



RESIDENTIAL TAX ABATEMENT

2025

Urban Revitalization Plan

CITY OF INWOOD IOWA RESIDENTIAL TAX ABATEMENT
AMENDED AND RESTATED URBAN REVITALIZATION PLAN

2025

INTRODUCTION

In 2016, the City of Inwood, Iowa (the "City") adopted a Residential Tax Abatement Urban Revitalization Plan (the "Original Plan"). In response to legislative changes, the City is amending and restating the Original Plan to, among other things: (i) remove school levies from the available tax exemptions; (ii) update the assessment category applicable to multi-family projects; and (iii) extend the available tax exemption schedule for multi-family projects. The City is also extending the term of the Original Plan and limiting the availability of tax exemption incentives for projects receiving incentives under the City's tax increment financing program. The terms of this Amended and Restated Plan (hereinafter referred to as the "Plan") shall be effective immediately upon adoption by the city council following a public hearing as required by Section 404.2(6), Code of Iowa.

SECTION 1. URBAN REVITALIZATION ACT

1.1 AUTHORIZING LEGISLATION

The Urban Revitalization Act, Chapter 404, Code of Iowa (the "Act"), was enacted into law by the Iowa legislature in 1979. The Act is intended to encourage redevelopment and revitalization within a designated area by authorizing incentives to the private sector. Qualified real estate within the designated area may be eligible to receive a partial exemption from property taxes on improvements for a specified number of years. The primary intent of this bill is to provide cities with a long-term increase or stabilization in their tax base by encouraging rehabilitation or new construction which might not otherwise have occurred.

1.2 DESIGNATION CRITERIA

Section 404.1 of the Iowa Code provides that the city council may designate an area of the city as a revitalization area, if that area meets any one of the following situations:

- a. An area in which there is a prominence 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.
- b. 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.

- c. 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.
- d. An area designated appropriate as an economic development area as defined in section 403.17. Pursuant to section 403.17(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. 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 area. For 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 100 years or more.
- e. 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.

SECTION 2. STATEMENT OF PURPOSE

2.1 RESOLUTION OF NECESSITY

The city council of Inwood, Iowa has adopted a resolution finding that conditions requiring the rehabilitation, conservation, development and redevelopment of housing, or a combination thereof, exists within the City. It was determined those areas not presently in need of rehabilitation are appropriate for designation as an area appropriate for public improvements related to housing and residential development or construction of housing and residential development, including single or multiple family housing. The city council established the necessity to take action to halt and reverse these conditions in order to protect the health, safety and welfare of the residents and businesses in the designated area and, therefore, resolved to create a Residential Urban Revitalization Area in order to allow the incentives and tools provided in Chapter 404, Code of Iowa, to be employed in the area. [Chapter 404.2(1), Code of Iowa, 2025]

2.2 URBAN REVITALIZATION DISTRICT DESIGNATION

The City of Inwood has also designated by ordinance, an area that substantially meets some or all the requirements set forth in the Section 404.1, Code of Iowa. Some of these requirements are mentioned in Section 1 of this Plan.

2.3 PURPOSE AND PLAN GOAL

The purpose of the Plan is to establish an urban revitalization area, to be known as the Inwood Residential Urban Revitalization Area, hereinafter referred to as the "Area", in accordance with the provisions established in Chapter 404, Code of Iowa, to outline certain provisions for revitalization activities which includes but is not limited to tax abatement. The overall goal of the Plan is to help create an environment which will provide better opportunities for new and rehabilitated residential development. This will result in an overall benefit to future planning efforts for a progressive community.

2.4 PLAN OBJECTIVES

Objectives that will be met in achieving this goal are as follows:

- a. Tax abatement will encourage new residential development that will add to the value of property in the community, ultimately increasing the overall tax base.
- b. New residential development and/or additions to existing residential properties will contribute to an overall improved appearance of the community and boost the local economy.
- c. To support and encourage new multiple family residential development on those properties that may be assessed as residential property under Iowa Code Section 441.21(14)(a)(6), having three or more separate dwelling units
- d. Creating a healthier local economy and better physical appearance of residential properties within the community will increase the draw or attraction of new local business and industry.
- e. Assisting residential uses conforms to the city's land use regulations and planning initiatives to promote orderly growth in a fashion consistent with the direction the policy makers in Inwood have established.
- f. To utilize and leverage to the greatest extent possible available local, state and federal funding programs to benefit residential development in addition with tax abatement incentives.

