

URBAN REVITALIZATION PLAN

MARCUS, IOWA

Adopted by Marcus City Council
November 13, 2017

PREPARED BY
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EXHIBITS

1. Marcus Urban Revitalization District map
2. Marcus Zoning Map
3. Marcus land use map
4. Resolution to adopt the Marcus Urban Revitalization Plan and District
5. Existing Assessed Valuations
 - a. Valuations of real estate in the Plan and District List of names and addresses of the owners of record of real estate within the District

URBAN REVITALIZATION

OVERVIEW

In 1979, the Iowa legislature enacted the Urban Revitalization Act giving Iowa cities the authority to designate an area or areas of the city as “urban revitalization areas”. 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, with the goal of providing communities with a long-term increase or stabilization in the local tax base by encouraging new construction which might not otherwise occur. The following referenced chapters and sections are the Code of Iowa.

Section 404.1 ‘Area established by city or county’

Iowa Code Section 404.1 ‘Area established by city or county’ provides that the City Council may by ordinance; 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.” (Iowa Code 2016, Chapter 404)
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 the 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.” (Iowa Code 2016, Chapter 404)
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.” (Iowa Code 2016, Chapter 404)
 4. “An area, which is appropriate as an economic development area as defined in section 403.17. Urban Renewal Definitions ” as follows: (Iowa Code 2016, Chapter 404)
 - a. 403.17. Urban Renewal Definitions 10. “Economic development area” means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises, public improvements related to housing and residential development, or construction of housing and residential development for low and moderate income families, including single or multifamily housing. If an urban renewal plan for an urban renewal area is based upon a finding that the area is an economic development area and that no part contains slum or blighted conditions, then the division of revenue provided in section 403.19 and stated in the plan shall be limited to twenty years from the calendar year following the calendar year in which the municipality first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in section 403.19. Such designated area shall not include agricultural land, including land which is part of a century farm, unless the owner of the agricultural land or century farm agrees to include the agricultural land or century farm in the urban renewal area. For the purposes of this subsection, “century farm” means a farm in which at least forty acres of such farm have been held in continuous ownership by the same family for one hundred years or more. (Iowa Code 2016, Chapter 403)
 5. An area designated as appropriate for public improvements related to housing and residential development, or construction of housing and residential development, including single or multifamily housing.” (Iowa Code 2016, Chapter 404)

HISTORY OF URBAN REVITALIZATION IN CITY OF MARCUS

City of Marcus adopted an Urban Revitalization Plan in 2007. The Plan designated the entire City as an Urban Revitalization area. In 2007, the City identified the business park as an urban revitalization area under Iowa Code §404.1. This 2017 plan designates all property within the Marcus City boundary as an Urban Revitalization Area as depicted in Exhibit 1 District Map.

URBAN REVITALIZATION DISTRICT

The Marcus Urban Revitalization District (hereafter referred to as “District”) includes the entire area within the corporate boundaries of the City of Marcus. A map of the designated Area is attached as Exhibit 1.

Legal Description

The Marcus Urban Revitalization District is the city limits of Marcus City in Cherokee County, State of Iowa.

URBAN REVITALIZATION PLAN

REQUIRED PLAN ELEMENTS

The 2016 Iowa Code Section 404.2 Conditions Mandatory states the following list of required urban revitalization plan elements. The proposed plan shall include all of the following:

