

City of MURRAY, Iowa Urban Revitalization Plan

Chapter 404
State Code of Iowa

Urban Revitalization Plan

Revision #4-2016



Adopted by the Murray City Council on
April 4, 2016

Table of Contents

Definition of Terms

Introduction 1-2

Project Information

A. Geographic Description of Urban Revitalization District2
B. Existing Valuations According to County Assessor.....2
C. Property Owners2
D. City Services3
E. Zoning and Land Use.....3
F. Applicable Revitalization.....3
G. Qualifications of Eligibility4
H. Tax Exemption Schedule4
I. Relocation4-5
J. Outside Funding Assistance.....5
K. Application and Prior Approval.....5-6
L. Repeal of Ordinance.....6

Appendices:

- Attachment A: Resolution of Finding
- Attachment B: Boundary Map of Urban Revitalization District
- Attachment C: List of Known Owners and Assessed Values
- Attachment D: Existing Land Use Map
- Attachment E: Zoning Map
- Attachment F: Notice of Public Hearing
- Attachment G: Ordinance Adopting Urban Revitalization Plan
- Attachment H: Application for Tax Abatement

Definition of Terms

District: The Urban Revitalization District designated by the City Council, pursuant to section 404.2.1 of the State Code of Iowa.

Improvements: Improvements includes rehabilitation and additions to existing structures as well as new construction on vacant land or on land with existing structures.

Multi-Family Residential: For the purposes of tax abatement in Section H of this Plan, "Multi-Family Residential" properties shall mean any properties which have two dwelling units, including duplexes.

Multi-Residential (Commercial): For the purposes of tax abatement in Section H of this Plan, "Multi-Residential (Commercial)" properties shall mean any properties that include three or more dwelling units.

Plan: The City of Murray, Iowa Urban Revitalization Plan.

Qualified Real Estate: Real property, other than land, located in the revitalization district, and to which improvements have been added during the time the area was so designated. "Qualified Real Estate" also means land upon which no structure existed at the start of the new construction, which is located in the designated revitalization district and upon which new construction has been added during the time the area was so designated.

Qualified Tenant: The legal occupant of a residential dwelling unit which is located within the designated revitalization district and who has occupied the same dwelling unit continuously since one year prior to the city's adoption of the plan, pursuant to section 404.2 of the State Code of Iowa.

Residential: For the purposes of tax abatement in Section H of this Plan, "Residential" properties shall mean any properties comprised of a single-family dwelling unit.

INTRODUCTION

In 1979, the Iowa legislature enacted into law the Urban Revitalization Act giving city-governing bodies the authority to designate an area or areas of a city as Urban Revitalization Areas. Under the Act, 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 that might not otherwise have occurred.

Section 404.1 of the Code of Iowa, provides that the City Council may designate an area of the city as a revitalization area if that area is any of the following:

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 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.
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.
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.

The City of Murray Urban Revitalization Plan (hereafter referred to as "Plan") for all residential properties, including single family, multi-family, and multi-residential, within the corporate limits of the community is prepared to enable local property owners and the city to take advantage of legislation signed by the Governor of Iowa on May 10, 1979 as amended. The act provides the City of Murray the opportunity to influence its growth by stimulating investment from the private sector. The tax exemptions induce investment by reducing the tax increases that would normally result from making improvements to real

estate. After the exemption schedule is completed, the individual property will be fully taxed, thus completing the philosophy that tax incentives are used to encourage individuals to improve their property with the long-term city goal of increasing the tax base.

Certain criteria were established which must be met by a city exercising the authority conferred in the Act. Accordingly, the Murray City Council adopted on July 6, 1994, Resolution No. 94-9; finding a need for the establishment of an urban revitalization district; and further, the City Council authorized and directed the Southern Iowa Council of Governments to prepare a recommended set of policies and criteria for implementing the Urban Revitalization Act.

The information presented on the following pages is provided to address the requirements of the Urban Revitalization Act as stated in the Code of Iowa, as amended. This plan, adopted by city ordinance, and prepared by Southern Iowa Council of Governments on April 4, 2005, revised on November 22, 2010, and revised on March 2, 2016 will be the basis for making decisions regarding the eligibility of property for tax exemptions. All proposed improvements or new construction must conform to this plan and it will be the responsibility of the City Council to approve or reject any proposals submitted for a tax exemption.

