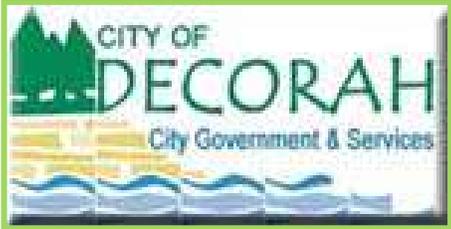


Decorah Urban Revitalization Plan Handbook



Overview

The City of Decorah has implemented an urban revitalization plan, otherwise known as a residential tax abatement program. The full plan and details may be found on the City's website at www.decorahia.org; but some of the key details are outlined here.

PLAN OBJECTIVES

The primary objectives of this Plan are as follows:

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 properties, promotion of new construction on vacant land, promoting in-fill of residential development on existing lots, rehabilitation of existing residential property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

Through this Plan the City:

- Encourages new construction of, and remodeling and additions to, residential properties through abatement of taxes on the value of the improvements.
- Seeks to improve economic conditions and housing opportunities in the area and take steps to enhance the general attractiveness of the Urban Revitalization Area.

It may be that some of the improvements will be on land that is assessed as agricultural land. To the extent the Planning and Zoning Commission has input in revitalization of land assessed as agricultural land, the Planning and Zoning Commission will ensure that use of agricultural land for revitalization purposes under this Plan follows all the City's zoning rules.

ELIGIBILITY REQUIREMENTS

1. Residential Improvements

A. New Construction: The construction of new residential and / or multi-residential facilities ("New Residential Improvements") in the Revitalization Area.

B. Improvements to Existing Property: The rehabilitation of and additions to existing multi-residential and / or residential facilities ("Existing Residential Improvements") in the Revitalization Area.

2. Exemption

All qualified real estate assessed as residential property, is eligible to receive an exemption from taxation on 100% of the **first \$400,000 of actual value added** by the improvements for a period of five years.

All qualified real estate assessed as multi-residential and / or commercial property, if the property consists of three or more separate living quarters with at least 75% of the space used for residential purposes, is eligible to receive an exemption from taxation on 100% of the **first \$40,000 per unit on new construction** for improvements of three or more separate living quarters for a period of five 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 10%.

In order for a property owner to qualify for the abatement program there are several thresholds that must be met including; *(note, please see the Plan document for detailed information on qualification limits.)*

Qualified Real Estate shall include both land and buildings assessed as residential or commercial property if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes located in the Urban Revitalization Area, to which Improvements have been made during the time the area was so designated. Specifically;

For Improvements completed during the **2015 calendar year** (but after the effective date of the Ordinance adopting this Plan) (so that the Assessor can make a full assessment of the Improvements as of 1/1/2016) and for which applications are filed with the City by no later than February 1, 2016, all Qualified Real Estate assessed as residential property is eligible to receive a 100 percent exemption from taxation on the first \$400,000 of Actual Value Added by the Improvements. The exemption is for a period of five (5) years.

If the property is assessed as multi-residential and /or commercial property if the property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, the property is eligible to receive an exemption from taxation on 100% of the first \$40,000 per unit on new construction for improvements of three or more separate living quarters. The exemption is for a period of five years.

For Improvements completed during the **2016 calendar year** (but after the effective date of the Ordinance adopting this Plan) (so that the Assessor can make a full assessment of the Improvements as of 1/1/2017) and for which applications are filed with the City by no later than February 1, 2017, all Qualified Real Estate assessed as residential property is eligible to receive a 100 percent exemption from taxation on the first \$400,000 of Actual Value Added by the Improvements. The exemption is for a period of five (5) years.

If the property is assessed as multi-residential and /or commercial property if the property consists of three or more separate living quarters with at least seventy-five percent of the space

used for residential purposes, the property is eligible to receive an exemption from taxation on 100% of the first \$40,000 per unit on new construction for improvements of three or more separate living quarters. The exemption is for a period of five years.

For Improvements completed during the **2076 calendar year** (but after the effective date of the Ordinance adopting this Plan) (so that the Assessor can make a full assessment of the Improvements as of 1/1/2018) and for which applications are filed with the City by no later than February 1, 2018, all Qualified Real Estate assessed as residential property is eligible to receive a 100 percent exemption from taxation on the first \$400,000 of Actual Value Added by the Improvements. The exemption is for a period of five (5) years.

If the property is assessed as multi-residential and /or commercial property if the property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, the property is eligible to receive an exemption from taxation on 100% of the first \$40,000 per unit on new construction for improvements of three or more separate living quarters. The exemption is for a period of five years.

Improvements shall include rehabilitation and additions to existing structures as well as new construction on vacant land or on land with existing structures. The Improvements must result in the following increases in value: Increase the actual value of the building (not land) by at least ten percent (10%). If more than one building is located on property the ten percent (10%) increase requirement applies only to the structure or structures upon which the improvements were made. If no structures were located on the property prior to the improvements, any improvements may qualify.

TIME FRAME

Eligibility for tax abatement under this plan will begin on the **effective date (November 11, 2014)** of the ordinance designating the Revitalization Area and continue until the earlier of (i) December 31, 2017; 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.

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.

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.

City of Decorah, Iowa
Residential Tax Abatement Program

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. By doing so, a person may obtain some assurance that the City Council may approve an application for abatement or issues may arise that then may be addressed prior to the start of construction. The City Council shall, by resolution, give its prior approval for an improvement project if the project is in conformance with this Plan. 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; however, if the proposal is not approved, the person may submit an amended proposal for the City Council to approve or reject.

Pre-Application for Residential Tax Abatement Program

Applicant Name (Print)	Address / City / State	Phone	Email

Property Profile

Property Address	Parcel Number	Number of Units (Circle one)		New Construction	
		1	2 or more	Rehabilitation	
Current Value of Property	Current Property Tax	Price Paid for Property	Date of Purchase	Proposed Cost of Improvements	

Current valuations and tax information as shown on Winneshiek County Assessor's [website](#)

**Urban Revitalization Plan
Residential Growth and Development
City of Decorah, Iowa
Residential Tax Abatement Program**

Applicant Name (Print)	Address / City / State	Phone	Email

Property Profile

Property Address	Parcel Number	Number of Units (Circle one)		New Construction	
		1	2	Rehabilitation	
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Legal Description of Property:

Attach separate document if necessary.

Existing Property Use (circle)			Proposed Property Use (circle)			
Residential	Commercial	Vacant	Residential	Commercial	Rental	Owner-Occupied
Nature of Improvements:						
Addition		New Construction		General Improvements		
Specify:						

Agency Use:

Permit #:	Date Issued:	Staff:	Approved / Disapproved by Council Date:
Present Assessed Value	Value w/ Improvements		Reason (if disapproved):