- a.* A legal description of the real estate forming the boundaries of the proposed area along with a map depicting the existing parcels of real estate.
- b.* The existing assessed valuation of the real estate in the proposed area, listing the land and building values separately.
- c.* A list of names and addresses of the owners of record of real estate within the area.
- d.* The existing zoning classifications and district boundaries and the existing and proposed land uses within the area.
- e.* Any proposals for improving or expanding city or county services within the area including but not limited to transportation facilities, sewage, garbage collection, street maintenance, park facilities and police and fire protection.
- f.* A statement specifying whether the revitalization is applicable to none, some, or all of the property assessed as residential, multiresidential, agricultural, commercial, or industrial property within the designated area or a combination thereof and whether the revitalization is for rehabilitation and additions to existing buildings or new construction or both. If revitalization is made applicable only to some property within an assessment classification, the definition of that subset of eligible property must be by uniform criteria which further some planning objective identified in the plan. The city shall state how long it is estimated that the area shall remain a designated revitalization area which time shall be longer than one year from the date of designation and shall state any plan by the city to issue revenue bonds for revitalization projects within the area. For a county, a revitalization area shall include only property which will be used as industrial property, commercial property, multiresidential property, or residential property. However, a county shall not provide a tax exemption under this chapter to commercial property, multiresidential property, or residential property which is located within the limits of a city.
- g.* The provisions that have been made for the relocation of persons, including families, business concerns and others, whom the city or county anticipates will be displaced as a result of improvements to be made in the designated area.
- h.* Any tax exemption schedule authorized in section 404.3, subsection 5, that shall be used in lieu of the schedule set out in section 404.3, subsection 1, 2, 3, or 4. In the case of a county, the tax schedules used shall only be applicable to property of the type for which the revitalization area is zoned at the time the county designates the area a revitalization area.
- i.* The percent increase in actual value requirements that shall be used in lieu of the fifteen and ten percent requirements specified in section 404.3, subsection 8 and in section 404.5. This percent increase in actual value requirements shall not be greater than that provided in this chapter and shall be the same requirements applicable to all existing revitalization areas.
- j.* A description of any federal, state or private grant or loan program likely to be a source of funding for that area for residential improvements and a description of any grant or loan program which the city or county has or will have as a source of funding for that area for residential improvements.

ELIGIBILITY REQUIREMENTS

Eligibility includes all qualified real estate as stated below in 2016 Iowa Code Section 404.3.8 and with all subsequent amendments until expiration of this urban revitalization plan.

404.3.8. “Qualified real estate” means real property, other than land, which is located in a designated revitalization area and to which improvements have been added, during the time the area was so designated, which have increased the actual value by at least the percent specified in the plan adopted by the city or county pursuant to section 404.2 [Plan adoption] or if no percent is specified then by at least fifteen percent, or at least ten percent in the case of real property assessed as residential property or which have, in the case of land upon which is located more than one building and not assessed as residential property, increased the actual value of the buildings to which the improvements have been made by at least fifteen percent. “*Qualified real estate*” also means land upon which no structure existed at the start of the new construction, which is located in a designated revitalization area and upon which new construction has been added during the time the area was so designated.

“Improvements” as used in this chapter includes rehabilitation and additions to existing structures as well as new construction on vacant land or on land with existing structures. However, new construction on land assessed as agricultural property shall not qualify as “*improvements*” for purposes of this chapter unless the governing body of the city or county has presented justification at a public hearing held pursuant to section 404.2 for the revitalization of land assessed as agricultural property by means of new construction. Such justification shall demonstrate, in addition to the other requirements of this chapter and section 419.17, that the improvements on land assessed as agricultural land will utilize the minimum amount of agricultural land necessary to accomplish the revitalization of the other classes of property within the urban revitalization area. However, if such construction, rehabilitation or additions were begun prior to January 29, 1979, or one year prior to the adoption by the city or county of a plan of urban revitalization pursuant to section 404.2, whichever occurs later, the value added by such construction, rehabilitation or additions shall not constitute an increase in value for purposes of qualifying for the exemptions listed in this section.

“Actual value added by the improvements” as used in this chapter means the actual value added as of the first year for which the exemption was received.

TAX EXEMPTION SCHEDULE

The City of Marcus adopts the following Tax Exemption Schedule as stated below in accordance with 2016 Iowa Code Section 404.3 Bases of tax exemption with all subsequent amendments until expiration of this urban revitalization plan in 2027. Bold text and brackets [] were added to the following language to assist with interpretation of property use and applicable tax exemption.