PROJECT INFORMATION

A. Geographic Description of Urban Revitalization District:

The entire area within the corporate boundaries of the City of Murray, Clarke County, Iowa, shall be the Urban Revitalization District (District). This area, established by Resolution 94-9 on July 6, 1994, shall remain the designated District until repealed by the City Council.

Attachment B is a map of the corporate boundaries of the City of Murray.

B. Existing Valuations According to County Assessor:

Valuations of each parcel of land within the Murray Urban Revitalization District, and the total assessed value of the properties in the District are contained in Attachment C. Attachment C is a separate bound document labeled " Attachment C: List of Known Owners and Assessed Values." This document will be kept on file by the City Clerk at City Hall.

C. Property Owners:

The names and addresses of the property owners for each parcel identified at the time of the preparation of the original Urban Revitalization Plan within the Murray Urban Revitalization District are also contained in Attachment C.

D. City Services:

The City of Murray currently provides police, fire, sanitary sewer, solid waste, and other normal city services to all developed parcels and residences within the District.

E. Zoning and Land Use:

Attachment D contains a map of the existing land use for the District. The city does not currently have a zoning ordinance in effect. To be eligible for the benefits of the District and this Plan, the parcel must be classified as a residential or commercial property.

F. Applicable Revitalization:

The revitalization is applicable to all residential properties classified as single family, multi-family or multi-residential, and all commercial properties within the designated District. The revitalization is for both new construction and rehabilitation/additions to existing structures. The City estimates that the project will remain a designated revitalization area **as of January 1, 2016, and continuing until the city council repeals the ordinance**. At that time, all applications for tax abatement within the District must be filed in order to be eligible for the abatement schedule.

G. Qualifications of Eligibility:

Improvements are eligible for the tax abatement plan provided they satisfy all of the following requirements:

1. The improvements must be added during the time the area is designated as a revitalization district.
2. Improvements, consisting of rehabilitation or additions to existing buildings, must increase the actual value of the qualified real estate by at least ten percent (10%) for residential and fifteen percent (15%) for commercial.
3. The improvements must be completed in accordance with all applicable regulations of the City of Murray.

The "*date of beginning of new construction of a building*" means the date on which occurs the first placement of permanent construction materials which are to become part of a building, such as pouring of slabs or footings, or any work beyond the stage of excavation.

The "*date of beginning of rehabilitation of or additions to an existing building*" means, with respect to each individual project involving rehabilitation or additions, the earliest date on which either of the following occurs: the first placement of permanent construction materials which are to become a physical portion of the rehabilitation or addition; or the first alteration of any wall, ceiling, floor, or other structural part of the existing building.

For purposes of this Plan and to be eligible for the benefits of the Plan, the "date of beginning" for the activities described in the two preceding paragraphs **shall not be prior to January 1, 2016.**

H. Tax Exemption Schedule:

Each property owner may implement upon application and approval by the Murray City Council and the Clarke County Assessor as follows:

All qualified real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of five years. The amount of partial exemption is equal to a percent of the actual value added by the improvements determined as follows:

| <u>Year of Schedule</u> | <u>Residential & Commercial % of New Taxes Abated</u> |
|-------------------------|---|
| 1 | 80% |
| 2 | 80% |
| 3 | 60% |
| 4 | 40% |
| 5 | 20% |

Each property owner eligible for a tax abatement may implement the abatement schedule listed above, following the application and approval process listed in Section H.

I. Relocation:

In the event relocation occurs as a result of the tax abatement program, the following provisions must be met:

1. **Benefits:** Upon application for and verification of eligibility for tax abatement to a property owner by the City, qualified tenants in designated areas, whose displacement is 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.
2. **Eligibility:** "Qualified Tenant" as used in this Plan, shall mean the legal occupant of a residential dwelling unit which is located within the District and who has occupied the same dwelling unit continuously since one year prior to the City's adoption of this Plan.
3. **Actual reasonable moving and related expenses** for which a qualified tenant of a dwelling unit is entitled to include:
 - a. Transportation of the displaced person and personal property from the displacement to the replacement site. Transportation costs for a distance beyond twenty-five miles are not eligible.
 - b. Packing, crating, unpacking, and uncrating of personal property.

