

CITY OF CRESTON, IOWA
CRESTON URBAN REVITALIZATION PLAN
(2019)

for the

CRESTON
URBAN REVITALIZATION AREA

2019

Creston Urban Revitalization Plan (2019)

A. 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 of Creston (the “City”) has previously adopted an urban revitalization plan. In April 1991, the City adopted the “1991 Urban Revitalization Plan” intended to stimulate residential development in certain parts of the City. In April 2014, the City purported to amend its prior urban revitalization plan, and approved the “Creston Urban Revitalization Plan” providing a tax exemption for qualifying improvements or new construction to commercial properties within the City. Due to a continued need for revitalization and development within the City, and in an effort to more comprehensively and effectively implement the incentives available under the Urban Revitalization Act, the City has prepared this Creston Urban Revitalization Plan (2019) as a replacement for and successor to the prior urban revitalization plans adopted by the City.

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(4) and Section 404.1(5) provide the following criteria, respectively:

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.]
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 Creston Urban Revitalization Plan (2019) (the “Plan”), the City is establishing the Creston Urban Revitalization Area (the “Area” or “Revitalization Area”), as described herein, as a revitalization area meeting the criteria of Section 404.1(4) and Section 404.1(5). This Plan supersedes all prior urban revitalization plans that were previously approved by the City.

The City Council has found that the rehabilitation, conservation, redevelopment, economic development, or a combination thereof, of the 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.

B. DESCRIPTION OF THE AREA

The Creston Urban Revitalization Area shall include the following real property:

All real property contained within the incorporated limits of the City of Creston, Union County, State of Iowa, as of January 1, 2019, except that property satisfying the definition of “agricultural land” in Iowa Code sec. 403.17(3) and described in Exhibit A. To the extent allowed by law, any property annexed into the City after the effective date of this Plan shall be considered to have been part of the Area as of the effective date of its annexation to the City.

A map of the Revitalization Area, as of the Plan’s effective date, is attached hereto as Exhibit B. Any owners of agricultural land, as defined in Iowa Code Section 403.17(3), who have consented to include their agricultural land in the Revitalization Area have signed a written consent on file with the office of the City Clerk. To the extent any land assessed as agricultural property is included in the Revitalization Area, the City Council has presented justification at the public hearing on this Plan, held pursuant to Iowa Code Section 404.2, that any revitalization of the land assessed as agricultural property by means of new construction will utilize the minimum amount of agricultural property necessary to accomplish the revitalization of other classes of property within the Revitalization Area.

C. OBJECTIVES

This 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, multi-residential, and residential development in the City. The objectives of this Plan include:

- Revitalizing the Area through the promotion of new construction on vacant land and the rehabilitation of existing structures;
- Increasing and stabilizing the City’s tax base;
- Improving economic conditions in the City, by providing an incentive for private property owners that currently live and/or do business in the City, as well as for prospective businesses and individuals that may choose to live and/or locate in the City;
- Improving and increasing the housing opportunities in the City; and
- Enhancing the overall aesthetic and appearance of the City’s properties.

D. EXISTING ZONING

Existing zoning classifications of the property within the Area include:

- R-1 Single Family Residential
- R-2 Multi-Family Residential
- R-3 Mobile Home Residential

- C-1 Commercial
- C-2 Light Commercial
- I-1 Light Industrial
- I-2 Heavy Industrial
- F Floodplain District

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

E. EXISTING LAND USE

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

F. PROPOSED LAND USE

New and expanded commercial, multi-residential, and residential development is proposed for the Revitalization Area, in accordance with the City's zoning ordinance(s) and the Creston Comprehensive Plan 2001-2021.

G. 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 Area warrants, municipal services within the Area will be expanded and improved, as needed and as financially feasible, to serve new and expanded development.

H. ELIGIBLE IMPROVEMENTS

Qualified real estate, as used in this Plan, means all real property that is assessed as residential, multiresidential, or commercial; is located within the Revitalization Area; and to which eligible improvements have been added during the time the Area was designated as a revitalization area.

Eligible improvements, as used in this Plan, means improvements to property, including rehabilitation of and additions to any existing structures and new construction, that increase the actual value of the property by 15% if assessed as commercial or multiresidential, or 10% if the property is assessed as residential.

Actual value added by improvements, as used in this Plan, means the actual value added to the property's assessed valuation due to the eligible improvements as of the first year for which the exemption was received.

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

I. TIME FRAME

The Area shall remain an urban revitalization area in which qualified real estate is eligible for tax abatement under the terms of the Plan until the Area is repealed or terminated by action of the City Council. 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 exemption granted would cease to be of benefit to the City, then 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. The City reserves the right to extend, amend, terminate, or repeal the Plan and/or the ordinance to the extent allowed by law.

J. EXEMPTIONS

Residential

All qualified real estate assessed as residential property, or assessed as multiresidential property with fewer than three separate living quarters, is eligible to receive a one hundred percent (100%) exemption from taxation on the first \$75,000 of actual value added by eligible improvements. The exemption is for a period of five (5) years.