The owners of qualified real estate eligible for the exemption shall elect to take the applicable exemption in the schedule stated below (authorized by subsection 404.3.5) and adopted by the city. Once the election has been made and the exemption granted, the owner is not permitted to change the method of exemption. Increased valuation by new construction or improvements will be determined by the County Assessor.

Summary Tax Exemption Schedule

Land Use	Tax Exemption Option	
Any Use	1	Partial exemption based on value added for <u>10 years</u> according to: 80% 1 st year 70% 2 nd year 60% 3 rd year 50% 4 th year 40% 5 th year 40% 6 th year 30% 7 th year 30% 8 th year 20% 9 th year 20% 10 th year
	2	100% exemption on value added for <u>3 years</u>
Residential	3	Exemption on 1 st \$75,000 of value added for <u>5 years</u>

404.3 Basis of tax exemption.

1. All qualified real estate [**any use**] is eligible to receive a partial exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:

- a.* For the first year, eighty percent.
- b.* For the second year, seventy percent.
- c.* For the third year, sixty percent.
- d.* For the fourth year, fifty percent.
- e.* For the fifth year, forty percent.
- f.* For the sixth year, forty percent.
- g.* For the seventh year, thirty percent.
- h.* For the eighth year, thirty percent.
- i.* For the ninth year, twenty percent.
- j.* For the tenth year, twenty percent.

2. All qualified real estate [**any use**] is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of three years.

3. 404.3A Residential development area exemption. Notwithstanding the schedules provided for in section 404.3, all qualified real estate assessed as **residential** property in an area designated under section 404.1, subsection 5, is eligible to receive an exemption from taxation on the first seventy-five thousand dollars of actual value added by the improvements. The exemption is for a period of five years.

97 Acts, ch 214, §11, Referred to in §404.3, §419.17

APPLICATION PROCEDURES

An application shall be filed for each new exemption claimed. The property owner must apply to the City of Marcus for an exemption by January 1st 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, in which case the exemption is allowed for the total number of years in the exemption schedule. However, upon the request of the owner at any time, the governing body of the city provides by resolution that the owner may file an application by January 1st of any other assessment year selected by the governing body in which case the exemption is allowed for the number of years remaining in the exemption schedule selected. The application shall contain, but not be limited to, the following:

- * The nature of the improvement
- * Cost of Improvements
- * The estimated or actual date of completion
- * The tenants that occupied the owner's building on the date of the City's adoption of the Urban Revitalization resolution.

PRIOR APPROVAL

Owners may submit a proposal for prior approval for a tax exemption on the project in accordance with 2016 Iowa Code section 404.4 Prior approval of eligibility as stated below and with all subsequent amendments until expiration of this urban revitalization plan.

404.4 Prior approval of eligibility.

1. A person may submit a proposal for an improvement project to the governing body of the city or county to receive prior approval for eligibility for a tax exemption on the project. The governing body shall, by resolution, give its prior approval for an improvement project if the project is in conformance with the plan for revitalization developed by the city or county. 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 governing body to approve or reject.

2. An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the governing body of the city or county in which the property is located 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, in which case the exemption is allowed for the total number of years in the exemption schedule. However, upon the request of the owner at any time, the governing body of the city or county provides by resolution that the owner may file an application by February 1 of any other assessment year selected by the governing body in which case the exemption is allowed for the number of years remaining in the exemption schedule selected. The application shall contain but not be limited to all of the following information:

- a.* The nature of the improvement.
- b.* The cost of the improvement project.
- c.* The estimated or actual date of completion.
- d.* The tenants that occupied the owner's building on the date the city adopted the urban revitalization resolution.
- e.* Which tax exemption in section 404.3 or in the different schedule, if one has been adopted, will be elected.

