

## A. URBAN REVITALIZATION ACT

The Urban Revitalization Act, now Chapter 404, Code of Iowa, was enacted into law by the Iowa legislature in 1979. The Act is intended to encourage redevelopment and revitalization within a designated area by authorizing incentives to the private sector. 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 Act 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 provides that the City Council may designate an area of the City as a revitalization area, if that area meets any one of the following situations:

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, 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.”
2. “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 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 40317. (Section 403.17, Subsection 8: ‘Economic development area’ means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises or housing and residential development for low and moderate income families, including single or multi-family housing. Such designated area shall not include land which is part of a century farm.)”

## B. DESCRIPTION OF THE AREA

The Prairie City Revitalization Area (hereinafter referred to as “Area”) includes the entire area within the corporate boundaries of the City.

## C. DESIGNATION CRITERIA

The City has determined that the area qualifies for designation as revitalization area under Subsection 4 of Section 1 of the Act. The area within the corporate limits is being designated as an “Economic Development Area” by the City in an effort to encourage commercial and industrial development and promote an increase in the supply of affordable housing.

The City realizes that the availability of housing is important in attracting new business and industry as well as in retaining existing business. There are currently a very limited number of available houses in the City.

In order to promote new development and to help deal with problems related to the availability of decent and safe housing for low and moderate income families, the City will offer a residential property tax abatement. The residential abatement will be limited to the first \$65,000.00 of increased valuation.

One of the City’s objectives is to promote and encourage the construction of affordable new residential development. There are indications that some local homeowners would take the tax abatement opportunity to build new homes and sell their existing homes. In many cases these existing older homes would, in turn, become available to low and moderate income and first time homebuyers.

The City feels that a residential tax abatement program will enhance the community’s housing opportunities, which in turn will positively impact the City’s ability to keep existing business and attract new business development.

## D. OBJECTIVES

The 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 low and moderate income residential development in Prairie City. Planning goals include revitalizing the Area through the promotion of new construction on vacant land, rehabilitation of existing residential and commercial property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

E. EXISTING ZONING

Existing Zoning within the Area is defined in the Prairie City Zoning Ordinance. The zoning ordinance and a detailed zoning map are available for public inspection at City Hall.

F. EXISTING LAND USE

Existing land use categories are the same as the assessment classifications.

G. PROPOSED LAND USE.

The revitalization area is proposed for new and expanded residential and commercial development in those areas that comply with existing zoning classifications.

H. CITY SERVICES

Proposals for improving on expanding City services within the Urban Revitalization area are outlined in the City's Comprehensive Plan.

I. ELIGIBLE IMPROVEMENTS

Eligible property improvements, as used in this plan, include rehabilitation and additions to existing residential and commercial structures located within the Area. In addition, new construction on vacant land or on land with existing structures is also eligible for tax abatement.

Actual value added by improvements, as used in this plan, means that 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 10%.

All improvements, in order to be considered eligible, must be completed in conformance with all applicable regulations of the City of Prairie City, and must be completed during the time the Area is designated as a revitalization district.

An applicant who is receiving either direct or indirect benefits, which are financed through a City sponsored tax increment financing project, shall not be eligible for tax abatement under the revitalization program, unless otherwise determined by the City Council.

#### J. TIME FRAME

The Area shall be eligible for tax abatement under the revitalization plan for five (5) years beginning April 4, 2002. If, in the opinion of the City Council, the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted would cease to be of benefit to the City, the Council may repeal the ordinance establishing the revitalization area, pursuant to Section 404.7 of the Code of Iowa. In the event the ordinance is repealed, all existing exemptions shall continue until their expiration.

#### K. EXEMPTIONS

##### Residential

All qualified real estate assessed as residential property is eligible to receive a partial exemption from taxation on the “actual value added by the improvements” up to a maximum of \$65,000.00. The exemption is for a period of five (5) years.

##### Commercial

All qualified real estate assessed as commercial property, is eligible to receive a 100% exemption from taxation on the “actual value added by the improvements.” The exemption is for a period of three (3) years.

#### L. 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 1<sup>st</sup> 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, its cost, and the estimated or actual date of completion.