- c. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
4. Least costly approach: The amount of compensation for an eligible expense shall not exceed the least costly method of accomplishing the objective of the compensation without causing undue hardship to the displaced tenant and/or landlord.

J. Outside Funding Assistance:

The City may seek Federal and/or State grant or loan programs in developing proposed projects. These projects may take advantage of the benefits of the District. Federal programs are available through the Department of Housing and Urban Development (HUD), the United States Department of Commerce - Economic Development Administration (EDA), United States Department of Agriculture – Rural Development (USDA-RD) and other federal sources. State programs are available through the Iowa Finance Authority (IFA) and the Iowa Economic Development Authority (IEDA). The Southern Iowa Council of Governments is a resource in which the City can access these funding sources. The use of these funds does not interfere with the implementation of the Urban Revitalization Plan

K. Application and Prior Approval:

A person 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 Council shall, by resolution, give its prior approval for an improvement project if the project is in conformance with the plan for revitalization. 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 City Council to approve or reject.

All prior approvals for an improvement project shall be effective for a period of one year from the date of prior approval by the City; if construction has not begun by that date, prior approval is null and void.

An application Attachment H 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 City Council by February 1 of the assessment year for which the exemption is first claimed, but not later than February 1 of the assessment year following the assessment year in which all improvements included in the project are first assessed for taxation. The application shall contain, but not be limited to, the following information:

- The nature of the improvement,
- The cost of the improvement,
- The estimated or actual date of completion,
- The tenants that occupied the owner's building on the date the City adopted the resolution of finding.

The City Council shall approve the application, subject to review by the local assessor, if the project is in conformance with the plan for revitalization developed by the City, is

located within a designated revitalization area, and if the improvements were made during the time the area was so designated. The City Council shall forward for review all approved applications to the appropriate local assessor by March 1 of each year. Applications for exemptions for succeeding years for approved projects shall not be required.

L. Repeal of Ordinance:

As stated in Section 404.7 of the Code of Iowa, 2005, the governing body of the City of Murray may repeal the ordinance establishing the revitalization area, when, in the opinion of the governing body, 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. In that event, *all existing exemptions shall continue until their expiration.*

**Murray Revitalization Plan
2016
ATTACHMENT A
Resolution of Finding**

RESOLUTION 2016

**RESOLUTION FINDING NEED FOR ESTABLISHMENT OF
URBAN REVITALIZATION DISTRICT**

WHEREAS, there exists within the incorporated area of Murray, Iowa, conditions which substantially impair or arrest the sound growth, retard the provision of housing accommodations, constitute an economic or social liability, and are a menace to the health, safety, and welfare; and,

WHEREAS, Murray meets the criteria established in Chapter 404, State Code of Iowa, for establishing an urban revitalization district; and,

WHEREAS, the City Council finds that the rehabilitation, conservation, and redevelopment of the incorporated area of Murray is necessary in the interest of public health, safety, and welfare of the residents of Murray,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Murray, Iowa, that pursuant to Chapter 404 of the Iowa Code, the entire incorporated area of Murray, shall be designated as an Urban Revitalization District.

AYES: J Robbins, D Robbins, J Crees, L Hamilton, B Harrison
NAYS: _____

PASSED and APPROVED this 4th day of April, 2016.

Whereupon the Mayor declared the resolution duly adopted.