SECTION 3. DESCRIPTION OF URBAN REVITALIZATION AREA

3.1 AREA DESCRIPTION

The boundary of the Area includes all real estate within the incorporated city limits of the City of Inwood, Iowa. Properties eligible for residential property tax abatement under the auspices of this Plan include those qualified real estate properties zoned as R-1, R-2 or MH residential zoning districts, in addition to being assessed as residential and located within the Area as seen in Exhibit A. For official assessment classifications, parcel information for each property located in the urban revitalization district is available for public inspection at the Lyon County Assessor's Office in Rock Rapids, Iowa. Furthermore, those properties which shall become annexed into the City

of Inwood in the future shall automatically be included within the boundaries of the Residential Urban Revitalization Area.
[Chapter 404.2(2)(a), Code of Iowa, 2025]

3.2 EXISTING ASSESSED VALUATIONS AND OWNERS OF RECORD OF REAL ESTATE IN URBAN REVITALIZATION AREA

Available at City Hall is a list inclusive of all real estate parcels that existed within the Area at the time of adoption of the Original Plan. Information is provided for each real estate parcel located in the Area which contains, at a minimum, the following information:

- a. Existing assessed valuation of the real estate
- b. Information separating the valuation of land and improvements
- c. Names and addresses of the last owners of record
[Chapter 404.2(2)(b, c), Code of Iowa, 2025]

3.3 EXISTING ZONING OF URBAN REVITALIZATION AREA

The City of Inwood is zoned. There are eight (8) zoning classifications consisting of:

AC -Agriculture District
CN - Conservation District
R-1-Single Family Residential District
R-2 - Multiple Family Residential District
MH - Mobile/Manufactured Housing District
C-1- Downtown Commercial District
C-2 - Highway Commercial District
GI - General Industrial District

Although the boundaries of the Area contain all properties within the city limits of Inwood, the Urban Revitalization tax abatement benefits are only eligible to those properties assessed as residential and located within the R-1, R-2 or MH zoning districts. If a speculative residential development, either single or multiple family, is desiring to build on land zoned other than one of the identified residential zoning districts, the property must be rezoned accordingly prior to being eligible to receive tax abatement benefits. A copy of the city's official zoning map is available for public inspection at City Hall.

3.4 EXISTING AND FUTURE LAND USE

Existing land uses within the Area include agricultural, residential, commercial and industrial land uses. Only those uses assessed and zoned accordingly as one of the previously identified residential zoning districts are eligible to apply to receive tax abatement benefits. Future development within the Area that is eligible to receive tax abatement benefits will be restricted to future residential land uses compatible with existing residential developments and consistent with the city's comprehensive land use plan. If a property changes from a non-residential use to a proposed future residential

land use, this would subsequently change the taxable assessed valuation of the property to residential. In this instance, these future properties will also qualify for tax benefits provided within the Plan. [Chapter 404.2(2)(d), Code of Iowa, 2025]

SECTION 4. PROPOSED PUBLIC SERVICE IMPROVEMENTS

At the time of publication of this document, the City of Inwood has not put forth any service or infrastructure improvements within the Area and there are no immediate plans for the expansion of public services or infrastructure in the Area that will directly or indirectly affect the properties eligible to receive benefits described in the Plan. The City maintains there may be a time in the future when the City would consider potential long term service improvement projects to benefit the community. Possible future public service improvements may include, but not limited to:

- Ongoing street improvement projects
 - Sanitary sewer maintenance and improvements
 - Fire department equipment improvements
 - Needed or proposed water system improvements
 - Storm water drainage improvements
 - Continued development of residential building lots
 - Promotion and retention of economic development and business development
- [Chapter 404.2(2)(e), Code of Iowa, 2025]

SECTION 5. STATEMENT OF APPLICABILITY OF REVITALIZATION

5.1 APPLICABILITY

The following paragraphs establish the applicability of the revitalization programs and benefits to various properties in the Area. [Chapter 404.2(2)(f), Code of Iowa, 2025]

- a. Revitalization activities covered under this Plan shall be applicable only to real estate assessed as residential within the Area. Revitalization benefits are not applicable to residential properties not meeting this requirement.
- b. Residential Urban Revitalization benefits in the Area are also applicable to the areas assessed as agricultural, but intended for future residential. The City believes there will be no loss of prime agricultural land to accomplish the objectives of this Plan.
- c. Revitalization of qualified real estate in the Area may consist of rehabilitation or additions to existing residential structures, or new residential construction on unimproved real estate, or combination thereof.

