

RESOLUTION NO. 54-R-2023-2024

**RESOLUTION ADOPTING THE AMENDED AND RESTATED
STORM LAKE URBAN REVITALIZATION PLAN FOR THE
STORM LAKE URBAN REVITALIZATION AREA**

WHEREAS, pursuant to the provisions of Iowa Code Chapter 404, in February 2005, the City of Storm Lake, Iowa (the "City") adopted the Storm Lake Urban Revitalization Plan (the "Original Plan") for the Storm Lake Urban Revitalization Area (the "Revitalization Area" or "Area"), which Revitalization Area was subsequently designated by ordinance; and

WHEREAS, the Original Plan was subsequently amended by an Amendment No. 1 to the Original Plan adopted on March 3, 2014, an Amendment No. 2 to the Original Plan adopted on November 5, 2018, and an Amendment No. 3 to the Original Plan adopted on April 19, 2021 (the "Amendments"); and

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

WHEREAS, a proposed Amended and Restated Storm Lake Urban Revitalization Plan ("Amended and Restated Plan" or "Plan") has been prepared, the purpose of which is to consolidate the Original Plan and the Amendments into a single document and to amend the Plan's provisions to reflect recent legislative changes to Iowa Code Chapter 404 that take effect on July 1, 2024; and

WHEREAS, after published notice was given, as required by law, the City Council held a public hearing on May 20, 2024, on the Amended and Restated Plan and considered all objections, comments, and evidence presented.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF STORM LAKE, 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 Amended and Restated Plan.

Section 2. That the proposed Amended and Restated Plan is adopted in the form attached as Exhibit 1 to this Resolution; the City Clerk is hereby directed to file a certified copy of the Amended and Restated Plan and this Resolution with the County Assessor.

Section 3. That all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed, to the extent of such conflict.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 20th day of May, 2024



Michael Porsch, Mayor

ATTEST:



Nelda Kirkholm, Deputy City Clerk

EXHIBIT 1

**AMENDED AND RESTATED
STORM LAKE
URBAN REVITALIZATION PLAN**

FOR THE

STORM LAKE URBAN REVITALIZATION AREA

CITY OF STORM LAKE, IOWA

2024

**AMENDED AND RESTATED
STORM LAKE URBAN REVITALIZATION PLAN
FOR THE
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CITY OF STORM LAKE, IOWA

I. INTRODUCTION AND HISTORY

The Urban Revitalization Act, Chapter 404 of the *Code of Iowa*, is intended to encourage development, redevelopment, and revitalization within a designated area of a city by authorizing property tax development incentives to the private sector. Qualified real estate within a 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 act 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.

The City Council of the City of Storm Lake, Iowa (the “City”) has previously adopted the Storm Lake Urban Revitalization Plan (the “Original Plan”) to establish an urban revitalization area within the City under the provisions of Iowa Code Chapter 404, known as the Storm Lake Urban Revitalization Area (the “Area” or “Revitalization Area”). The Original Plan was adopted by Resolution of the City Council on February 21, 2005 and was subsequently amended by an Amendment No. 1 to the Original Plan adopted on March 3, 2014, an Amendment No. 2 to the Original Plan adopted on November 5, 2018, and an Amendment No. 3 to the Original Plan adopted on April 19, 2021.

The City is now adopting this Amended and Restated Storm Lake Urban Revitalization Plan (the “Amended and Restated Plan” or “Plan”) in order to consolidate the Original Plan and the prior amendments into a single document and to update the Plan’s provisions to reflect recent legislative changes to Iowa Code Chapter 404, which are scheduled to take effect on July 1, 2024.

Upon adoption of this Amended and Restated Plan, this Amended and Restated Plan shall replace the Original Plan, as previously amended. In case of any conflict or uncertainty, the terms of this Amended and Restated Plan shall control. Any parts of the Original Plan, as previously amended, in conflict with this Amended and Restated are hereby repealed.

II. DESCRIPTION OF REVITALIZATION AREA

The Revitalization Area includes all real property within the City’s corporate limits and any property annexed into the City as of the effective date of its annexation to the City. A map of the Revitalization Area, as of the Amended and Restated Plan’s effective date, is attached hereto as Exhibit A.

The City may amend the land included in the Revitalization Area by adoption of future amendments to this Plan and by the adoption of additional designating ordinances or the repeal of existing designating ordinances.

III. DESIGNATION OF REVITALIZATION AREA

Iowa Code 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 Iowa Code Section 404.1. The City has previously designated the Revitalization Area as an urban revitalization area under the criteria of Section 404.1(4) and Section 404.1(5), which respectively provide the following criteria:

4. “An area which is appropriate as an economic development area as defined in section 403.17.” [Iowa Code 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.]
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.”