3. The governing body of the city or county shall approve the application, subject to review by the local assessor pursuant to section 404.5, if the project is in conformance with the plan for revitalization developed by the city or county, is located within a designated revitalization area, and if the improvements were made during the time the area was so designated. The governing body of the city or county shall forward for review all approved applications to the appropriate local assessor by March 1 of each year with a statement indicating whether section 404.3, subsection 1, 2, 3, or 4 applies or if a different schedule has been adopted, which exemption from that schedule applies. Applications for exemption for succeeding years on approved projects shall not be required.

[C81, §404.4] 87 Acts, ch 156, §1; 91 Acts, ch 214, §11; 92 Acts, ch 1191, §2, 4; 2001 Acts, ch 116, §2; 2002 Acts, ch 1151, §1, 36; 2015 Acts, ch 30, §115 Referred to in **§404.5, §419.17**

PHYSICAL REVIEW OF PROPERTY BY COUNTY ASSESSOR

The County Assessor shall review each first-year application by making a physical review of the property in accordance with 2016 Iowa Code section 404.5 as stated below and with all subsequent amendments until expiration of this urban revitalization plan.

404.5 Physical review of property by assessor.

The local assessor shall review each first-year application by making a physical review of the property, to determine if the improvements made increased the actual value of the qualified real estate by at least fifteen percent or at least ten percent in the case of real property assessed as residential property or the applicable percent increase requirement adopted by the city or county under section 404.2. If the assessor determines that the actual value of that real estate has increased by at least the requisite percent, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to section 404.3 to the county auditor at the time of transmitting the assessment rolls. However, if a new structure is erected on land upon which no structure existed at the start of the new construction, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to section 404.3 to the county auditor at the time of transmitting the assessment rolls. The assessor shall notify the applicant of the determination, and the assessor's decision may be appealed to the local board of review at the times specified in section 441.37. If an application for exemption is denied as a result of failure to sufficiently increase the value of the real estate as provided in section 404.3, the owner may file a first annual application in a subsequent year when additional improvements are made to satisfy requirements of section 404.3, and the provisions of section 404.4 shall apply. After the tax exemption is granted, the local assessor shall continue to grant the tax exemption, with periodic physical review by the assessor, for the time period specified in section 404.3, subsection 1, 2, 3 or 4, or specified in the different schedule if one has been adopted, under which the exemption was granted. The tax exemptions for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years.

For the purposes of this section, the actual value of the property upon which the value of improvements in the form of rehabilitation or additions to existing structures shall be determined shall be the lower of either the amount listed on the assessment rolls in the assessment year in which such improvements are first begun or the price paid by the owner if the improvements in the form of rehabilitation or additions to existing structures were begun within one year of the date the property was purchased and the sale was a fair and reasonable exchange between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property.

[C81, §404.5] 91 Acts, ch 214, §11; 92 Acts, ch 1191, §3, 4; 96 Acts, ch 1204, §40, 41 Referred to in **§404.2, §404.4, §419.17**

RELOCATION EXPENSE OF TENANT

Relocation expenses of tenants displaced as part of Urban Revitalization are required in accordance with 2016 Iowa Code section 404.6 as stated below and with all subsequent amendments until expiration of this urban revitalization plan.

404.6 Relocation expense of tenant.

Upon application to it and after verification by it, the city or county shall require compensation of at least one month's rent and may require compensation of actual relocation expenses be paid to a qualified tenant whose displacement is due to action on the part of a property owner to qualify for the benefits under this chapter. However, the city or county may require the persons causing the qualified tenant to be displaced to pay all or a part of the relocation payments as a condition for receiving a tax exemption under section 404.3.

"Qualified tenant" as used in this chapter shall mean the legal occupant of a residential dwelling unit which is located within a designated revitalization area and who has occupied the same dwelling unit continuously since one year prior to the city's or county's adoption of the plan pursuant to section 404.2.