5.2 TERM OF REVITALIZATION BENEFITS

Residential revitalization activities in the Area shall be applicable under the revitalization Plan until December 31, 2044. The City Council may review and evaluate the need for this residential revitalization Plan during its term. If the City feels the goals for residential revitalization efforts are accomplished and continuation no longer benefit the community, the city council reserves the right to repeal the ordinance

establishing the Inwood Residential Urban Revitalization Area at any time. In that event, all existing exemptions shall continue until their expiration. Conversely, if in the opinion of the city council, the established goals and objectives of the Plan have not been attained, the city council may extend the life of the revitalization Area.

SECTION 6. RELOCATION PROVISIONS

As established in Section 404.6, Code of Iowa, the City, upon application to it and after verification by it, 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 benefits conferred by this Plan. A "qualified tenant" means the legal occupant of a residential dwelling unit which is located within the designated Urban Revitalization Area and who has occupied the same dwelling unit continuously since one year prior to the adoption of the Original Plan. Relocation expenses shall be the responsibility of owners of said property where any displacement of necessity to relocate occurs, as condition for receiving tax exemption or other allowable benefits under this Plan. It is not anticipated that any of the revitalization activities to be undertaken in the Area will displace or cause need for relocation of any persons, families, or businesses. Therefore, the City of Inwood is not creating a plan for the relocation of persons, families or businesses. [Chapter 404.2(2)(g), Code of Iowa, 2025]

SECTION 7. INCREASE IN ACTUAL VALUE REQUIREMENTS

7.1 QUALIFIED REAL ESTATE

As used in this Plan, "qualified real estate" means real property assessed as residential located in the designated residential revitalization Area, and to which improvements are added during the time the Area was so designated a revitalization area, which improvements increased the actual value by at least the amount or percentage indicated in Section 7.5 below.

7.2 IMPROVEMENTS

As used in this Plan, "improvements" includes rehabilitation and additions to existing structures as well as new construction on vacant land or on land with existing structures.

7.3 IMPROVEMENTS ON AGRICULTURAL LAND

The city council finds that in order to meet the goals and objectives of this Plan, new construction on land either assessed or classified as agricultural land will be considered for improvements in regard to meeting the eligibility requirements for receiving the benefits established within this Plan, so long that the proposed improvements to that land will assessed as residential.

7.4 ACTUAL VALUE ADDED BY THE IMPROVEMENTS

For the purposes of this Plan, "actual value added by the improvements" shall mean the actual value added as of the first year for which the exemption was received.

7.5 INCREASE IN VALUE ADDED REQUIREMENT

In order to qualify for the tax exemptions or other benefits conferred in this Plan, the improvements made to qualified real estate must increase the actual value of such real estate by at least ten \$10,000 for new construction or ten percent (10%) for any addition to or rehabilitation of existing structures.

SECTION 8. TAX EXEMPTION SCHEDULES

Residential

All qualified real estate assessed as residential property is eligible to receive a one hundred percent (100%) exemption from taxation on the first \$75,000 of actual value added by 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.

Residential with Three or More Separate Dwelling Units

All qualified real estate assessed as residential property under Iowa Code Section 441.21(14)(a)(6), having three or more separate dwelling units, is eligible to receive a one hundred percent (100%) exemption from taxation on the actual value added by 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 ten (10) years.

This exemption is available for this particular subset of residential property to further the City's planning objectives with respect to ensuring the availability of a variety of housing options and promoting the development of multi-family residential properties.

SECTION 9. OTHER SOURCES OF FUNDING

9.1 PROPERTY OWNERS ENCOURAGED

The city council encourages all property owners to investigate funding sources for improvements to real estate, and to apply for those funding sources which are applicable to the types of improvements proposed.

9.2 STATE AND FEDERAL ASSISTANCE

At this time there are no plans by the City of Inwood to provide any funding for residential revitalization activities through any federal or state grant or loan programs. Although, the City will not prohibit the use of such programs should they become available or be used in the Area. The City also reserves the power to apply for and accept funds for these programs from time to time in order to meet the goals and

objectives of the Plan or any other plan adopted by the City of Inwood. [Chapter 404.2(j), Code of Iowa, 2025]