With the adoption of this Amended and Restated Plan, the City Council affirms that the rehabilitation, conservation, redevelopment, economic development, or a combination thereof, of the Revitalization Area, is necessary in the interest of the public health, safety, and welfare of the residents of the City and that the Revitalization Area substantially meets the criteria established in Section 404.1 of the *Code of Iowa* for a revitalization area.

IV. EXISTING ZONING

Existing zoning classifications of the property within the Area include:

RES — Reserve
R-1 — Low Density Residential
R-2 — Low Medium Density Residential
R-3 — Medium Density Residential
R-4 — High Density Residential
IN-1 — Public Services
IN-2 — Institutional Facilities
IN-3 — Hospital Medical Facilities
PO — Park, Recreation and Open Space
LC — Limited Commercial
CC — Community Commercial
CBD — Central Business District
LI — Limited Industrial
GI — General Industrial

The City’s zoning ordinance(s) and a detailed zoning map are available for public inspection at City Hall.

V. EXISTING AND PROPOSED LAND USE

Existing land use categories are the same as the zoning classifications described above.

New and expanded commercial, industrial, and residential development, including improvements to and revitalization of existing commercial, industrial, and residential structures, is proposed for the Revitalization Area, in accordance with the City's zoning ordinance(s) and the City's Comprehensive Plan.

VI. PROPOSALS FOR EXPANDING CITY SERVICES

No extensions or upgrades to existing municipal services or infrastructure are currently planned as part of this Plan. As development and redevelopment within the Revitalization Area warrants, municipal services within the Revitalization Area will be expanded and improved, as needed and as financially feasible, to serve new and expanded development.

VII. ELIGIBLE IMPROVEMENTS

The Plan is applicable to all of the property in the Revitalization Area assessed as residential, commercial, or industrial ("Eligible Property").

Improvements to Eligible Property, including rehabilitation and additions to any existing buildings on Eligible Property and new construction of buildings on vacant Eligible Property or on Eligible Property with existing buildings, which increase the actual assessed value of the Eligible Property by at least ten percent (10%) for Eligible Property are "Qualifying Improvements" under this Plan.

"Actual Value Added by the Qualifying Improvements" or "Actual Value Added," as used in this Plan, means the actual value added by Qualifying Improvements to the assessed value of the Eligible Property as of the first year for which the exemption is received.

All Qualifying Improvements, in order to be considered eligible for tax abatement, must be completed in conformance with all applicable ordinances and regulations for the City and must be completed during the time the Eligible Property was designated as a revitalization area (under this Amended and Restated Plan or under the Original Plan).

VIII. TIME FRAME

Revitalization activities in the Revitalization Area shall be eligible under this Plan until the City repeals or amends the ordinance(s) establishing the Revitalization Area, or repeals or amends the exemption benefits contained in this Plan.

If at any time, 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 exemptions granted in the Plan would cease to be of benefit to the City, then, pursuant to Iowa Code Section 404.7, the City Council may repeal the ordinance(s) designating the Revitalization Area, or any portion of the Revitalization Area. Following the repeal of the ordinance(s) designating the Revitalization Area,

all previously approved exemptions shall continue until their expiration. The City reserves the right to extend, amend, terminate, or repeal the Plan and/or the designating ordinances to the extent allowed by law.

IX. EXEMPTIONS

The following exemption schedules are available under this Plan for Eligible Properties located within the Revitalization Area to which Qualifying Improvements are made:

Residential Property

All Eligible Property 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 the Actual Value Added by Qualifying Improvements; provided, however, that the exemption from taxation shall not apply to property tax levies imposed by a school district for applications submitted on or after July 1, 2024, as and to the extent required by Iowa Code Section 404.3D. The exemption is for a period of five (5) years.

Multi-Residential Property (3+ Separate Dwelling Units)

All Eligible Property assessed as residential property under Iowa Code Section 441.21(14)(a)(6), having three or more separate dwelling units, is eligible to receive a one hundred percent (100%) exemption from taxation on the Actual Value Added by Qualifying Improvements; provided, however, that the exemption from taxation shall not apply to property tax levies imposed by a school district for applications submitted on or after July 1, 2024, as and to the extent required by Iowa Code Section 404.3D. The exemption is for a period of ten (10) years.

This exemption is available for this particular subset of residential property in lieu of the general residential property exemption set forth above, and is made available to further the City's planning objectives with respect to ensuring the availability of a variety of housing options and promoting the development of multi-family residential properties.

Commercial Property

All Eligible Property assessed as commercial property is eligible to receive an exemption from taxation on the Actual Value Added by Qualifying Improvements under one of the following exemption schedules. The property owner shall identify which exemption schedule is selected on the application submitted to the City.