[C81, §404.6] 91 Acts, ch 214, §11 Referred to in **§419.17**

LENGTH OF THE PLAN AND REPEAL OF PLAN

The Marcus Urban Revitalization District shall be eligible for tax exemption under the urban revitalization plan for the next ten (10) full calendar years from and after the date of the adoption of the ordinance, unless, the City Council may repeal the ordinance in accordance with 2016 Iowa Code section 404.7 as stated below and with all subsequent amendments until expiration of this urban revitalization plan.

404.7 Repeal of ordinance.

When in the opinion of the governing body of a city or county the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted by this chapter would cease to be of benefit to the city or county, the governing body may repeal the ordinance establishing a revitalization area. In that event, all existing exemptions shall continue until their expiration.

[C81, §404.7] 91 Acts, ch 214, §11 Referred to in **§419.17**

PLAN AMENDMENTS

In accordance with Iowa State Code Section 404.2 the city may subsequently amend this plan after a hearing. Notice of the hearing shall be published as provided in section 362.3 or 331.305, except that at least seven days' notice must be given and the public hearing shall not be held earlier than the next regularly scheduled city council or board of supervisors meeting following the published notice. A city which has adopted a plan for a revitalization area which covers all property within the city limits may amend that plan at any time, pursuant to this section, to include property which has been or will be annexed to the city. The provisions of the original plan shall be applicable to the property which is annexed and the property shall be considered to have been part of the revitalization area as of the effective date of its annexation to the city.

PROPOSALS FOR EXPANDING CITY SERVICES

The City proposes that, as it becomes financially feasible, the following services will be expanded and improved:

Streets: All streets are currently paved. New streets and improvements to existing streets will be provided as development and maintenance of the area requires it.

Sewage: Adequate sanitary services exist permitting proper servicing of the city. The sanitary sewer system will be expanded as the development of the area requires it.

Water: The current water distribution system is adequate to serve the city. The distribution will be expanded as the development of the area requires it.

Police and Fire Protection: These services are being provided and will be expanded as the development of the area requires them.

EXHIBIT 1 District Map

2017 Marcus Urban Revitalization District Map

The Marcus Urban Revitalization District is the city limits of Marcus City in Cherokee County, State of Iowa.