SECTION 10. APPLICATION PROCEDURE

10.1 APPLICATION FILED

An application shall be filed for each new tax exemption claimed using the form attached to this Plan as Exhibit B, which form may be amended from time to time by the city. The first application for an exemption shall be filed by the owner of the property with the City of Inwood by February 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, unless, upon the request of the owner at any time, the City provides by resolution the owner may file an application by February 1 of any other assessment year selected by the City of Inwood. [Chapter 404.4, Code of Iowa, 2025]

10.2 CONTENTS OF APPLICATION

The application shall contain, but not be limited to, the following Information:

- a. Name of applicant/property owner
- b. Applicant's complete mailing address and telephone number
- c. The nature of the improvement(s)
- d. Estimated or actual cost of the improvement(s)
- e. The estimated or actual date of completion
- f. The name(s) of the tenants that occupied the property on the date the City adopted the resolution of necessity referred to in Section 404.2(1), Code of Iowa for the Original Plan
- g. An applicable exemption schedule as identified in Section 404.3, Code of Iowa
- h. Copy of most recent property tax statement

The city reserves the right to charge an application fee to cover administrative costs. This fee will be set by resolution of the city council.
[Chapter 404.4, Code of Iowa, 2025]

10.3 CITY COUNCIL APPROVAL

The city shall approve the application, subject to review by the Lyon County Assessor, pursuant to Section 404.5, Code of Iowa, if:

- a. the project is in conformance with the Inwood Urban Revitalization Plan
- b. the project is located within the Area designated within the Plan
- c. the improvements were made during the time the Area was so designated a revitalization area [Chapter 404.4, Code of Iowa, 2025]

10.4 CITY COUNCIL FORWARDING APPROVED APPLICATIONS

The city shall forward for review all approved applications to the Lyon County

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. [Chapter 404.4, Code of Iowa, 2025]

10.5 DETERMINATION BY COUNTY ASSESSOR

The Lyon County Assessor shall, for each first-year approved application, make a physical review of all properties. The County Assessor shall determine if the improvements made increased the actual valuation of the qualified real estate by the ten percent (10%) requirement. [Chapter 404.5, Code of Iowa, 2025]

10.6 NEW STRUCTURES

If a new structure is erected on land upon which no structure existed at the start of new construction, the County Assessor shall proceed to determine the actual value of property and certify the valuation determined pursuant to Section 404.3, Code of Iowa, to the County Auditor at the time of transmitting the assessment roles. [Chapter 404.5, Code of Iowa, 2025]

10.7 NOTIFICATION BY THE ASSESSOR

The County Assessor will then notify the applicant of the determination, which may be appealed to the local board of review pursuant to Section 441.37, Code of Iowa. [Chapter 404.5, Code of Iowa, 2025]

10.8 SUCCEEDING YEARS OF TAX EXEMPTION

After the initial tax exemption is granted, the County Assessor shall continue to grant the tax exemption, with periodic physical review by the Assessor, for the time period specified on the approved application submitted by the property owner. The tax exemption shall be made on succeeding years of the exemption schedule without new applications. [Chapter 404.5, Code of Iowa, 2025]

SECTION 11. PRIOR APPROVAL BY CITY COUNCIL

According to Section 404.4, Code of Iowa, 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 city council shall, by resolution, give its prior approval for a residential improvement project if the project is in conformance with the Plan. Such prior approval shall not entitle the owner to exemption from taxation until the residential improvements are completed and found to be qualified real estate. If the proposal is not approved, the person may submit an amended proposal for the city council to approve or reject.

SECTION 12. LIMITATION TO ELIGIBILITY FOR PROPERTY IN URBAN RENEWAL AREA

There may exist one or more urban renewal areas (established pursuant to Chapter 403 of the Code of Iowa) within the city establishing a tax increment financing program.

Accordingly, a property that, in the determination of the city council, is within an existing urban renewal area and receiving benefits from the 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 Residential Urban Revitalization Area and all other requirements of this Plan are met.

