

Chapter 4-8

TAX EXEMPTION FOR SPECULATIVE SHELL BUILDINGS

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Section 4-8-1 **Definitions**

a. (1) "Community Development Organization" means an organization, which meets the membership requirements of subparagraph (2), formed within the City of Storm Lake or Buena Vista County or a multi-community group for one or more of the following purposes:

- (a) To promote, stimulate, develop and advance the business prosperity and economic welfare of the community, area or region and its citizens.
- (b) To encourage and assist the location of new business and industry.
- (c) To rehabilitate and assist existing business and industry.
- (d) To stimulate and assist in the expansion of business activity.

(2) For purposes of this definition, a community development organization must have at least fifteen (15) members with representation from the following:

- (a) A representative from government at the level or levels corresponding to the community development organization's area of operation.
- (b) A representative from a private sector lending institution.
- (c) A representative of a community organization in the area.
- (d) A representative of business in the area.
- (e) A representative of private citizens in the community, area or region.

b. "New Construction" means new buildings or structures and includes new buildings or structures which are constructed as additions to existing buildings or structures. "New construction" also includes reconstruction or renovations of an existing building or structure (to the extent of value added) which constitutes complete replacement of an existing building or structure or refitting of an existing building or structure, if the reconstruction or renovation of the existing building or structure is required due to economic obsolescence, if the reconstruction or renovation is necessary to implement recognized industry standards for the manufacturing or processing of products, and the reconstruction or renovation is required in order to competitively manufacture or process products or for community development organizations to market a building or structure as a speculative shell building, which determination must receive prior

approval from the City Council.

c. "Speculative Shell Building" means a building or structure owned and constructed or reconstructed by a community development organization without a tenant or buyer for the purpose of attracting an employer or user which will complete the building to the employer's or user's specification for manufacturing, processing, or warehousing the employer's or user's product line.

(Ord. 06-O-97-98, Add, 11/17/1997)

Section 4-8-2 Purpose

The City Council, by this Chapter, and pursuant to the authority of Section 427. 1(27) Code of Iowa approves of exemption from property taxation as provided herein for all new construction of speculative shell buildings by community development organizations for speculative purposes or the portion of value added to buildings being reconstructed renovated by community development organizations in order to become speculative shall buildings.

(Ord. 06-O-97-98, Add, 11/17/1997)

Section 4-8-3 Amount of Exemption

The actual value added to the prior value of the same real estate is eligible to receive an exemption for taxation beginning with the year in which the building is first assessed for property taxation or the assessment year in which the reconstruction or renovation first adds value and all subsequent years until the property is leased or sold. If any portion of the shell building is leased or sold, the portion of the shell building which is leased or sold shall not be entitled to an exemption for subsequent years.

(Ord. 06-O-97-98, Add, 11/17/1997)

Section 4-8-4 Exemption Effective

The exemption shall be effective for the assessment year in which the speculative shell building is first assessed for property taxation or the assessment year in which the reconstruction or renovation first adds value. Eligibility for an exemption as a speculative shell building shall be determined as of January 1, of the assessment year.

(Ord. 06-O-97-98, Add, 11/17/1997)

Section 4-8-5 Application for Exemption

An application shall be filed for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the city clerk of the City of Storm Lake, Iowa, and with the Buena Vista County Assessor by February 1 of the assessment year in which the value added is first assessed for taxation. Applications for exemption shall be made on forms prescribed by the Director of Revenue and shall contain information pertaining to the nature of the improvement, its cost, and any other information deemed necessary by the Director of Revenue.

(Ord. 06-O-97-98, Add, 11/17/1997)

Section 4-8-6 Industrial Property Exemption

Upon the sale of the shell building, the shell building shall be considered new construction of the purposes of Chapter 4-2 of the Municipal Code of Storm Lake, Iowa, if used for purposes set forth in Chapter 4-2.

(Ord. 06-O-97-98, Add, 11/17/1997)