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1998
CITYWIDE
URBAN
REVITALIZATION
PLAN

As amended on:

November 4, 2002

July 1, 2004

January 7, 2008

INDIANOLA, IOWA

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INTRODUCTION

In 1979, the Iowa legislature enacted into law the Urban Revitalization Act giving city governing bodies the authority to designate an area or areas of a city as Urban Revitalization Areas. Under the Act, qualified real estate within the designated area may be eligible to receive a total or partial exemption from property taxes on improvements for a specified number of years. The primary intent of this bill is to provide communities with a long-term increase or stabilization in their tax base by encouraging rehabilitation or new construction which might not otherwise have occurred.

Section 404.1 of the Code of Iowa provides that the City Council may designate an area of the city as a revitalization area if that area is any of the following:

1. An area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and which is detrimental to the public health, safety, or welfare.
2. An area which by reason of the presence of substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.
3. An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture, or significance should be preserved or restored to productive use.
4. An area which is appropriate as an economic development area as defined in section 403.17.
5. An area designated as appropriate for public improvements related to housing and residential development or construction of housing and residential development, including single or multifamily housing.

The City of Indianola Urban Revitalization Plan (Plan) is prepared to enable local property owners and the city to take advantage of the legislation signed by the Governor of Iowa on May 10, 1979, with its subsequent amendments. The act provides the City of Indianola the opportunity to influence its growth by stimulating investment from the private sector. After the tax exemption schedule is completed, the individual property will be fully taxed, thus completing the philosophy that tax incentives are used to encourage individuals to improve their property with the long term city goal of increasing the tax base. Certain criteria have been established which must be met by a city exercising the authority conferred in the Act. Accordingly, the Indianola City Council adopted a Resolution on February 2, 1998, finding a need for the establishment of an urban revitalization district.

PROJECT INFORMATION

- A. Geographic Description of Urban Revitalization District:
The entire area within the corporate boundaries of the City of Indianola, Warren County, Iowa, shall be the Urban Revitalization District (District), and shall expand with annexation. Appendix A is a map of the current corporate boundaries of the City of Indianola.

- B. Existing Valuations According to County Assessor:

Valuations of each parcel within the District, and the total assessed value of the properties in the District are contained in Appendix B: List of Known Owners and Assessed Values.

- C. Property Owners:

The names and addresses of the property owners for each parcel identified within the District are contained in Appendix B.

- D. City Services:

The City of Indianola currently provides police, fire, sanitary sewer, municipal water, solid waste, and other normal services to all developed parcels and residences within the District.

- E. Zoning and Land Use:

Appendix C contains a map of the existing land use and zoning for the District.

- F. Applicable Revitalization:

The purpose of this Urban Revitalization Plan is to stimulate the development of more residential and commercial buildings, improvements and uses. Therefore, the revitalization is applicable to residential and commercial property and uses within the District. The revitalization is for new construction and for rehabilitation or additions to existing buildings. The entire area within the corporate limits will remain a designated revitalization

area until January 31, 2013.

G. Relocation:

In the event relocation occurs as a result of the tax abatement program, the following provisions must be met:

1. Benefits: Upon application for and verification of eligibility for tax abatement to a property owner by the City, qualified tenants in designated areas, whose displacement is due to action on the part of a property owner to qualify for the tax abatement under this Plan, shall be compensated by the property owner for one month's rent and for actual reasonable moving and related expenses.
2. Eligibility: "Qualified Tenant" as used in this Plan, shall mean the legal occupant of a residential dwelling unit which is located within the District and who has occupied the same dwelling unit continuously since one year prior to the City's adoption of this Plan.
3. Least costly approach: The amount of compensation for an eligible expense shall not exceed the least costly method of accomplishing the objective of the compensation without causing undue hardship to the displaced tenant and/or landlord.

H. Tax Exemption Schedules

1. Residential Property

Each residential property owner may implement this plan upon application and approval by the Indianola City Council as follows:

All qualified residential real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of 4 years.