#### M. PRIOR APPROVAL

Owners 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 City Council shall give its prior approval if the project is in conformance with this plan for revitalization. However, if the proposal is not approved, the owner(s) may submit an amended proposal for the City Council to approve or reject. Such prior approval shall not entitle the owner(s) to exemption from taxation until the improvements have been completed and found to be qualified for the exemption.

The City Council shall approve all applications submitted for approval if:

1. The project, as determined by the City Council, is in conformance with this plan; and,
2. The project is located within the Area; and,
3. The improvements were made during the time the Area was so designated; and,
4. The applicant is not benefiting from some type of assistance through a Tax Increment Finance Program. (See Eligible Improvements, Page 3)

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.

#### N. OTHER SOURCES OF REVITALIZATION FUNDS

It is not the intention of the City of Prairie City to prohibit the use of other appropriate federal or state revitalization or incentive programs within the Area. Part of the revitalization district is also in an urban renewal area.

#### O. RELOCATION PROVISIONS

The City does not anticipate the displacement or relocation of any persons, families, or businesses as a result of improvements in the Prairie City Revitalization Area. However, if the City determines that activities resulting from a property owner's action to qualify for a tax exemption will result in relocation or displacement, and before the project is approved, a relocation plan will be developed that complies with Iowa Law.

#### P. OWNERS OF RECORD AND EXISTING ASSESSED VALUATIONS

A list of the names, addresses, and assessed valuations for land and buildings of the owners of record of all real estate within the proposed Area is available for public inspection on the Internet at the Jasper County Assessor's web page [www.iowaassessors.com](http://www.iowaassessors.com) allowing 24 hour a day access to better serve the public. For those without Internet access, information will be provided by City Hall during normal business hours.

**APPLICATION FOR TAX ABATEMENT UNDER THE  
PRAIRIE CITY REVITALIZATION PLAN FOR  
PRAIRIE CITY, IOWA**

DATE: \_\_\_\_\_

\_\_\_\_\_ Prior Approval for  
Intended Improvements

\_\_\_\_\_ Approval of Improvements  
Completed

Address of Property: \_\_\_\_\_

Legal Description: \_\_\_\_\_

\_\_\_\_\_

Title Holder or Contract Buyer: \_\_\_\_\_

Address of Owner (if different than above): \_\_\_\_\_

Phone Number (to be reached during the day): \_\_\_\_\_

Existing Property Use: \_\_\_ Residential \_\_\_ Commercial \_\_\_ Industrial \_\_\_ Vacant

Proposed Property Use: \_\_\_\_\_

Nature of Improvement: \_\_\_ New Construction \_\_\_ Addition \_\_\_ General Improvements

Specify: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Estimated or Actual Date of Completion: \_\_\_\_\_

Estimated or Actual Cost of Improvements: \_\_\_\_\_

Tax Exemption Schedule is attached.

Signed: \_\_\_\_\_

FOR CITY USE:

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**CITY  
COUNCIL**

Application Approved/Disapproved Reason (if disapproved)

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Attested by the City Clerk: \_\_\_\_\_

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**ASSESSOR**

Present assessed value \_\_\_\_\_

Assessed value w/improvements \_\_\_\_\_

Eligible or Non-eligible for tax abatement \_\_\_\_\_

Assessor \_\_\_\_\_

Date: \_\_\_\_\_

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# EXEMPTIONS

## **Residential**

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## **Commercial/ Industrial**

All qualified real estate assessed as commercial and industrial property is eligible to receive a 100% exemption from taxation on the “actual value added by the improvements.” The exemption is for a period of three (3) years.

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URBAN REVITALIZATION PLAN

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PRAIRIE CITY  
REVITALIZATION AREA

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CITY OF PRAIRIE CITY, IOWA

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Adopted  
November 1994  
Revised  
April 4, 2002

**PRAIRIE CITY  
URBAN RENEWAL AREA**

**URBAN RENEWAL PLAN  
CITY OF PRAIRIE CITY, IOWA**

**Adopted  
November 1989**

**Amended  
November 1994**