Scott Busick, Mayor

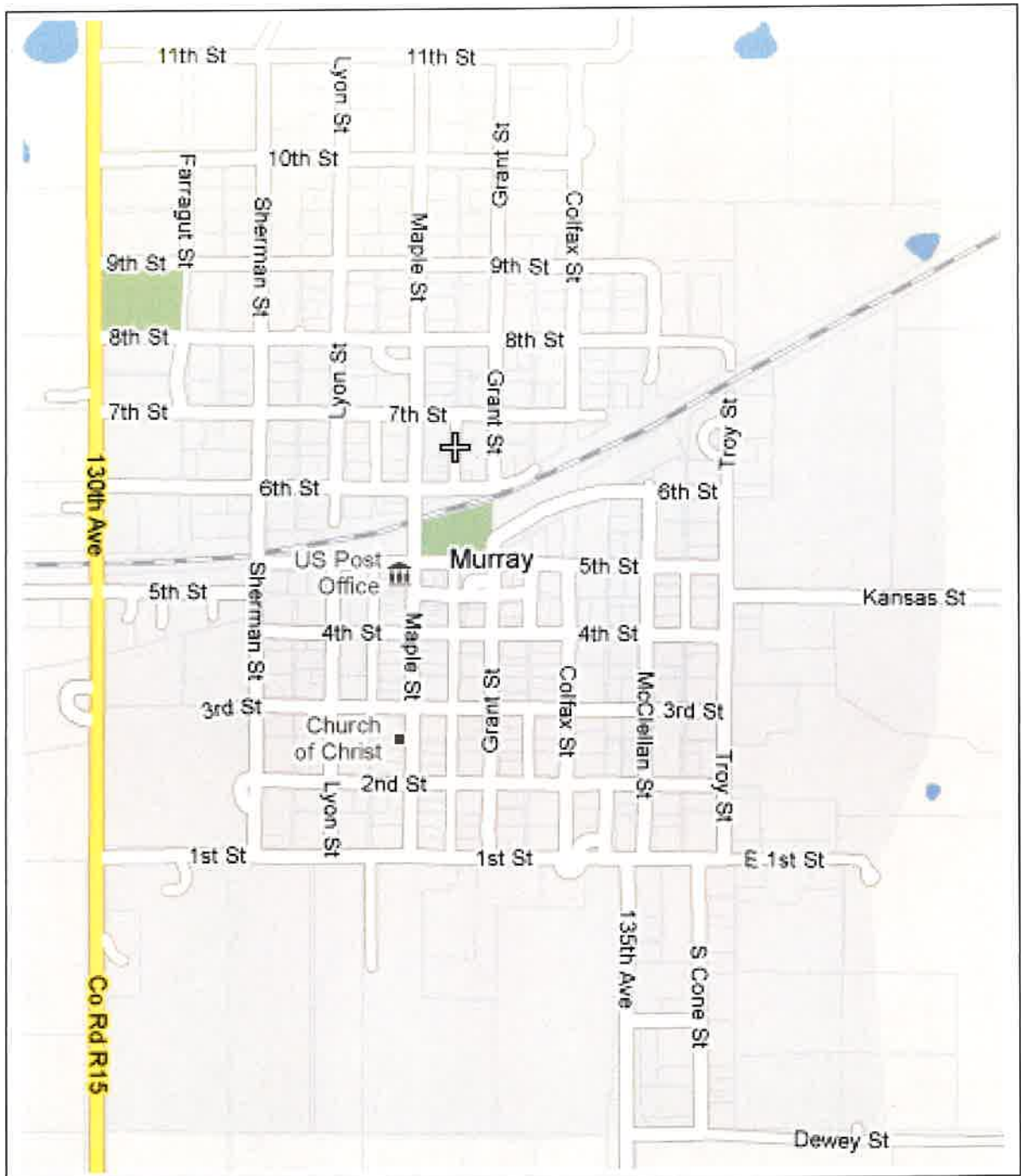
ATTEST:



Denise Simmons, City Clerk

**Murray Revitalization Plan
2016
ATTACHMENT B
Boundary Map of Urban
Revitalization District**

BOUNDARY AREA MAP OF MURRAY, IOWA



**Murray Revitalization Plan
2016
ATTACHMENT C
List of Known Owners and
Assessed Values**


Appendix C is a separate bound Document. Due to the volume of this document, only one copy is available and is kept on file by the City Clerk at the following address:

**City of Murray
City Hall, 420 Maple Street
Murray, Iowa**

**Murray Revitalization Plan
2016
ATTACHMENT D
Existing Land Use Map**

City of Murray

Existing Land Use

 Commerical
 Industrial



**Murray Revitalization Plan
2016
ATTACHMENT E
Zoning Map
Not applicable – No Zoning**

Page Left Blank Intentionally (No adopted zoning in Murray, Iowa)

**Murray Revitalization Plan
2005
ATTACHMENT F
Notice of Public Hearing**

Page Left Blank Intentionally (Insert Public Notice)

**Murray Revitalization Plan
2016
ATTACHMENT G
Ordinance Adopting Urban
Revitalization Plan**

ORDINANCE NO. 320

AN ORDINANCE RE-AFFIRMING THE AREA WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF MURRAY, CLARKE COUNTY, IOWA, UTILIZED AS SINGLE FAMILY RESIDENTIAL AND AS MULTI-RESIDENTIAL (COMMERCIAL) AND AS MULTI-FAMILY RESIDENTIAL AS AN URBAN REVITALIZATION AREA AND ADOPTING THE REVISED URBAN REVITALIZATION PLAN FOR THE AREA.

