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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

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Type of Document: **RESOLUTION ADOPTING AMENDMENT NO. 1 TO THE EARLHAM URBAN REVITALIZATION PLAN FOR THE EARLHAM URBAN REVITALIZATION AREA (INCLUDING AMENDMENT NO. 1 LABELED AS EXHIBIT 1 AND ATTACHED TO THE RESOLUTION)**

Return Document to:
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City of Earlham
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Taxpayer Information: **N/A**

GRANTORS: N/A

GRANTEES: N/A

LEGAL DESCRIPTION: All real property contained within the incorporated limits of the City of Earlham, Madison County, State of Iowa, as of January 1, 2018. Any land annexed into the City in the future shall be automatically included in the Revitalization Area as of the effective date of the annexation.

This being the time and place fixed for a public hearing on the matter of the adoption of Amendment No. 1 to the Earlham Urban Revitalization Plan, the Mayor asked the City Clerk whether any written objections had been filed with respect to the proposed Amendment. The City Clerk reported that no written objections had been filed. The Mayor then called for any oral objections to the adoption of the Amendment and none were made. The public hearing was closed.

Council Member Baskin then introduced the following Resolution entitled "RESOLUTION ADOPTING AMENDMENT NO. 1 TO THE EARLHAM URBAN REVITALIZATION PLAN FOR THE EARLHAM URBAN REVITALIZATION AREA," and moved:

☒ that the Resolution be adopted.

☐ to defer action on the Resolution and the proposal to the meeting to be held at _____ _____.M. on the _____ day of _____, 2022, at this place.

Council Member Mudge seconded the motion. The roll was called, and the vote was:

AYES: Baskin, Mudge, Fredericksen

Nelsen, Swalla

NAYS: —

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION NO. 22-12

RESOLUTION ADOPTING AMENDMENT NO. 1 TO THE EARLHAM URBAN REVITALIZATION PLAN FOR THE EARLHAM URBAN REVITALIZATION AREA

WHEREAS, pursuant to the provisions of Iowa Code Chapter 404, by action of the City Council on August 13, 2018, the City of Earlham, Iowa (the "City") adopted the Earlham Urban Revitalization Plan (the "Revitalization Plan" or "Plan") for the Earlham Urban Revitalization Area (the "Revitalization Area" or "Area"); and

WHEREAS, by the foregoing action, the Council has determined that the Revitalization Area within the City can be revitalized as authorized by Code of Iowa Chapter 404 (the "Act"); and

WHEREAS, the Revitalization Plan as originally adopted provided for tax abatement on eligible improvements on properties assessed as "multiresidential" and "residential"; and

WHEREAS, the City desires to expand eligibility under the Revitalization Plan to include properties assessed as "commercial" and "industrial" and also desires to modify the exemption for properties assessed as "multiresidential" in response to the Iowa legislature's elimination of the multiresidential property assessment classification starting January 1, 2022; and

WHEREAS, a proposed Amendment No. 1 to the Plan ("Amendment") has been prepared, the purpose of which is to (i) add a designation classification for the Revitalization Area; (ii) update the Plan's objectives to include commercial and industrial development; (iii) add an exemption schedule for properties assessed as commercial and as industrial; and (iv) modify the exemption schedule for properties assessed as multiresidential; and

WHEREAS, after published notice was given, as required by the Act, the City Council held a public hearing at its meeting on March 14, 2022, on the Amendment and considered all objections, comments, and evidence presented.

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

Section 1. That all objections received, if any, at the public hearing referred to in the preamble above are found to be without sufficient merit to warrant amending the proposed Amendment.

Section 2. That the Amendment, attached hereto as Exhibit 1 and incorporated herein by reference, be and the same is hereby approved and adopted as "Amendment No. 1 to the Earlham Urban Revitalization Plan for the City of Earlham, State of Iowa," and that the Amendment is hereby in all respects approved. The City Clerk is hereby directed to file a certified copy of the Amendment, along with a copy of this Resolution, with the Recorder for Madison County, Iowa, to be recorded, and with the Assessor for Madison County, Iowa.

Section 3. That, notwithstanding any resolution, ordinance, plan, amendment, or other documents, the Amendment shall be in full force and effect from the date of this Resolution until the Council amends or repeals the Plan, as amended.

Section 4. That all other provisions of the Plan not affected or otherwise revised by the Amendment are hereby ratified, confirmed, and approved in all respects, and that all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed, to the extent of such conflict.

PASSED AND APPROVED this 14th day of March, 2022.

