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URBAN REVITALIZATION PLAN

**STORM LAKE
REVITALIZATION AREA**

CITY OF STORM LAKE, IOWA

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**Urban Revitalization 2005 - 2015
Adopted February 2005**

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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 bill 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 403.17. (Section 403.17, Subsection 20: '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.)"
5. "An area or an area designated as appropriate for public improvements related to housing and residential development, or construction of housing and residential development, including single or multi-family housing."

B. DESIGNATION CRITERIA

With the adoption of this plan, the City Council is designating the Storm Lake Revitalization Area, as being qualified under Subsections 4 and 5 of Section 1 of the Act. The area is appropriate for public improvements related to housing and residential development or construction of housing and residential development, including single or multi-family housing. The area is also appropriate as an economic development area for commercial development.

C. DESCRIPTION OF THE AREA

The boundaries of the Storm Lake Revitalization Area (hereinafter referred to as "Area") are described on Exhibit A and illustrated on Exhibit B.

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 commercial and residential development in Storm Lake. Planning goals include revitalizing the area through the promotion of new construction on vacant land and rehabilitation of existing property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

E. EXISTING ZONING

Zoning classifications in the revitalization district include:

ZONING DISTRICTS

AG	Agricultural
RR	Rural Residential
R-1	Single Family
R-2	Single Family – Urban Density
R-3	Urban Family Residential
R-4	Multiple Family Residential
LC	Limited Commercial
CC	Community Commercial
CBD	Central Business
HC	Highway Commercial
LI	Limited Industrial
GI	General Industrial

OVERLAY DISTRICTS

PUD	Planned Unit Development
MU	Mixed Use
ED	Environmental Resource
HD	Historic
IR	Industrial Reuse

F. EXISTING LAND USE

Existing land use categories are the same as the assessment classifications identified in Exhibit C.

G. PROPOSED LAND USE

The revitalization area is proposed for new and expanded commercial and residential development in those areas that comply with the City's Zoning Ordinance.

H. CITY SERVICES

Plans to improve City services in the revitalization area are outlined in the Storm Lake 5-year Capital Improvement Plan and include approximately \$6,440,000 for infrastructure and facilities improvements.

I. ELIGIBLE IMPROVEMENTS

Eligible property improvements, as used in this plan, include rehabilitation and additions to any 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 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 20%.

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

That portion of the City which is located south of Richland Avenue and east of Flint Drive is in an Urban Renewal Area and the tax abatement program is not available in this area.

J. TIME FRAME

The area shall be eligible for tax abatement under the revitalization plan until January 1, 2015. 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 City 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 one hundred percent (100%) exemption from taxation on the first seventy-five thousand dollars (\$75,000) of actual value added by the improvements. The exemption is for a period of five (5) years.

Commercial

All qualified real estate assessed as commercial property is eligible to receive a fifty percent (50%) exemption 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 up to 2 years after February 1 of the assessment year for which the exemption is first claimed. Applications are available at City Hall.

M. APPLICATION REVIEW

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.

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

The City currently has a 2004 CDBG single-family, owner-occupied housing rehabilitation program, which projects the rehabilitation of 10 units.

It is not the intention of the City of Storm Lake to prohibit the use of other appropriate federal or state revitalization or incentive programs within the area.

O. AGREEMENT TO INCLUDE AGRICULTURAL LAND

Because some of the area included in the Storm Lake Revitalization District is land that is being used for agricultural purposes as defined by Iowa Code Section 403.17(3), the property owners must agree to allow the City to include real property defined as "Agricultural Land" in the Urban Revitalization Area.

P. 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 Storm Lake Revitalization Area. However, if activities resulting from a property owner's action to qualify for a tax exemption will result in a relocation or displacement, the following shall apply:

Upon application for and verification of eligibility for tax abatement to a property owner by the City, qualified tenants in designated areas whose displacement was due to action on the part of a property owner to qualify for said tax abatement under this plan shall be compensated by the property owner for one month's rent and for actual reasonable moving and related expenses. Qualified tenant, as used in this plan, shall mean the legal occupant of a building unit which is located within a designated revitalization area and who has occupied the same building continuously since one year prior to the City's adoption of this plan.

Q. OWNERS OF RECORD AND EXISTING ASSESSED VALUATIONS

Exhibit D, which includes 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 on file for public inspection at City Hall.

EXHIBIT A

DESCRIPTION

The Storm Lake Urban Revitalization District includes the entire area within the corporate limits as of the effective date of the Plan, except that part of the City that is located south of Richland Avenue and east of Flint Drive. The excepted area has been designated as an Urban Renewal Area and is not included in the Storm Lake Urban Revitalization Area.

RESOLUTION DECLARING NECESSITY

(on file at City Hall)

EXHIBIT D

OWNERS OF RECORD

(on file at City Hall)

ORDINANCE NO. 23-O-2004-2005

**AN ORDINANCE DESIGNATING THE STORM LAKE
URBAN REVITALIZATION AREA IN THE CITY OF
STORM LAKE, IOWA**

WHEREAS, Chapter 404 of the Code of Iowa, the "Act", authorizes cities by ordinance to designate revitalization areas if such areas meet the criteria of the Act and if the City completes the procedural requirements of the Act; and

WHEREAS, pursuant to the Act, this Council did, by resolution, adopt an urban revitalization plan for the City of Storm Lake, Iowa, said area having been heretofore designated on February 21, 2005.

WHEREAS, the area so designated has heretofore been found to meet the criteria of Section I of the Act; and

WHEREAS, the revitalization of the area so described will enhance the rehabilitation and redevelopment of the area resulting in the improvement of public health, safety and welfare of the residents of the City; and

WHEREAS, pursuant to the Act, the City has caused to be prepared and adopted a plan for the revitalization of the area; and

WHEREAS, pursuant to the provisions of the Act, the City has held a public hearing on the proposed plan for said revitalization area; and

WHEREAS, notice of the public hearing was published at least 30 days prior to the date of the hearing and notice by ordinary mail was sent to the last known address of the owners of record within the revitalization area as well as to the "occupants" of the addresses located within the proposed area; and

WHEREAS, more than 30 days have passed from the first hearing and no petitions or requests have been made requesting a second public hearing; and

WHEREAS, pursuant to the provisions of the statute, the City has adopted the proposed plan for said revitalization area on February 21, 2005;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF STORM LAKE, IOWA:**

Section 1. That in accordance with Chapter 404 of the Code of Iowa, and in consideration of the restrictions set forth in the preamble hereof, the area described as:

The Storm Lake Urban Revitalization District includes the entire area within the corporate limits as of the effective date of the Plan, except that part of the City that is located south of Richland Avenue and east of Flint Drive. The

excepted area has been designated as an Urban Renewal Area and is not included in the Storm Lake Urban Revitalization Area.

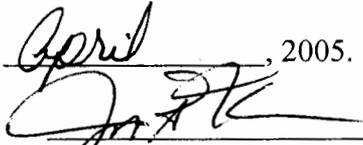
be and the same is hereby designated as a revitalization area under the Act, which shall be known as the Storm Lake Urban Revitalization Area of the City of Storm Lake, Iowa.

Section 2. That all ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 3. That if any section, provision or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

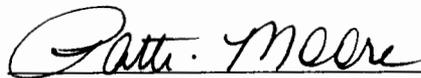
Section 4. This ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this 4th day of April, 2005.



Jon F. Kruse, Mayor

ATTEST:



City Clerk