

RESTATED AND AMENDED URBAN REVITALIZATION PLAN  
CITY OF DECORAH, IOWA

2014 DECORAH HOUSING URBAN REVITALIZATION AREA



ADOPTED NOVEMBER 3, 2014  
AMENDED DECEMBER 18, 2017  
AMENDED OCTOBER 1, 2018

Public Hearing held September 2, 2014  
Second Public Hearing held October 6, 2014 – first reading  
October 20, 2014 – second reading  
November 3, 2014 – third reading  
Adopted, November 3, 2014  
Published and Enacted, November 11, 2014  
Capstone Resolution No. 2622, November 17, 2014  
Amended December 18, 2017  
Amended October 1, 2018



## 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](http://www.decorahia.org); but some of the key details are outlined below.

### 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.

A. ELIGIBLE IMPROVEMENTS AND EXEMPTIONS

1. **Residential and Multi-Residential Improvements**

A. *New Construction:* The construction of new residential and / or multi-residential facilities in the Revitalization Area.

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

**Exemptions**

All qualified real estate assessed as residential property, is eligible to receive an exemption from taxation on 100% of the 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.

2. **Multi-residential Improvements (Decorah Business Park-Airport Urban Renewal District Subdistrict).** The construction of new multi-residential facilities and the rehabilitation of and additions to existing multi-residential facilities, to the extent that such facilities are situated on some portion of the following described property (the "Urban Renewal District Subdistrict") in the Revitalization Area:

*Certain real property which is situated within the boundaries of the City's Decorah Business Park-Airport Urban Renewal District.*

**Exemptions**

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 and situated in the Urban Renewal District Subdistrict is eligible to receive an exemption from taxation for a period of ten years of the actual value added by the improvements as follows:

For the first through fourth years, an exemption from taxation on 90% of the actual value added.

For the fifth through seventh years, an exemption from taxation on 80% of the actual value added.

For the eighth through tenth years, an exemption from taxation on 70% of the actual value added.

### **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%.

#### **TIME FRAME**

Eligibility for tax abatement under this plan will begin on the **effective date (November 3, 2014)** of the ordinance designating the Revitalization Area and continue, until, 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, in which case the City Council may repeal the ordinance, pursuant to Section 404.7 of the Code of Iowa. In the event the ordinance 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 December 31<sup>st</sup> 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<br>(Circle one) |                  | New Construction              | Date Improvements Completed |
|---------------------------|----------------------|---------------------------------|------------------|-------------------------------|-----------------------------|
|                           |                      | 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<br>(Circle one) |   | New Construction | Date Improvements Completed |
|                           |                      | 1                               | 2 | Rehabilitation   |                             |
| Current Value of Property | Current Property Tax | Price Paid for Property         |   | Date of Purchase | Cost of Improvements        |
|                           |                      |                                 |   |                  |                             |

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**Legal Description of Property:**

Attach separate document if necessary.

|                                   |            |                  |                                   |                      |        |                |
|-----------------------------------|------------|------------------|-----------------------------------|----------------------|--------|----------------|
| Existing Property Use<br>(circle) |            |                  | Proposed Property Use<br>(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/<br>Improvements |        | Reason (if disapproved):                |
|                        |                          |        |   |