Jeff Lillie, Mayor

ATTEST:

Mary Sue Hibbs, City Clerk

AMENDMENT NO. 1
TO THE
URBAN REVITALIZATION PLAN
FOR THE
EARLHAM URBAN REVITALIZATION AREA

CITY OF EARLHAM, IOWA

INTRODUCTION

The City of Earlham, Iowa ("City") adopted the Urban Revitalization Plan ("Revitalization Plan" or "Plan") for the Earlham Urban Revitalization Area (the "Revitalization Area" or "Area") by action of the City Council on August 13, 2018. The Plan replaced two prior urban revitalization plans, which had been adopted in 1989 and 2001 and had expired by their own terms on January 1, 1992 and March 12, 2006, respectively. The Plan was adopted to promote the continuation of revitalization of properties in the Area, by providing tax abatement on eligible improvements.

The City is amending the Plan with the adoption of this Amendment No. 1 to the Plan ("Amendment" or "Amendment No. 1") to: (a) add a designation classification for the Revitalization Area; (b) update the Plan's objectives to include commercial development; (c) add an exemption schedule for properties assessed as commercial and as industrial; and (d) modify the exemption schedule for property assessed as multi-residential (given the elimination of the multi-residential property assessment category for assessments imposed on or after January 1, 2022).

Except as modified by this Amendment No. 1, the provisions of the Plan are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided therein. All subsections of the Plan not mentioned in this Amendment shall continue to apply to the Plan and the Area. In case of any conflict or uncertainty, the terms of this Amendment No. 1 shall control and any parts of the Plan in conflict with this Amendment No. 1 are hereby repealed.

AMENDMENTS TO PLAN

This Amendment makes the following changes to the Plan:

1. The City originally designated the Revitalization Area as a revitalization area under the criteria of Iowa Code Section 404.1(2). With the adoption of this Amendment No. 1, the City is also designating the Revitalization Area under the criteria of Iowa Code Section 404.4. Accordingly, the "Designation Criteria" section of the Plan is hereby replaced in its entirety with the following:

DESIGNATION CRITERIA

Chapter 404 provides that the City Council may designate an area of the City as a revitalization area, if that area meets any of the criteria set forth in Section 404.1. Section 404.1(2) and Section 404.1(4) provide the following criteria, respectively:

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."

4. "An area which is appropriate as an economic development area as defined in Section 403.17." [Section 403.17(10) provides that "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.]

In accordance with Section 404.1(2) of the *Code of Iowa*, the City Council has designated the Revitalization Area as a blighted area, based on the finding of the following conditions in the Area:

- A substantial number of deteriorated and deteriorating structures,
- Unsanitary or unsafe conditions,
- Defective and inadequate street layout, and
- The existence of conditions which endanger life or property, and which substantially impairs the sound growth of the City, retards the provision of housing accommodations and constitutes an economic and social liability and is a menace to the public health, safety or welfare in its present condition and use.

Existing conditions in the Area, as surveyed in July 2016 as part of a blight assessment resulting in a final report issued January 2018, are consistent with the criteria necessary to verify a finding of blight pursuant to Section 404.1(2) of the *Code of Iowa*.

Additionally, with the adoption of Amendment No. 1 to the Plan, the City Council has designated the Revitalization Area as an area which is appropriate as an economic development area, consistent pursuant to Section 404.1(4) of the *Code of Iowa*.

2. The City is amending the Plan to include an exemption for properties in the Area that are assessed as commercial and as industrial. Accordingly, the <u>first paragraph</u> of the "Objectives" section of the Plan is being amended to include commercial and industrial property objectives and is hereby replaced in its entirety with the following:

<u>OBJECTIVES</u>

This Plan is prepared in conformance with Section 404.1 and Section 404.2 of the *Code of Iowa* for the purpose of providing incentives and outlining procedures to enhance the potential for residential, multi-residential, and commercial development and redevelopment in the City. The primary objectives of this Plan are as follows:

- Encourage rehabilitation of additions to and new construction of residential, commercial, and industrial properties through abatement of taxes on the value of the improvements.

- Improve economic conditions in the Area through blight remediation and by taking steps to enhance the general attractiveness of the Revitalization Area.

- Revitalize the Area and remediate blight through the promotion of new residential, commercial, and industrial construction on vacant land, rehabilitation of existing residential, commercial, and industrial property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

3. The City is amending the Plan to include an exemption for properties in the Area that are assessed as commercial. Accordingly, the "Proposed Land Use" section of the Plan is being amended to include commercial and industrial property objectives and is hereby replaced in its entirety with the following:

PROPOSED LAND USE

The Revitalization Area is proposed for new residential, commercial, and industrial development as well as rehabilitation of and additions to existing residential, commercial, and industrial buildings. These uses are in compliance with the City's Zoning Ordinance.

4. The City is amending the Plan to include an exemption for properties in the Area that are assessed as commercial and as industrial. Accordingly, the "Eligible Improvements" section of the Plan is being amended to include commercial and industrial property and is hereby replaced in its entirety with the following:

ELIGIBLE IMPROVEMENTS

Qualified real estate under this Plan includes all applicable property assessed as residential, commercial, or industrial which is located in the designated Area and to which eligible improvements have been added during the time the Area was so designated. Eligible improvements, as used in this Plan, include rehabilitation of and additions to existing structures and new construction on vacant land or on land with existing structures located within the Area, if the actual value added by improvement satisfies the percent increase requirements in this Plan.