- A. A one hundred percent (100%) exemption from taxation on the Actual Value Added by Qualifying Improvements. The exemption is for a period of three (3) years.
- B. An exemption from taxation on a percentage of the Actual Value Added by Qualifying Improvements, over a period of ten (10) years, exempting the following percentage of the Actual Value Added by Qualifying Improvements in the respective year of the schedule:

Year 1 - 80%	Year 6 - 40%
Year 2 - 70%	Year 7 - 30%
Year 3 - 60%	Year 8 - 30%
Year 4 - 50%	Year 9 - 20%
Year 5 - 40%	Year 10 - 20%

Abandoned Property

All Eligible Property determined to be abandoned property pursuant to Iowa Code Section 404.3B (meeting the definition of “abandoned” in Iowa Code Section 657A.1) shall be eligible to receive a one hundred percent (100%) exemption from taxation on the Actual Value Added by Qualifying Improvements; provided, however, for properties assessed as residential, the exemption from taxation shall not apply to property tax levies imposed by a school district for applications submitted on or after July 1, 2024, as and to the extent required by Iowa Code Section 404.3D. The exemption is for a period of five (5) years.

X. APPLICATION PROCEDURES

Property owners must file an application, on the form provided by the City, for each new exemption claimed. The application shall be filed by the property owner with the City Council by February 1 of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, or the following two assessment years. The application shall contain, but is not limited to the following information:

- The nature of the improvement(s);
- The cost of the improvement(s);
- Estimated or actual completion date of the improvement(s);
- The tenants that occupied the property on the date the City adopted the resolution adopting the Original Plan, if known; and
- Identification of which exemption option the property owner is applying for under this Plan.

Additional Requirement for Properties Assessed as Commercial: Property owners submitting applications on or after July 1, 2024 for improvements to property assessed as commercial must also enter into a written assessment agreement with the City, in substantially the form attached as Exhibit B, specifying a minimum actual value for the completed improvements, consistent with and to the extent required by the provisions of Iowa Code Section 404.3C in effect at the time the application is submitted to the City.

Property 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 under this Plan.

XI. APPLICATION REVIEW

The City Council shall, subject to review by the County Assessor, approve all applications submitted for approval if:

1. The project, as determined by the City Council, is in conformance with this Plan and all other requirements of City Code, including, but not limited to, zoning and building code requirements; and
2. The project is located within the Revitalization Area; and
3. The improvements were made during the time the Revitalization Area was so designated.

The City Council will determine which exemption is applicable to the project (if any), subject to review by the County Assessor, based upon the terms of the Plan in effect when the application is reviewed and approved by the Council.

All approved applications shall be forwarded to the County Assessor by March 1 for review, pursuant to Iowa Code Section 404.5. 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 the provisions of the Iowa Code. 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.

XII. OTHER SOURCES OF REVITALIZATION FUNDS

The City is not aware of a federal, state, or private grant or loan program that is permanently a source of funding for residential improvements in the Revitalization Area. However, it is not the intention of the City to prohibit the use of any other appropriate federal or state revitalization or incentive programs within the Revitalization Area. The City Council encourages all property owners to investigate other public and private funding sources for improvements to real property, and to apply to those sources which are applicable to the types of improvements being proposed.

XIII. 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 Revitalization Area. However, if the relocation or displacement of a qualified tenant results from a property owner's action to qualify for a tax exemption under this Plan, upon the City's verification of such relocation or displacement, the City may require the property owner to compensate the qualified tenant for at least one month's rent and actual relocation expenses. A "qualified tenant" means the legal occupant of a residential

dwelling unit which is located within the designated Revitalization Area and who has occupied the same dwelling unit continuously since one year prior to the adoption of the Original Plan.

XIV. ASSESSED VALUATIONS AND OWNERS OF RECORD

Listings of the names and addresses of the owners of record for all real estate in the Revitalization Area, along with the assessed valuations stated separately for land and buildings for the real estate, as of the adoption dates of the Original Plan, are maintained in the office of the City Clerk.

XV. LIMITATION TO ELIGIBILITY FOR PROPERTY IN URBAN RENEWAL AREA

The City has one or more urban renewal areas that may overlap with the Revitalization Area and, in the future, may establish additional urban renewal areas that overlap with the Revitalization Area. The City has a tax increment financing program within these urban renewal areas that 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.

XVI. SEVERABILITY

If any part of the Amended and Restated Plan is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted urban revitalization plans as a whole or any part of the previously adopted urban revitalization plans, prior amendments to revitalization plans, or the Amended and Restated Plan not determined to be invalid or unconstitutional.

XVII. EFFECTIVE DATE

This Amended and Restated Plan shall be effective upon the approval of a resolution by the City Council adopting the Amended and Restated Plan ("Effective Date").

Applications submitted under this Plan following the Effective Date shall be eligible to apply only for those exemptions contained in this Amended and Restated Plan, subject to the terms of the Plan. All exemptions awarded prior to the Effective Date shall continue until their expiration.

EXHIBIT A
MAP OF REVITALIZATION AREA
(as of Amended and Restated Plan's adoption)



4/29/2024, 4:14:25 PM

 City Limits