Notwithstanding the schedules provided for in Iowa Code Section 404.3, all qualified real estate assessed as residential property in an area designated under Iowa Code Section 404.1, subsection 5, is eligible to receive an exemption from taxation on the first seventy-five thousand dollars of actual value added by the improvements. The exemption under this plan is for a period of four years.

In order to qualify for tax exemption, improvements to residential real estate located within the District must increase the actual value of the property, other than land, by at least 10%. Qualified residential real estate also means land upon which no structure existed at the start of the new construction, which is located in the designated revitalization area and upon which new construction has been added during the time so designated. "Improvements" include rehabilitation and additions to the existing structures as well as new construction on vacant land or on land with existing structures.

2. Commercial Property

Each commercial property owner may implement this plan upon application and approval by the Indianola City Council as follows:

All qualified commercial real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of 4 years. The amount of partial exemption is equal to a percent of the actual value added by the improvements determined as follows:

<u>Year of Schedule</u>	<u>% of New Taxes Abated</u>
1	80%
2	60%
3	40%
4	20%

The exemption under this plan is for a period of four years.

In order to qualify for tax exemption, improvements to commercial real estate located within the District must increase the actual value of the property, other than land, by at least 10%. Qualified commercial real estate also means land upon which no structure existed at the start of the new construction, which is located in the designated revitalization area and upon which new construction has been added during the time so designated. "Improvements" include rehabilitation and additions to the existing structures as well as new construction on vacant land or on land with existing structures.

I. Outside Funding Assistance:

The City may seek Federal and/or State grant or loan programs and any and all other funding sources in developing proposed projects. Federal programs may be available through the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA). State programs may be available through the Iowa Housing Finance Authority and the Iowa Department of Economic Development. The City may seek private sector funding sources.

J. Application and Prior Approval:

A person may submit a proposal for an improvement project to the City Council to receive prior approval for eligibility for a tax exemption on the project. The Council shall, by resolution, give its prior approval for an improvement project if the project is in conformance with the plan for revitalization. As soon as a person's improvement project receives prior approval from the City Council, the person's improvement project shall

receive tax abatement under this plan regardless of when the improvements have been completed or found to be qualified real estate by the Warren County Assessor, as long as the improvements are completed pursuant to the time limitations of the original building permit issued. The first year that the improvement project's value appears on the tax rolls shall be the first year of the tax exemption schedule found in Paragraph H above. If a person's proposal for an improvement project is not approved, the person may submit an amended proposal for the City 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 City Council by February 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. The application shall contain, but not be limited to, the following information:

- * the nature of the improvement,
- * the cost of the improvement,
- * the estimated or actual date of completion,
- * the tenants that occupied the owner's building on the date the City adopted the resolution of finding.

The City Council shall approve the application, subject to review by the local assessor, if the project is in conformance with the plan for revitalization developed by the City, is located within a designated revitalization area, and if the improvements were made during the time the area was so designated. The City Council shall forward for review all approved applications to the appropriate local assessor by March 1 of each year. Applications for exemptions for succeeding years for approved projects shall not be required.

K. Repeal of Ordinance

As stated in Section 404.7 of the Code of Iowa, the governing body of the City of Indianola may repeal the ordinance establishing the revitalization area, when, in the opinion of the governing body, the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted by this chapter would cease to be of benefit to the city. In that event, all existing exemptions shall continue until their expiration.

APPENDIX A
Boundary Map of District

APPENDIX B

List of Known Owners and Assessed Values

Appendix B is a separate bound document, and due to the volume of the document, only one copy will be made and kept by the City Clerk at City Hall.

APPENDIX C

Existing Land Use and Zoning of District

APPENDIX D

RESOLUTION OF FINDING

WHEREAS, the area described below in the City of Indianola is in need of a combination of rehabilitation, conservation and redevelopment to improve the public health, safety and welfare of the residents of Indianola, and

WHEREAS, the area described below in the City of Indianola meets the criteria of Iowa Code Section 404.1 for designation as an urban revitalization area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDIANOLA, IOWA:

1. The Indianola City Council makes a finding that a combination of rehabilitation, conservation, development and redevelopment of the area described below in the City of Indianola is necessary in the interest of the public health, safety and welfare of the residents of Indianola.

2. The Indianola City Council makes a finding that the following area meets the criteria of Iowa Code Section 404.1(3), (4) and (5):

Appendix A of the Urban Revitalization Plan now on file in the City Clerk's Office contains a map of the area within the District which is defined by the corporate boundaries of the City of Indianola.

PASSED AND APPROVED this ____ day of _____, 1998.

Jerry Kelley, Mayor

ATTEST:

Mark A. Ramthun, City Clerk

STATE OF IOWA, WARREN COUNTY, SS:

On this ____ day of _____, 1998, before me, the undersigned, a Notary Public in the State of Iowa personally appeared Jerry Kelley and Mark Ramthun, to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk respectively of the City of Indianola, which executed the foregoing instrument to which this is attached, that the seal affixed to it is the seal of the City; that the instrument was signed and sealed on behalf of the City by authority of its Council; and that Jerry Kelley and Mark Ramthun as such officers acknowledged the execution of the instrument to be the voluntary act of the City.

NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

APPENDIX E

NOTICE OF PUBLIC HEARING

YOU ARE HEREBY NOTIFIED that the City Council of the City of Indianola, Iowa, has under consideration an ordinance designating the entire area within the corporate boundaries of the City of Indianola as an urban revitalization area under Iowa Code Chapter 404.

All qualified real estate within the urban revitalization area would be eligible to receive a partial exemption from taxation based on the actual value added by improvements to the real estate. A proposed plan for the revitalization area is on file in the City Clerk's office in the Indianola Municipal Building. It can be examined during regular office hours.

YOU ARE FURTHER NOTIFIED that this matter has been set down for hearing and consideration at a public hearing on _____, 1998, at 7:00 P.M., in the Council Chambers of the Municipal Building in Indianola, Iowa.

This Notice is published by order of the City Council of the City of Indianola, Iowa.

Mark A. Ramthun, City Clerk

APPENDIX F

ORDINANCE NO. _____

AN ORDINANCE REPEALING ORDINANCE NO. _____
AND DESIGNATING THE ENTIRE AREA WITHIN THE
CORPORATE BOUNDARIES OF THE CITY OF INDIANOLA
AS AN URBAN REVITALIZATION AREA AND ADOPTING
AN URBAN REVITALIZATION PLAN FOR THE AREA.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF
INDIANOLA, IOWA:

SECTION 1. Ordinance No. _____ and the Urban Revitalization Plan it adopted in it is hereby repealed.

SECTION 2. The entire area within the corporate boundaries of the City of Indianola, Iowa, is hereby declared to be an Urban Revitalization Area pursuant to Iowa Code Chapter 404.

SECTION 3. The Urban Revitalization Plan for the City of Indianola, Iowa, on file with office of the City Clerk is hereby declared to be the Urban Revitalization Plan for the City of Indianola, Iowa, as designated in Section 2 above.

SECTION 4. Repeal. Any ordinance or parts of ordinances in conflict with this ordinance are repealed.

SECTION 5. Severability. If any section, provision or part of the Ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision or part of it not adjudged invalid or unconstitutional.

SECTION 6. Effective Date. This ordinance shall take effect from and after its passage and publication as provided by law.

ATTEST:

JERRY KELLEY, Mayor

MARK A. RAMTHUN, City Clerk

The foregoing Ordinance No. _____ was adopted by the Council of the City of Indianola, Iowa, on _____, 1998, was signed by the Mayor on _____, 1998, and was published in the Record Herald and Indianola Tribune, a newspaper of general circulation and published in the City of Indianola, Iowa, on _____, 1998.

MARK A. RAMTHUN, City Clerk