Multi-residential

All qualified real estate assessed as commercial property or multiresidential property, if the commercial or multiresidential property consists of three or more separate living quarters with at least 75% 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 eligible 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 partial exemption from taxation on the actual value added by eligible improvements. The exemption is for a period of five (5) years. The amount of the partial exemption in each year is equal to a percent of the actual value added by the eligible improvements, determined as follows:

First Year	80%
Second Year	60%
Third Year	40%
Fourth Year	30%
Fifth Year	15%

K. 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); and
- The tenants that occupied the property on the date the city adopted the resolution adopting the Plan.

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.

L. 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; and,
2. The project is located within the Area; and
3. The eligible improvements were made during the time the 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 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.

M. 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, the City from time to time applies for and is awarded grants through the Community Development Block Grant (“CDBG”) programs, including the CDBG Housing Sustainability or Rehabilitation Fund administered by the Iowa Economic Development Authority, which grants, along with state, local or private matching funds, may provide funding for improvements to residential properties in the Revitalization Area. Additionally, the City may from time to time use its low to moderate income (“LMI”) housing funds set aside in the course of the City’s tax increment financing program to fund qualifying residential improvements in the Revitalization Area.

Furthermore, 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 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.

N. 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 Creston Urban 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 this Plan.

O. EXISTING ASSESSED VALUATIONS AND OWNERS OF RECORD

A listing of the names and addresses of the owners of record for all real estate in the Area, along with the existing assessed valuations stated separately for land and buildings for the real estate, as of the date this Plan is adopted, is too voluminous to attach but is maintained in the office of the City Clerk.

P. PROPERTY IN AN URBAN RENEWAL AREA

The City also has one or more urban renewal areas, established under Chapter 403 of the *Code of Iowa*, which use tax increment financing to provide incentives for development. Accordingly, a property that, in the determination of the City Council, is within an existing 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 the Creston Urban Revitalization 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 Plan requirements are met.

Q. EFFECTIVE DATE

This Plan shall be effective as of the date the ordinance establishing the Revitalization Area is published and effective.

