

RESOLUTION NO. 22-08

RESOLUTION DETERMINING THE NECESSITY AND FIXING DATE FOR A PUBLIC HEARING ON THE MATTER OF THE ADOPTION OF A PROPOSED AMENDMENT NO. 1 TO THE EARLHAM URBAN REVITALIZATION PLAN FOR THE EARLHAM URBAN REVITALIZATION AREA

WHEREAS, pursuant to the provisions of Iowa Code Chapter 404, by action of the City Council on August 13, 2018, the City of Earlham, Iowa (the "City") adopted the Earlham Urban Revitalization Plan (the "Revitalization Plan" or "Plan") for the Earlham Urban Revitalization Area (the "Revitalization Area" or "Area"); and

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

WHEREAS, the Revitalization Plan as originally adopted provided for tax abatement on eligible improvements on properties assessed as "multiresidential" and "residential"; and

WHEREAS, the City desires to expand eligibility under the Revitalization Plan to include properties assessed as "commercial" and "industrial" and also desires to modify the exemption for properties assessed as "multiresidential" in response to the Iowa legislature's elimination of the multiresidential property assessment classification starting January 1, 2022; and

WHEREAS, a proposed Amendment No. 1 to the Plan ("Amendment") has been prepared, the purpose of which is to (i) add a designation classification for the Revitalization Area; (ii) update the Plan's objectives to include commercial and industrial development; (iii) add an exemption schedule for properties assessed as commercial and as industrial; and (iv) modify the exemption schedule for properties assessed as "multiresidential"; and

WHEREAS, before such Amendment can be adopted, it is necessary that a public hearing be held thereon and that due notice be given in accordance with the requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EARLHAM, IOWA:

Section 1. It is determined that the rehabilitation, conservation, redevelopment, economic development, or a combination thereof of the Area remains necessary in the interest of the public health, safety, or welfare of the residents of the City, and the Area continues to substantially meet the criteria of Section 404.1, and the proposed Amendment, attached to this Resolution as Exhibit 1, is declared to substantially meet the criteria of Iowa Code Section 404.2.

Section 2. It is determined that it is in the best interests of the citizens of the City to hold a public hearing on the matter of the adoption of the Amendment, on March 14, 2022, at 7:00 P.M.,

in the Council Chambers, City Hall, 140 South Chestnut Avenue, Earlham, Iowa.

Section 3. That the City Clerk be and is hereby directed to publish a notice of a public hearing on the Amendment, at least once not less than seven days prior to the date of said public hearing, as provided in Section 404.2(6) of the Code of Iowa. March 14, 2022 will be the next regularly scheduled City Council meeting after the publication of notice.

Section 4. Be it further resolved that copies of the Amendment be made available to the public through the office of the City Clerk.

Section 5. The notice of the proposed hearing shall be in substantially the following form:

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF EARLHAM, IOWA, ON THE MATTER OF THE ADOPTION OF A PROPOSED AMENDMENT NO. 1 TO THE EARLHAM URBAN REVITALIZATION PLAN FOR THE EARLHAM URBAN REVITALIZATION AREA

Public notice is hereby given that the City Council of the City of Earlham, Iowa, will hold a public hearing on March 14, 2022, in the Council Chambers, City Hall, 140 South Chestnut Avenue, Earlham, Iowa, at 7:00 P.M., at which meeting the Council proposes to take action on the adoption of an Amendment No. 1 (“Amendment”) to the Earlham Urban Revitalization Plan (“Plan”) for the Earlham Urban Revitalization Area (“Area”) described therein, under the authority of Chapter 404 of the Code of Iowa, as amended.

The purpose of the Amendment is to (i) add a designation classification for the Revitalization Area; (ii) update the Plan’s objectives to include commercial and industrial development; (iii) add an exemption schedule for properties assessed as commercial and as industrial; and (iv) modify the exemption schedule for properties assessed as “multiresidential” (in response to the elimination of the multiresidential property assessment classification for assessments imposed on or after January 1, 2022).

Any persons interested may appear at said meeting of the Council and present evidence for or against the adoption of the Amendment. The proposed Amendment is on file in the office of the City Clerk and available for public inspection or copying during ordinary business hours.

This notice is given by order of the City Council of the City of Earlham, Iowa, pursuant to Section 404.2(6) of the Code of Iowa, 2021, as amended.

Dated this ____ day of _____, 2022.

City Clerk, City of Earlham, Iowa

(End of Notice)

PASSED AND APPROVED this 14th day of February, 2022.

Mayor

ATTEST:

City Clerk

**AMENDMENT NO. 1
TO THE
URBAN REVITALIZATION PLAN
FOR THE
EARLHAM URBAN REVITALIZATION AREA**

CITY OF EARLHAM, IOWA

INTRODUCTION

The City of Earlham, Iowa (“City”) adopted the Urban Revitalization Plan (“Revitalization Plan” or “Plan”) for the Earlham Urban Revitalization Area (the “Revitalization Area” or “Area”) by action of the City Council on August 13, 2018. The Plan replaced two prior urban revitalization plans, which had been adopted in 1989 and 2001 and had expired by their own terms on January 1, 1992 and March 12, 2006, respectively. The Plan was adopted to promote the continuation of revitalization of properties in the Area, by providing tax abatement on eligible improvements.

The City is amending the Plan with the adoption of this Amendment No. 1 to the Plan (“Amendment” or “Amendment No. 1”) to: (a) add a designation classification for the Revitalization Area; (b) update the Plan’s objectives to include commercial development; (c) add an exemption schedule for properties assessed as commercial and as industrial; and (d) modify the exemption schedule for property assessed as multi-residential (given the elimination of the multi-residential property assessment category for assessments imposed on or after January 1, 2022).

