

URBAN REVITALIZATION
PLAN

CITY OF OSSIAN, IOWA
2016 OSSIAN URBAN REVITALIZATION AREA

ADOPTED JANUARY 1, 2016

INTRODUCTION

The Urban Revitalization Act, Chapter 404 of the Code of Iowa, is intended to encourage development, redevelopment and revitalization within designated areas of a city by authorizing property tax development incentives to the private sector. Qualified real estate within a designated area may be eligible to receive a total or partial exemption from property taxes on improvements for a specified number of years, with the goal of providing communities with a long-term increase or stabilization in the local tax base by encouraging new construction which might not otherwise occur.

Section 404.1 of the Code of Iowa provides that a City Council may designate an area of the City as a revitalization area, if that area meets the following definitions:

“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, or 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.”

“An area which by reason of the presence of a 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 the 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;

“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.”

“An area which is appropriate as an economic development area as defined in Section 403.17 of the Code of Iowa.”

“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”; and

Section 404.2 of the Code of Iowa requires that a city prepare a plan to govern activities within the proposed revitalization area, and the balance of this document is intended to set out the elements of a plan that are mandated by state law.

A. DESCRIPTION OF THE AREA AND MAP

The revitalization area shall be known as the 2016 Ossian Urban Revitalization Area (the "Revitalization Area"), and the legal description of real property to be included within the Revitalization Area is as follows:

All real property situated within the incorporated municipal limits of the City of Ossian, Iowa as of January 1, 2016.

A map showing the real property to be included within the Revitalization Area is attached as Exhibit A.

B. DESIGNATION CRITERIA

In accordance with Section 404.1 of the Act, the City Council has made the following determinations with respect to the Revitalization Area:

1. The property situated in the Revitalization Area is an area which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, deterioration of site or other improvements, and a combination of these and other factors, substantially impairs or arrests the sound growth of the City, constitutes an economic and social liability and is a menace to the public welfare in its present condition and use; and
2. A portion of the property situated in the Revitalization Area is an area in which there is a predominance of buildings and improvements which, by reason of age, history, architecture and significance, should be preserved and/or restored to productive use; and
3. The Revitalization Area is an area which is appropriate as an economic development area as defined in Section 403.17 of the Code of Iowa; and
4. The Revitalization Area is an area which is appropriate for public improvements related to housing and residential development, or construction of housing and residential, including single or multifamily housing, commercial or industrial development; and
5. The rehabilitation, redevelopment, economic development and promotion of housing and residential, commercial or industrial development in the Revitalization Area is necessary in the interest of the public welfare of the residents of the City and the Revitalization Area substantially meets the criteria set forth in Section 404.1 of the Act.

C. OBJECTIVES

This plan is prepared in conformance with Section 404.2 of the Code of Iowa for the purpose of providing incentives and outlining procedures to enhance the potential for residential development in the Revitalization Area. Planning goals include revitalizing the area through blight alleviation, preservation and rehabilitation of historic residential, commercial or industrial properties, promotion of new construction on vacant land, promoting in-fill of residential development on existing lots,

rehabilitation of existing property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

D. PRESENT ZONING AND PROPOSED LAND USE

The property within the Revitalization Area is subject to Restricted Residence District regulations and other building and land use regulations contained in Chapter 155 of the Code of Ordinances of the City of Ossian. Improvement of existing properties, together with new and expanded development, are proposed in the Revitalization Area.

E. PROPOSALS FOR EXPANDING CITY SERVICES

The City proposes that, as it becomes financially feasible, the provision of municipal services to the Revitalization Area will be expanded and improved to meet the demands of new residential development.

F. ELIGIBLE IMPROVEMENTS AND EXEMPTIONS

1. **Residential, Commercial or Industrial Improvements**

A. New Construction: The construction of new residential, commercial or industrial facilities in the Revitalization Area (New Improvements).

B. Improvements to Existing Property: The rehabilitation of and additions to existing residential, commercial or industrial facilities ("Existing Improvements") in the Revitalization Area.

2. **Exemption**

Tax exemptions on qualifying improvements shall follow the schedule set out in Chapter 404 of the Iowa Code as follows:

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

- a. For the first year, eighty percent.
- b. For the second year, seventy percent.
- c. For the third year, sixty percent.
- d. For the fourth year, fifty percent.
- e. For the fifth year, forty percent.
- f. For the sixth year, forty percent.
- g. For the seventh year, thirty percent.
- h. For the eighth year, thirty percent.
- i. For the ninth year, twenty percent.
- j. For the tenth year, twenty percent.

2. All qualified real estate is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of three years.

3. **Actual Value Added**

Actual value added by improvements, as used in this plan, means the actual value added as of the first year for which the exemption was received. In order to be eligible for tax abatement, the increase in actual value of the property must be at least 15%.

G. TIME FRAME

Eligibility for tax abatement under this plan will begin on the effective date (date of publication) of the ordinance designating the Revitalization Area, such date anticipated to occur in January of 2016 and continue until the earlier of (i) January 1, 2026, or (ii) the City Council repeals the ordinance, pursuant to Section 404.7 of the Code of Iowa. In the event the ordinance designating the Revitalization Area is repealed, all exemptions granted prior to such repeal shall continue until their expiration.

H. APPLICATION PROCEDURES

An application shall be filed for each new exemption claimed. The property owner must apply to the City for an exemption by February 1st of the assessment year for which the exemption is first claimed. The application shall contain, but not be limited to, the following information: The nature of the improvement, its cost, and the estimated or actual date of completion of the improvement.

I. APPROVAL OF APPLICATIONS

The City Council shall approve all applications submitted for completed projects if:

1. The project, as determined by the City Council, is in conformance with this plan;
2. The project is located within the Revitalization Area; and,
3. The improvements were made during the time the Revitalization Area was designated by ordinance as a revitalization area.

All approved applications shall be forwarded to the County Assessor for review, pursuant to Section 404.5 of the Code of Iowa. The County Assessor shall make a physical review of all properties with approved applications. The County Assessor shall determine the increase in actual value for tax purposes due to the improvements and notify the applicant of the determination, which may be appealed to the local board of review pursuant to Section 441.37 of the Code of Iowa. After the initial tax exemption is granted, the County Assessor shall continue to grant the tax exemption for the time period specified on the approved application. The tax exemptions for the succeeding years shall be granted without the owner(s) having to file an application for succeeding years.

J. OTHER SOURCES OF REVITALIZATION FUNDS

The City anticipates no federal or state grants or loans for improvements in the Revitalization Area at this time other than those of conventional lending institutions at normal market rates.

However, it is not the intention of the City to prohibit the use of other appropriate federal or state revitalization or incentive programs within the area.

K. RELOCATION PROVISIONS

The City does not anticipate the displacement or relocation of any persons, families, or businesses as a result of the improvements to be made in the Revitalization Area.