

## CHAPTER 9

# URBAN REVITALIZATION TAX EXEMPTIONS

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**9.01 PURPOSE.** The purpose of this chapter is to designate the City as a revitalization area and to receive an exemption from taxation based upon the actual value added by improvements to such property. The Council specifically finds that the rehabilitation, conservation, redevelopment, or combination thereof of the area so designated is necessary in the interest of the public health, safety or welfare of the residents of the City. Furthermore, the Council specifically finds that the area meets the criteria of Section 404.1 of the *Code of Iowa*.

**9.02 BOUNDARIES OF URBAN REVITALIZATION AREA.** The boundaries of the proposed area shall include all real estate within the corporate City limits. The existing assessed valuation of the real estate within the corporate City limits, a list of names and addresses of the owners of record of said real estate and the existing zoning classifications and district boundaries are kept on file at the City Hall as part of the plan for revitalization of the area.

**9.03 DESIGNATED PROPERTY.** The revitalization tax exemption is applicable to all qualified property within the revitalization area in which is a new or existing structure, is to be substantially rehabilitated, whether assessed as residential, agricultural, commercial or industrial property. *(Ord. 2017-01 – Feb. 18 Supp.)*

**9.04 RELOCATION OF QUALIFIED TENANTS.** It is not anticipated any qualified tenants as defined by Section 404.6 of the *Code of Iowa* will be displaced as a result of improvements in the designated area. However, any such qualified tenants who are in fact displaced shall be compensated at least one month's rent, such compensation to be paid by the persons seeking the tax exemption and to cause the tenants to be displaced, all pursuant to Section 404.6 of the *Code of Iowa*.

**9.05 TAX EXEMPTION SCHEDULE.** All qualified real estate in which the project is a rehabilitation of an existing building or structure is eligible to receive an exemption from taxation on the value added by the improvements. The exemption is for a period of five (5) years. "Qualified real estate" as used in this chapter means real property, other than land, which is located in the designated area and to which improvements have been added, during the time so designated, which have increased the actual value by at least fifteen percent (15%). "Improvements" includes rehabilitation and additions to existing structures.

*(Ord. 2016-02 – Feb. 18 Supp.)*

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

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%)

*(Ord. 2016-02 – Feb. 18 Supp.)*

**9.07 PRIOR APPROVAL OF ELIGIBILITY.** A person may submit a proposal for an improvement project to the Council to receive prior approval for eligibility for a tax exemption on the project. The Council, by resolution, shall give its prior approval for an improvement project if the project is in conformance with the plan for revitalization developed by the City. Such prior approval shall not entitle the owner to exemption from taxation until the improvements have been completed and found to be qualified real estate. If the proposal was not approved, the person may submit an amended proposal for the Council to approve or reject. An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the Council by January 1 of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, unless upon the request of the owner at any time, the Council provided by resolution that the owner may file an application by January 1 of any assessment year selected by the City. The application shall contain, but not be limited to, the following information: the nature of the improvement, its cost, the estimated or actual date of completion, the tenants that occupied the owner's building on the date the City adopted the ordinance codified in this chapter, and the exemption schedule elected. The Council shall approve the application, subject to review by the local assessor pursuant to this chapter, if the project is in conformance with the plan for revitalization developed by the City, is located within the area so designated and the improvements were made during the time the area was so designated. The Council shall forward for review all approved applications to the appropriate local assessor by March 1 of each year with a statement indicating which exemption schedule applies. Applications for exemption for succeeding years on approved subject shall not be required.

*(Ord. 2016-02 – Feb. 18 Supp.)*

**9.08 PHYSICAL VIEW OF PROPERTY BY ASSESSOR.** The local assessor shall review each first year application by making a physical review of the property, to determine if the improvements made increased the actual value of the qualified real estate by at least fifteen percent (15%). If the assessor determines that the actual value of the real estate has increased by at least 15%, the assessor shall proceed to determine the actual value of the property and certify the valuation determined to the County Auditor at the time of transmitting the assessment rolls. The assessor shall notify the applicant of the determination, and the assessor's decision may be appealed to the local board of review at the time specified in Section 441.37 of the *Code of Iowa*. If an application for exemption is denied as a result of failure to sufficiently increase the value of the real estate, the owner may file a first annual application in a subsequent year when the additional improvements are made to satisfy the fifteen percent (15%) requirement. After the tax exemption is granted, the local assessor shall continue to grant the tax exemption, with periodic physical review by the assessor, for the period for which the exemption has been granted. The tax exemptions for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years.

*(Ord. 2016-02 – Feb. 18 Supp.)*

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