WHEREAS, Chapter 404, Code of Iowa, as amended, authorizes cities by ordinance to designate revitalization areas if such areas meet the criteria established in the code and if the city completes the procedural requirements of the code; and,

WHEREAS, the City Council did re-affirm the resolution finding the need for the establishment of an Urban Revitalization District; and,

WHEREAS, pursuant to the code, the city has caused to be prepared a plan for the Urban Revitalization District; and,

WHEREAS, all owners of record of real estate were notified and the appropriate number of public hearings held;

NOW, THEREFORE, be it ordained by the City Council of the City of Murray, Iowa, that:

SECTION 1.

All properties within the corporate boundaries of the City of Murray, Iowa, classified as residential, including single family residential units, multi-family units and commercial, including multi-residential and business, as established in the Urban Revitalization Plan, and are hereby declared, pursuant to Chapter 404, Code of Iowa, to be the Urban Revitalization District, and the District will exist until repealed.

SECTION 2.

Properties classified as single-family residential, multi-family residential (duplexes), multi-residential (commercial) and business commercial shall be eligible for abatement of taxes on the new value added by construction or improvements according to the following schedule:

| <u>Year of Schedule</u> | <u>Residential & Commercial % of New Taxes Abated</u> |
|-------------------------|---|
| 1 | 80% |
| 2 | 80% |
| 3 | 60% |
| 4 | 40% |
| 5 | 20% |

ORDINANCE NO. 320
City of Murray, Iowa
Page 2

SECTION 3.

The Urban Revitalization Plan for the City of Murray, Iowa, dated December 6, 2010 as amended, on file with the office of the City Clerk be, and is hereby declared to be the Urban Revitalization Plan for that area of the City of Murray, Iowa designated in Section 1 above.

SECTION 4.

This Ordinance shall be in full force and effect from and after its final passage, approval, and publication as provided by law.

SECTION 5.

If any portion of this Ordinance shall be held unconstitutional or invalid for any reason, this decision shall not affect the remaining portions of this Ordinance not so declared unconstitutional or invalid.


This ordinance was duly passed and adopted by the City Council of the City of Murray, Iowa, and approved by the undersigned Mayor on the 6th of December 2010.

First reading passed by the Council the 4th day of April, 2016.

Moved by J. Creech seconded by K. Harrison to waive the second and third reading of ordinance # 320
Roll Call vote taken:

Ayes: J. Robbins, J. Robbins, J. Creech, L. Hamilton, K. Harrison
Nays: _____

Presented to the Mayor for approval and approved this 4th day of April, 2016



Mayor
City of Murray, Iowa

ATTEST:



City Clerk

ORDINANCE NO. 324

AN ORDINANCE AMENDING THE TAX ABATEMENT PROGRAM FOR ELIGIBLE PROPERTIES DESIGNATED SINGLE-FAMILY RESIDENTIAL, MULTI-FAMILY RESIDENTIAL (DUPLICES), MULTI-RESIDENTIAL (COMMERCIAL) AND BUSINESS COMMERCIAL.

WHEREAS, Chapter 404, Code of Iowa, 2017, the city, by ordinance, designated a revitalization areas; and,

WHEREAS, the City Council did adopt a resolution finding the need for the establishment of an Urban Revitalization District; and,

WHEREAS, pursuant to the code, the city has prepared a plan for the Urban Revitalization District; and,

WHEREAS, all owners of record of real estate were notified and the appropriate number of public hearings held;

NOW, THEREFORE, be it ordained by the City Council of the City of Murray, Iowa, that:

SECTION 1.

