

Iowa Counties Vie for \$1.3B Fertilizer Plant

CEDAR RAPIDS, Iowa (AP) — Several Iowa counties along the Mississippi River are hoping to attract a \$1.3 billion fertilizer plant, but the competition to land the Egyptian firm is raising questions about how tax incentives are handed out.

Orascom Construction initially considered a site in Lee County for the plant that could bring 165 jobs to the state. But now the company is looking at other sites in Iowa because of concerns about the potential for flooding at the Lee County site.

State and local officials offered Orascom an incentive package that included a \$2 million state grant, low-interest and forgivable loans and other incentives. It was one of the biggest incentive packages in Iowa history.

Republican state lawmaker Tom Sands told The Gazette in Cedar Rapids (<http://bit.ly/MTYyvN> [1]) the current system of incentives is unfair because some counties can't afford to compete.

"I don't have an issue if it's private incentive money, but when you have taxpayer money being used, I think that's something that we should take a harder look at," said Sands, R-Wapello, chairman of the state House Ways and Means Committee.

Rep. Dave Jacoby, D-Coralville, said he agrees with Sands that more should be done to monitor what type of incentive packages are being used to drive development.

"I also want to see more follow-up," Jacoby said. "I think we need to have better oversight on the promises that (companies) are making actually come through."

William Peterson, longtime director of the Iowa Association of Counties, said he doesn't believe tax incentives that counties offer are the most important factor for businesses considering a location.

"It might have some effect, but if you look at the development we're talking about, they seem more concerned with not being in a flood plain," he said.

Des Moines County Supervisor Board Chairman Tom Broecker said having counties compete against each other doesn't always work well.

"I don't like it," he said. "There should be a way we can work regionally to benefit everyone."

Information from: The Gazette, www.gazetteonline.com [2]

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