

**AMENDMENT NO. 2  
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 Plan was previously amended by an Amendment No. 1 to the Plan, adopted in March 2022.

The City is amending the Plan with the adoption of this Amendment No. 2 to the Plan (“Amendment” or “Amendment No. 2”) to extend the duration of eligibility under the Plan. Additionally, the City is amending the Plan to reflect anticipated changes to Iowa Code Chapter 404, scheduled to take effect on July 1, 2024.

Except as modified by this Amendment No. 2, the provisions of the Plan, as previously amended, 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No. 2 shall control and any parts of the Plan, as previously amended, in conflict with this Amendment No. 2 are hereby repealed.

**AMENDMENTS TO PLAN**

This Amendment makes the following changes to the Plan:

**1. DURATION.** With the adoption of this Amendment, the City is extending the duration of eligibility under this Plan. For the sake of clarity, the “Duration” section of the Plan is hereby repealed in its entirety and replaced with the following:

**DURATION**

Improvements completed on or before December 31, 2028 may be eligible improvements under this Plan; provided, however, that the City Council may extend or renew eligibility under the Plan.

The Area shall remain a designed revitalization area until the City Council repeals the ordinance designating the Area or the 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 exemptions under this Plan would cease to be of benefit to the City, then the City Council may repeal the ordinance designating the Area and may terminate or amend this Plan, pursuant to Iowa Code Chapter 404. In the event the ordinance is repealed, all existing exemptions shall continue until their expiration.

**2. EXEMPTIONS.** With the adoption of this Amendment, the City is making updates to the exemption schedule for property assessed as residential to reflect changes in State law expected to take effect on July 1, 2024. For the sake of clarity, the “Exemptions” section of the Plan, as previously amended, is hereby repealed in its entirety and replaced with the following:

### EXEMPTIONS

#### Residential

All qualified real estate assessed as residential is eligible to receive a one hundred percent (100%) exemption from taxation on the actual value added by the eligible 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.

#### Commercial or Industrial

All qualified real estate assessed as commercial or industrial is eligible to receive an exemption from taxation on the actual value added by the eligible improvements, under one of the following schedules—to be selected by the applicant upon applying for the exemption:

A) One hundred percent (100%) exemption on the actual value added by the eligible improvements. The exemption is for a period of three (3) years.

B) A declining exemption on the actual value added by the eligible improvements, in an amount equal to a percentage of the actual value added by the eligible improvements, as set forth below. The exemption is for a period of ten (10) years.

- i. For the first year, eighty percent (80%)
- ii. For the second year, seventy percent (70%)
- iii. For the third year, sixty percent (60%)
- iv. For the fourth year, fifty percent (50%)
- v. For the fifth year, forty percent (40%)
- vi. For the sixth year, forty percent (40%)
- vii. For the seventh year, thirty percent (30%)
- viii. For the eighth year, thirty percent (30%)
- ix. For the ninth year, twenty percent (20%)
- 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 as multi-residential property, if the 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.

**3. APPLICATION PROCEDURES.** With the adoption of this Amendment, the City is making updates to the eligibility requirements for property assessed as commercial to reflect changes in State law expected to take effect on July 1, 2024. For the sake of clarity, the “Application Procedures” section of the Plan is hereby repealed in its entirety and replaced with the following:

#### APPLICATION PROCEDURES

An application shall be filed for each new exemption claimed. The property owner should apply to the City for an exemption by February 1st of the assessment year for which the exemption is first claimed, which may not be 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 not be limited to, the following information: the nature of the improvement, its cost, the estimated or actual date of completion of the project, and the tenants that occupied the owner’s structure on the date the City passed the Resolution adopting this Plan (if applicable). All applications must be on the form of application provided by the City.

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, specifying a minimum actual value for the completed improvements, consistent with and to the extent required by the provisions of Iowa Code Chapter 404 in effect at the time the application is submitted to the City.

#### EFFECTIVE DATE OF AMENDMENT

This Amendment No. 2 shall become effective upon adoption by the City Council (“Effective Date”). 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. 2, 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.

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