NEW CONSTRUCTION

Qualified single-family residential, multi-family residential (duplexes), multi-residential (commercial) and business commercial real estate involving “new” construction is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of ten years. The amount of partial exemption is equal to a percent of the actual value added by the improvements determined as follows:

**New Construction Proposed Tax Abatements
Can Choose Option 1: 10 year graduated abatement**

| | Abatement |
|--------------|-----------|
| First Year | 80% |
| Second Year | 70% |
| Third Year | 60% |
| Fourth Year | 50% |
| Fifth Year | 40% |
| Sixth Year | 40% |
| Seventh Year | 30% |
| Eighth Year | 30% |
| Ninth Year | 20% |
| Tenth Year | 20% |

Or

Option 2: 3 year full tax abatement

| | Abatement |
|-------------|-----------|
| First Year | 100% |
| Second Year | 100% |
| Third Year | 100% |

IMPROVEMENT CONSTRUCTION

Qualified single-family residential, multi-family residential (duplexes), multi-residential (commercial) and business commercial real estate involving "improvements" is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of five years. The amount of partial exemption is equal to a percent of the actual value added by the improvements determined as follows:

Proposed Improvement Tax Abatements

| | Abatement |
|-------------|-----------|
| First Year | 75% |
| Second Year | 60% |
| Third Year | 45% |
| Fourth Year | 30% |
| Fifth Year | 15% |

SECTION 2.

This Ordinance shall be in full force and effect from and after its final passage, approval, and publication as provided by law.

SECTION 3.

If any portion of this Ordinance shall be held unconstitutional or invalid for any reason, this decision shall not affect the remaining portions of this Ordinance not so declared unconstitutional or invalid.

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

Passed by the Council the 2 day of October, 2017.


 Kristi Frederick, Mayor

ATTEST:


 Denise Simmons, City Clerk

**Murray Revitalization Plan
2016
ATTACHMENT H
Application for Tax
Abatement**

**Application for Tax Abatement Under The
City of Murray
Urban Revitalization Plan**

Please type or print

Applicant (Owner of Record): _____
Address: _____
City: _____ **State:** _____ **Phone Number:** _____

Name of Other Owners of Record: _____
Address: _____
City: _____ **State:** _____ **Phone Number:** _____

Legal Description: _____

| | |
|-------------------------------|---|
| Existing Property Use: | Current Property Value(from assessor's records): |
| _____ Residential | Land: _____ |
| _____ Commercial | Buildings: _____ |
| _____ Vacant | |

Type of Improvements (check one):
_____ New construction on vacant land
_____ Additions to existing structure
_____ Replacement of existing structure(s)
_____ Rehabilitation of existing structure(s)

BRIEF DESCRIPTION OF PROJECT: _____

Estimated or Actual Cost of Improvements: _____

Start Date: _____ **Estimated/Actual Completion Date:** _____

(If residential rental property, complete the following:)

Number of Units: _____

Tenants occupying the building when purchased (or present tenants if unknown); date of tenant occupancy; relocation benefits received by eligible tenants; attach list of buildings demolished, if any. (Continue on separate sheet if necessary).

| Tenant | Date of Occupancy | Relocation Benefits |
|--------|-------------------|---------------------|
| | | |
| | | |
| | | |

Note: No change may be made once an application is approved and an exemption is granted.

Tax Abatement Applied For:

| | |
|--|---|
| <input type="checkbox"/> New Construction | <input type="checkbox"/> Improvement Construction |
| <input type="checkbox"/> 3 Year Full | <input type="checkbox"/> 5 Year Graduated |
| <input type="checkbox"/> 10 Year Graduated | |

Acknowledgements:

- A) A copy of the building permit (if required) is attached.
- B) The property to which improvements are proposed, are anticipated to conform to the Murray Urban Revitalization Plan as adopted.
- C) The Applicant certifies that all information in this application and all information provided in the support of this application is given for the purpose of obtaining an exemption from taxes on improvements and/or new construction, and is true and complete to the best of the applicant's knowledge.

Applicant's Signature: _____
Date Signed: _____

City Council Action:
 Approved **Resolution #:** _____ **Date:** _____
 Disapproved
Reason for disapproval: _____

County Assessor Action:
 Reviewed and Approved **Date:** _____
Assessed valuation of improvements: _____
 Reviewed and Disapproved **Date:** _____
Reason for disapproval: _____

Date Notification of Determination Sent to Applicant: _____