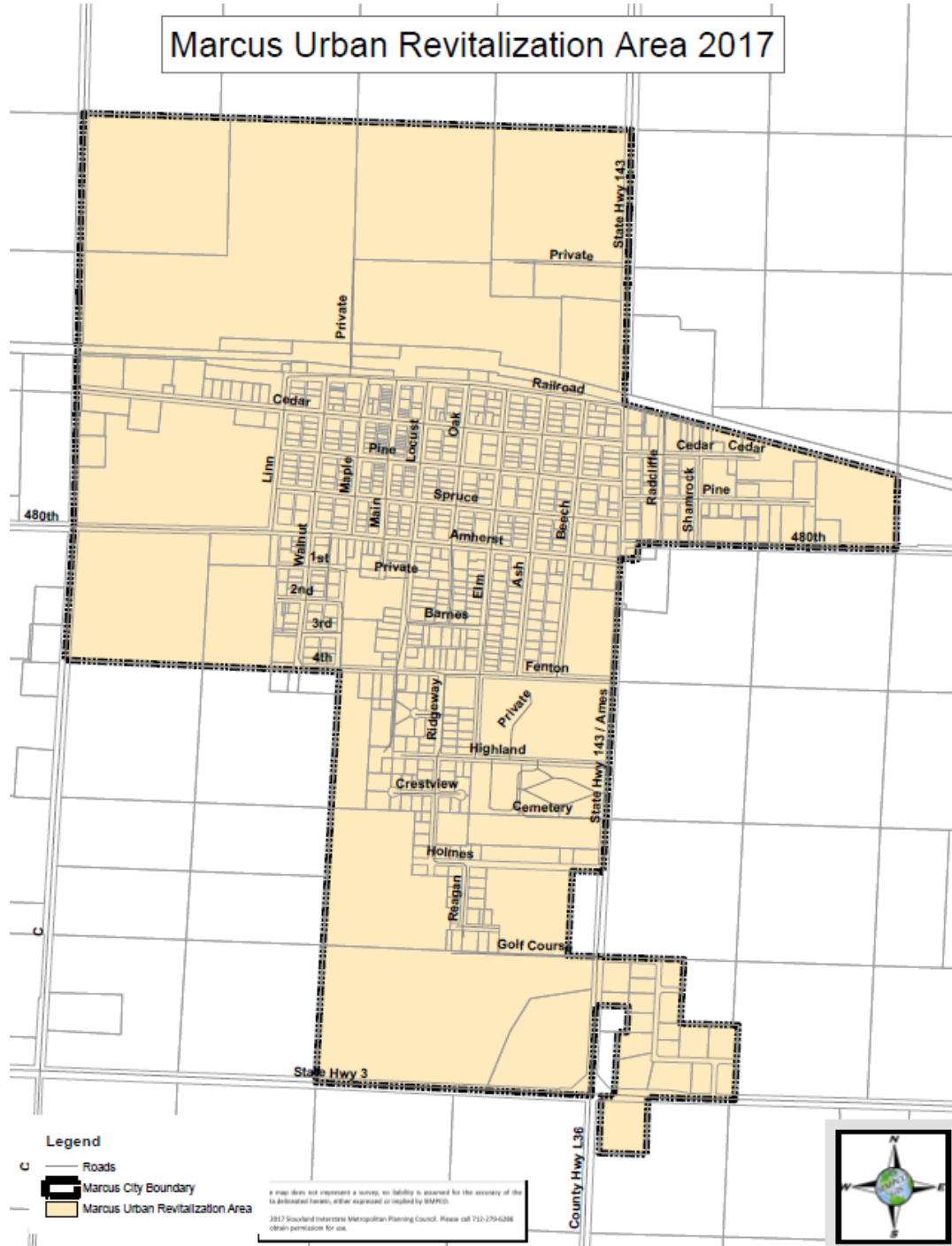