EXHIBIT A

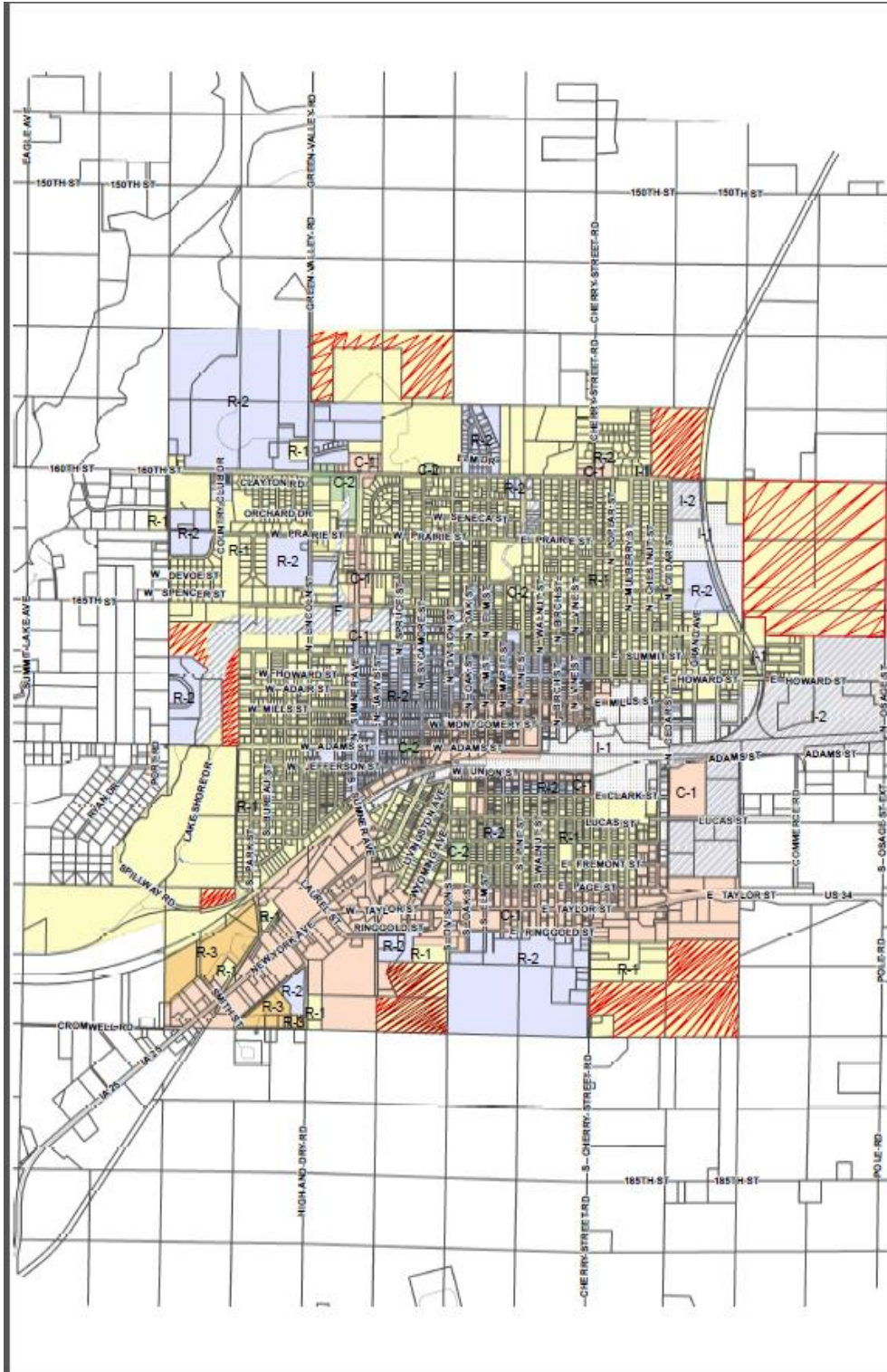
PROPERTY EXCLUDED FROM REVITALIZATION AREA

Parcel Number	Deedholder	Taxable Acres	Legal Description
0606200005	Mc Cann	25.32	06-72-30 S 25.67 Ac NE 1/4
0606426003	Mc Cann	21.24	06-72-30 N 21.73 Ac SE 1/4 Exclusive of Irreg Tr located on W side
0511402001	Eblen Rev. Trust	10.57	11-72-31 S Hill Part of Sub Lot 1 of 39 & old RR ROW lying N of same pt of W 1/2 NW 1/4 SE 1/4 known as Lot 1 & old RR ROW lying N of same
0606127003	Stuart	11	6-72-30 All E 1/2 NW 1/4 lying E of RR ROW Beg 1605.9' S of NW 1/4 Cor & ext N Ex N 817.825' E 319' 9.9" & N 455' adj RR
0607376001	Wurster	30	7-72-30 Johnson's Sub Div Lot 23 Ex W 60' & all Lots 24 & 25
0502451013	City of Creston	33.64	02-72-31 Lot 6 Cottonwood Estates Sub

0502451001	City of Creston	12	02-72-31 12 Ac of SW 1/4 SE 1/4 (Hurley Creek) Ex Lots 1-6 of Cottonwood Estates Sub
0606200003	Brentnall Rev. Trust	28.17	6-72-30 NE 1/4 NE 1/4
0606200001	Brentnall Rev. Trust	29.68	6-72-30 NW 1/4 NE 1/4
0606200002	Brentnall Rev. Trust	26.36	6-72-30 N 27.19 Ac SW 1/4 NE 1/4
0606200004	Brentnall Rev. Trust	25.73	6-72-30 N 27.19 Ac SE 1/4 NE 1/4
0502276030	Reeves	15.79	2-72-31 Pt SE 1/4 NE 1/4 Beg NE Cor, S 970.61', W 223.14', W 430.3', W 147.54', N 983.78', SE 801.11' to POB (Ex N 62' lyg W of Rd & Ex Pcl I)
0512476003	Hayes	28.55	12-72-31 SE 1/4 SE 1/4 Ex E 675' of N 675'
0512451002	Center Milk	38	12-72-31 SW 1/4 SE 1/4
0512376002	Hodge	19.5	12-72-31 S 1/2 SE 1/4 SW 1/4
0512376005	Miller	15.68	12-72-31 N 1/2 SE 1/4 SW 1/4 (Ex the W 30 Ft & Ex Pcl 0)
0231376003	Wurster	24.78	31-73-30 Arnold's Sub Lots 4 (Ex W 50'), 5, 6, 7 E 280' Lots 8 & 11, all Lot 12 & Vac Rd lyg btw

0607351003	Center Milk	31.19	7-72-30 Johnson's Sub of SW 1/4 Sec 7-72-30, pt Lots 11 thru 14 & 23, beg SW Cor Lot 14, N 1006', S to S Ln Lot 23, SW to POB (Ex beg 33.01' E SW Cor Lot 14, N 415', NE 420', S 415', SW 420' to POB)
0607326009	Baker	20.75	7-72-30 SE 1/4 SW 1/4 lying N of C/L Rd & S 15 Ac NE 1/4 SW 1/4
0136301002	Wurster	17.51	36-73-31 NW 1/4 SW 1/4 (Ex Pt Pcl A)
0136326003	Wurster	29.50	36-73-31 NE 1/4 SW 1/4 (Ex S 2.09 Ac SE 1/4 NE 1/4 SW 1/4 & Ex Pt Pcl A)

EXHIBIT B
MAP OF REVITALIZATION AREA
(red-hatched parcels are excluded from the Area)



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Final