assessor by February 1 of the assessment year in which the value added is first assessed for taxation.

2. Applications for exemption shall be made on forms prescribed by the Director of Revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the Director of Revenue.

**8.07 APPROVAL.** A person may submit a proposal to the City Council to receive prior approval for eligibility for a tax exemption on new construction. If the City Council resolves to consider such proposal, it shall publish notice and hold a public hearing thereon. Thereafter, at least thirty days after such hearing the City Council, by ordinance, may give its prior approval of a tax exemption for new construction if the new construction is in conformance with City zoning. Such prior approval shall not entitle the owner to exemption from taxation until the new construction has been completed and found to be qualified real estate.

*(Code of Iowa, Sec. 427B.4)*

**8.08 EXEMPTION REPEALED.** When in the opinion of the City Council continuation of the exemption granted by this chapter ceases to be of benefit to the City, the City Council may repeal this chapter, but all existing exemptions shall continue until their expiration.

*(Code of Iowa, Sec. 427B.5)*

**8.09 DUAL EXEMPTIONS PROHIBITED.** A property tax exemption under this chapter shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law.

*(Code of Iowa, Sec. 427B.6)*

EDITOR'S NOTE		
The following ordinances have been adopted granting prior approval.		
ORDINANCE NO.	ADOPTED	APPLICANT
627	January 2, 2007	Plastic Products Company, Inc.

OFFICE  
CLERK  
WEST BRANCH  
IOWA