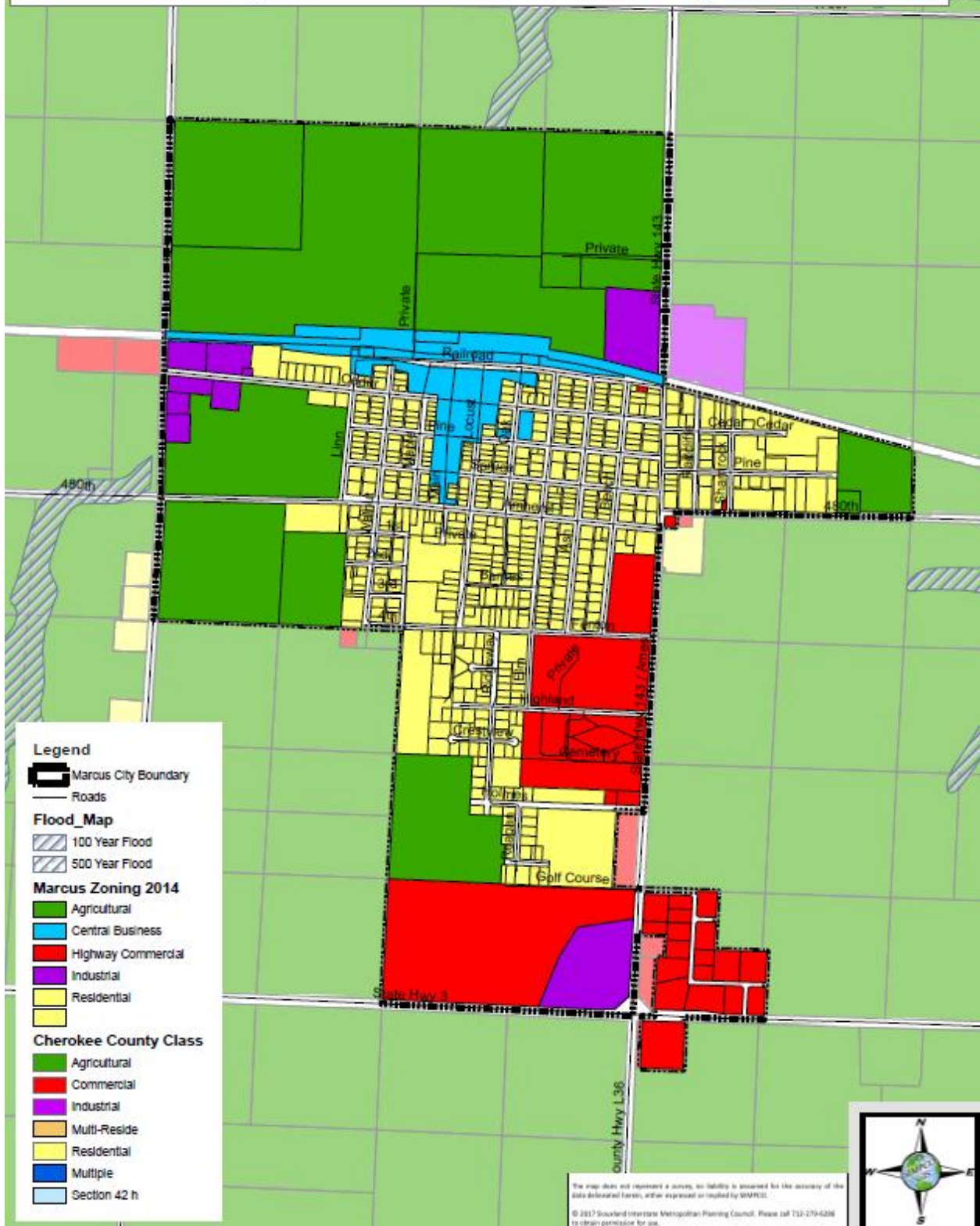