Except as modified by this Amendment No. 1, the provisions of the Plan are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided therein. All subsections of the Plan not mentioned in this Amendment shall continue to apply to the Plan and the Area. In case of any conflict or uncertainty, the terms of this Amendment No. 1 shall control and any parts of the Plan in conflict with this Amendment No. 1 are hereby repealed.

AMENDMENTS TO PLAN

This Amendment makes the following changes to the Plan:

1. The City originally designated the Revitalization Area as a revitalization area under the criteria of Iowa Code Section 404.1(2). With the adoption of this Amendment No. 1, the City is also designating the Revitalization Area under the criteria of Iowa Code Section 404.4. Accordingly, the “Designation Criteria” section of the Plan is hereby replaced in its entirety with the following:

DESIGNATION CRITERIA

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

This Plan is prepared in conformance with Section 404.1 and Section 404.2 of the *Code of Iowa* for the purpose of providing incentives and outlining procedures to enhance the potential for residential, multi-residential, and commercial development and redevelopment in the City. The primary objectives of this Plan are as follows:

- Encourage rehabilitation of additions to and new construction of residential, commercial, and industrial properties through abatement of taxes on the value of the improvements.
- Improve economic conditions in the Area through blight remediation and by taking steps to enhance the general attractiveness of the Revitalization Area.
- Revitalize the Area and remediate blight through the promotion of new residential, commercial, and industrial construction on vacant land, rehabilitation of existing residential, commercial, and industrial property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

3. The City is amending the Plan to include an exemption for properties in the Area that are assessed as commercial. Accordingly, the “Proposed Land Use” section of the Plan is being amended to include commercial and industrial property objectives and is hereby replaced in its entirety with the following:

PROPOSED LAND USE

The Revitalization Area is proposed for new residential, commercial, and industrial development as well as rehabilitation of and additions to existing residential, commercial, and industrial buildings. These uses are in compliance with the City’s Zoning Ordinance.

4. The City is amending the Plan to include an exemption for properties in the Area that are assessed as commercial and as industrial. Accordingly, the “Eligible Improvements” section of the Plan is being amended to include commercial and industrial property and is hereby replaced in its entirety with the following:

ELIGIBLE IMPROVEMENTS

Qualified real estate under this Plan includes all applicable property assessed as residential, commercial, or industrial which is located in the designated Area and to which eligible improvements have been added during the time the Area was so designated. Eligible improvements, as used in this Plan, include rehabilitation of and additions to existing structures and new construction on vacant land or on land with existing structures located within the Area, if the actual value added by improvement satisfies the percent increase requirements in this Plan.

Actual value added by improvements, as used in this Plan, means the actual value added by eligible improvements as of the first year for which the exemption was received according to the tax assessment valuation determined by the Madison County Assessor. In order to be eligible for tax abatement, the increase in the actual value of the structure due to the improvements, must be at least 10% if the property is assessed as residential, and at

- x. For the tenth year, twenty percent (20%)

Multi-residential (Prior to January 1, 2022)

All qualified real estate assessed prior to January 1, 2022 as commercial property or multi-residential property, if the commercial or multi-residential property consists of three or more separate living quarters with at least seventy-five percent 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 the improvements constructed prior to January 1, 2022. The exemption is for a period of five (5) years.

- 6. For the sake of clarity, the City is amending the section of the Plan labeled “Residential Properties within Urban Renewal Areas” to clarify that the restriction on properties in urban renewal areas applies to all properties in the Revitalization Area, regardless of assessment category. Accordingly, the section of the Plan labeled “Residential Properties within Urban Renewal Areas” is hereby re-named and is replaced in its entirety with the following:

PROPERTIES WITHIN URBAN RENEWAL AREAS

In the future there may exist one or more Urban Renewal Areas (under Chapter 403 of the *Code of Iowa*) within the City establishing a tax increment financing program which 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. 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 requirements of this Plan are met.

EFFECTIVE DATE OF AMENDMENT

This Amendment No. 1 shall become effective upon adoption by the City Council (“Effective Date”). The new or modified exemptions contained in this Amendment shall only be available for improvements completed on and after the Effective Date, subject to the terms of the Plan, as amended. Applications submitted under this Plan following the Effective Date shall be eligible to apply only for those exemptions contained in the Plan, as amended by Amendment No. 1, subject to the terms of the Plan, as amended. All exemptions awarded prior to the Effective Date shall continue until their expiration.

The Plan, as amended, shall remain in effect until the City Council terminates and repeals the Plan and designating ordinance under the terms of the Plan and the provisions of Iowa Code Chapter 404.

01978897-2110430-058

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF MADISON)

I, the undersigned City Clerk of Earlham, Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of said Municipality showing proceedings of the Council, and the same is a true and complete copy of the action taken by said Council with respect to said matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of said agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by said law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective city offices as indicated therein, that no Council vacancy existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of said Municipality hereto affixed this _____ day of _____, 2022.

City Clerk, City of Earlham, State of Iowa

(SEAL)

February 14, 2022

The City Council of Earlham, Iowa, met in _____ session, in the Council Chambers, City Hall, 140 South Chestnut Avenue, Earlham, Iowa, at 7:00 P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

Absent: _____

* * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION DETERMINING THE NECESSITY AND FIXING DATE FOR A PUBLIC HEARING ON THE MATTER OF THE ADOPTION OF A PROPOSED AMENDMENT NO. 1 TO THE EARLHAM URBAN REVITALIZATION PLAN FOR THE EARLHAM URBAN REVITALIZATION AREA", and moved its adoption. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the Resolution duly adopted as follows: