



# Executive Summary:

## The Impact of Tax Increment Financing in Dallas County, Iowa City of Perry

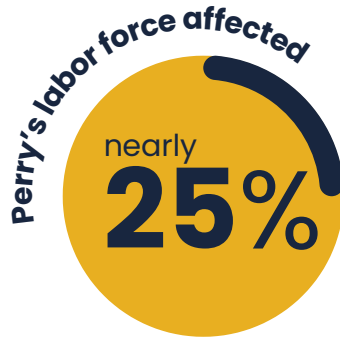
### Tyson Closure – Q3 2024

# 1,276



**jobs  
lost**

Projected **employment losses of 2,200 to 2,600 positions** when direct and indirect effects are factored



### Recovery Using TIF – Q2 2025

# 535 Jobs



JBS Foods Total Direct Jobs Created: **500**  
ADR Axles Total Direct Jobs Created: **35**



ADR Axles **first U.S. location**

# \$1:7.5 \$1:16

**Public / Private**

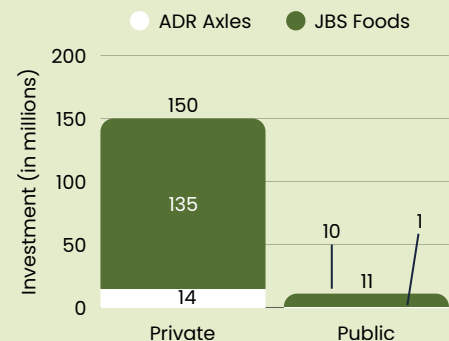
Every \$1 in public investment leveraged \$7.50 from ADR Axles and \$16 from JBS Foods—representing **returns of 750% and 1,600%**, respectively



**JBS Foods \$92.8M**  
**ADR Axles \$7.5M**

Incremental assessed value

#### Capital Investment



# The Impact of Tax Increment Financing in Dallas County, Iowa

*This paper explores how Perry, Iowa leveraged Tax Increment Financing (TIF) to turn an economic crisis into an opportunity for growth. Situated roughly 40 miles northwest of Des Moines, Perry is home to about 7,700 residents and has long been acknowledged for its manufacturing and agricultural roots. In the wake of a major employer's closure in mid 2024, the city faced the urgent challenge of preserving jobs and stabilizing the tax base. Over the subsequent months, Perry implemented a structured TIF strategy designed to attract new investment and secure long-term fiscal health. What follows is an examination of that approach and its measurable impact on the community's economic trajectory.*

The closure of Tyson Foods' Perry plant in June 2024 represented an economic disruption, removing roughly 1,276 direct jobs, nearly 25% of the city's labor force. It also triggered secondary effects on supply chains and household spending. **Input-output modeling using EMSI's MR-SAM projected employment losses of 2,200 to 2,600 positions when direct and indirect effects are factored.** The local fiscal impact was substantial, the removal of 1,276 jobs from Tyson alone reduced local tax contributions by approximately \$6,302,607. To address this, Perry had the ability to use TIF under Iowa Code 403.19, which permits municipalities to capture incremental property tax revenues in urban renewal areas.

**TIF is not a discretionary benefit. It is a foundational instrument for local governments to counter economic shocks and catalyze private investment without burdening taxpayers.**

This mechanism allows the base valuation to continue funding overlapping taxing entities while separating the increment into a special fund for project related expenses, with sunset provisions making sure full payment to schools and public services happens. Subsequent economic development efforts partially offset these losses, including \$1,486,970 in local tax impact from

adding 250 jobs through JBS USA and \$109,748 from 35 jobs created by ADR Axles.

Perry's TIF strategy is structured around performance-based rebates, and minimum assessed valuation agreements to mitigate fiscal risk. These agreements guarantee valuation floors are enforceable by January 1, 2027, and specify rebate percentages such as 60% to the developer and 40% retained locally during the TIF term, over a 10-year period.



# The Impact of Tax Increment Financing in Dallas County, Iowa

Two anchor projects exemplify this approach. JBS USA committed to approximately \$135 million to construct a prepared foods facility projected to create 250 – 500 jobs. In return, Perry authorized a \$10 million TIF rebate over 10 years, secured by a minimum assessed valuation of \$93 million by 2027. This structure yields a public to private leverage ratio of roughly 7.5 to 1 and ensures predictable post-TIF revenue streams. Similarly, ADR Axles USA announced a \$14.3 million investment for their North American headquarters and manufacturing plant which is supported by a \$900,000 TIF package and a \$7.5 million minimum assessment. This agreement allows an approximate leverage ratio of 16 to 1, diversifies Perry's industrial base, as well as providing a valuation guarantee that reduces the overall exposure to market volatility.

**When structured with performance triggers and valuation guarantees, TIF provides measurable fiscal returns and secures long-term tax base growth.**

TIF has not only supported valuation guarantees and performance-based rebates but also played an important role in extending infrastructure to both anchor projects. Through TIF, Perry was able to fund essential improvements like road upgrades, utility extensions, and intersection expansions within the Perry Industrial Park. These investments are made possible through a combined funding mechanism that included a RISE Grant of \$4,825,266 and a local TIF match of \$3,320,262, contributing to a total project cost of \$8,145,528.16. This infrastructure readiness was

a decisive factor in attracting major employers and ensuring long-term operational efficiency.

Equally important, TIF provided Perry with the flexibility to compete for these projects against other states. Both companies were actively considering alternative locations, and the ability to offer tailored incentives and infrastructure support gave Perry a competitive edge. This strategic use of TIF positioned the community as an attractive destination for investment, ultimately securing projects that will deliver hundreds of jobs and millions in private capital.

TIF is not a discretionary benefit. It is a foundational instrument for local governments to counter economic shocks and catalyze private investment without burdening taxpayers. Perry's experience demonstrates that when structured with performance triggers and valuation guarantees, TIF provides measurable fiscal returns and secures long-term tax base growth. Eliminating or diminishing this tool would strip communities of one of the few mechanisms capable of converting crisis into opportunity.

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For cities facing closures, TIF is not just important, it is fundamental. It is imperative that the State of Iowa preserves TIF authority, because without it, Iowa's municipalities will lose their most effective lever for economic resilience and competitive positioning.

## Sources

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