EXHIBIT 2 Marcus zoning map and classifications

Marcus Zoning 2014 and Cherokee County Classification



Official Zoning Map



EXIHIBIT 3 Land Use Map

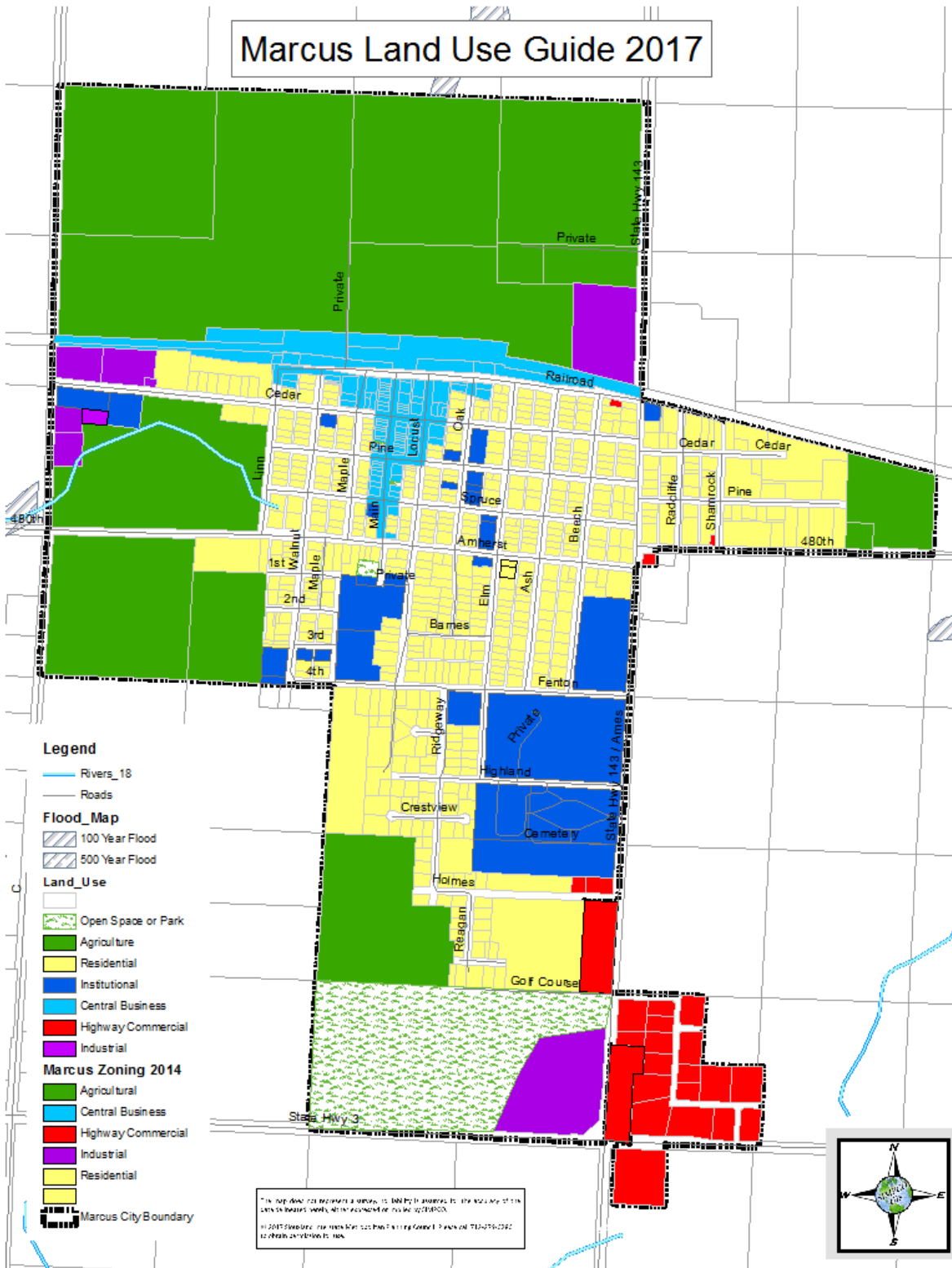


EXHIBIT 4 Draft Resolution to Adopt Plan and District

MARCUS, IOWA

RESOLUTION NO. 2017 - 21

**RESOLUTION ADOPTING THE
MARCUS URBAN REVITALIZATION PLAN AND DISTRICT**

WHEREAS, the adoption of Marcus Urban Revitalization Plan and district is heretofore set for and held on the **13th day of November, 2017**, and that notice of said hearing was published in the Marcus News, and

WHEREAS, the Marcus Urban Revitalization Plan and District encourages redevelopment and revitalization within the Urban Revitalization district.

WHEREAS, the rehabilitation, conservation, redevelopment, economic development, or a combination thereof of the above described area is necessary in the interest of the public health, safety, or welfare of the residents of the city as applicable, and the area substantially meets the criteria of Iowa Code section 404.1.

NOW THEREFORE, BE IT RESOLVED BY Marcus, Iowa, to adopt the Marcus Urban Revitalization Plan and take the necessary steps to implement the plan.

Dated this 13th day of November, 2017



Mayor Gary Husman

ATTEST:



City Clerk Kaitlin Letsche

City of Marcus Public Officials:

- Mayor - Gary Husman
- Bruce Dreckman
- Conrad Ebert
- Beth Enneking
- Harold Klassen
- Matt Schmillen

EXHIBIT 5 Existing Assessed Valuations (Attached)