Actual value added by improvements, as used in this Plan, means the actual value added by eligible improvements as of the first year for which the exemption was received according to the tax assessment valuation determined by the Madison County Assessor. In order to be eligible for tax abatement, the increase in the actual value of the structure due to the improvements, must be at least 10% if the property is assessed as residential, and at

least 15% if the property is assessed as commercial or industrial. If more than one structure is located on the property, the 10% or 15% increase applies only to the structure or structures to which the improvements were made. If no structures were located on the property prior to the improvements, any percent increase in actual value added by improvements may qualify. However, increases in taxes because of the increased assessed value for land are not eligible for abatement.

All improvements, in order to be considered eligible, must be completed in conformance with all applicable regulations of the City. No abatement will be allowed unless a building permit has been issued by the City with respect to the project for which the abatement is requested, if a building permit is required for the improvements under City regulations.

5. The City is amending the Plan to include an exemption for properties in the Area that are assessed as commercial or as industrial. The City is also amending the multi-residential exemption schedule to reflect that, for property assessments imposed on or after January 1, 2022, the multi-residential property assessment category will no longer be used. Accordingly, the "Exemptions" section of the Plan is hereby replaced in its entirety with the following:

EXEMPTIONS

Residential

All qualified real estate assessed as residential property is eligible to receive a one hundred percent (100%) exemption from taxation on the actual value added by the eligible improvements. The exemption is for a period of five (5) years.

Commercial or Industrial

All qualified real estate assessed as commercial or industrial is eligible to receive an exemption from taxation on the actual value added by the eligible improvements, under one of the following schedules—to be selected by the applicant upon applying for the exemption:

A) One hundred percent (100%) exemption on the actual value added by the eligible improvements. The exemption is for a period of three (3) years.

B) A declining exemption on the actual value added by the eligible improvements, in an amount equal to a percentage of the actual value added by the eligible improvements, as set forth below. The exemption is for a period of ten (10) years.

i. For the first year, eighty percent (80%)
ii. For the second year, seventy percent (70%)
iii. For the third year, sixty percent (60%)
iv. For the fourth year, fifty percent (50%)
v. For the fifth year, forty percent (40%)
vi. For the sixth year, forty percent (40%)
vii. For the seventh year, thirty percent (30%)
viii. For the eighth year, thirty percent (30%)
ix. For the ninth year, twenty percent (20%)

x. For the tenth year, twenty percent (20%)

Multi-residential (Prior to January 1, 2022)
All qualified real estate assessed prior to January 1, 2022 as commercial property or multi-residential property, if the commercial or multi-residential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, is eligible to receive a one hundred percent (100%) exemption from taxation on the actual value added by the improvements constructed prior to January 1, 2022. The exemption is for a period of five (5) years.

6. For the sake of clarity, the City is amending the section of the Plan labeled "Residential Properties within Urban Renewal Areas" to clarify that the restriction on properties in urban renewal areas applies to all properties in the Revitalization Area, regardless of assessment category. Accordingly, the section of the Plan labeled "Residential Properties within Urban Renewal Areas" is hereby re-named and is replaced in its entirety with the following:

PROPERTIES WITHIN URBAN RENEWAL AREAS

In the future there may exist one or more Urban Renewal Areas (under Chapter 403 of the *Code of Iowa*) within the City establishing a tax increment financing program which is designed to provide incentives for development. Accordingly, a property that, in the determination of the City Council, is within an Urban Renewal Area and is receiving either direct or indirect benefits that were financed through a tax increment financing program, shall not be eligible for tax abatement under this Plan absent specific approval from the City Council. If an application under this Plan is denied by the City Council because the property for which an exemption is requested is within an existing Urban Renewal Area, the owner may reapply for benefits under this Plan for the same property if the property has subsequently been removed from the Urban Renewal Area, provided the property remains in the designated Revitalization Area and all other requirements of this Plan are met.

EFFECTIVE DATE OF AMENDMENT

This Amendment No. 1 shall become effective upon adoption by the City Council ("Effective Date"). The new or modified exemptions contained in this Amendment shall only be available for improvements completed on and after the Effective Date, subject to the terms of the Plan, as amended. Applications submitted under this Plan following the Effective Date shall be eligible to apply only for those exemptions contained in the Plan, as amended by Amendment No. 1, subject to the terms of the Plan, as amended. All exemptions awarded prior to the Effective Date shall continue until their expiration.

The Plan, as amended, shall remain in effect until the City Council terminates and repeals the Plan and designating ordinance under the terms of the Plan and the provisions of Iowa Code Chapter 404.

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF MADISON)

I, the undersigned City Clerk of the City of Earlham, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective city offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this 14th day of March, 2022.

Marysue Hobbs
City Clerk, City of Earlham, State of Iowa

(SEAL)

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