EXHIBIT A INWOOD RESIDENTIAL URBAN REVITALIZATION AREA MAP

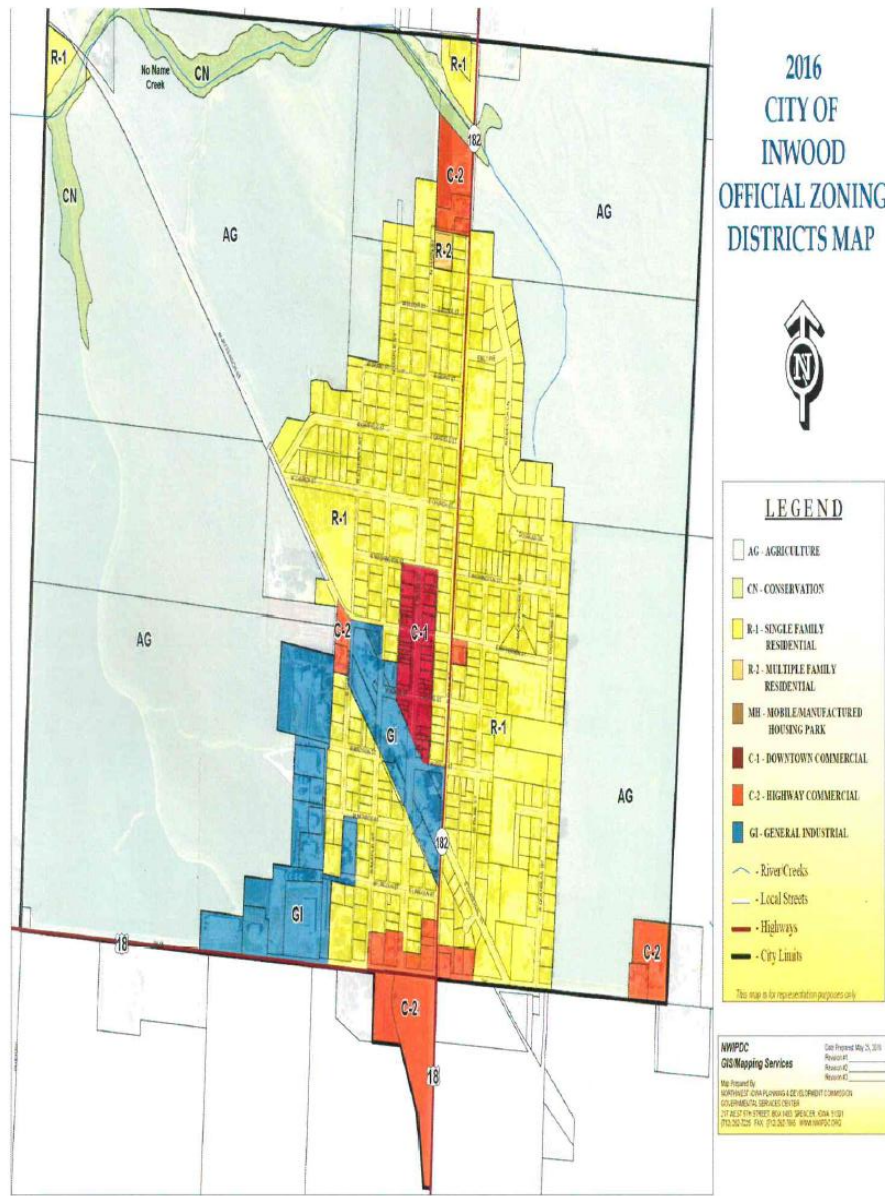


EXHIBIT B
APPLICATION

APPLICATION FOR RESIDENTIAL TAX ABATEMENT UNDER THE
AMENDED AND RESTATED URBAN REVITALIZATION PLAN
FOR INWOOD, IOWA

**FOR PROPERTY TAX EXEMPTION FOR IMPROVEMENTS UNDER THE PROVISIONS OF THE
AMENDED AND RESTATED URBAN REVITALIZATION PLAN ADOPTED BY THE CITY
COUNCIL OF THE CITY OF INWOOD, IOWA.**

*This application must be filed with the City by February 1st of the assessment year for which the exemption is first claimed, but not later than February 1st of the year in which all improvements included in the project are first assessed for taxation, or February 1st of the following two assessment years.

Inwood's Amended and Restated Urban Revitalization Plan allows property tax exemptions for residential improvements as follows, please select the schedule for which you are applying:

 Residential

All qualified real estate assessed as residential property is eligible to receive a one hundred percent (100%) exemption from taxation on the first \$75,000 of actual value added by 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.

 Residential with Three or More Separate Dwelling Units

All qualified real estate assessed as residential property under Iowa Code Section 441.21(14)(a)(6), having three or more separate dwelling units, is eligible to receive a one hundred percent (100%) exemption from taxation on the actual value added by 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 ten (10) years.

In order to be eligible, the property must have been located in the Urban Revitalization Area when the improvements were made. The Area includes all real estate within the official incorporated city limits of the City of Inwood, Iowa.

Address of Property: _____

Legal Description: _____

Title Holder or Contract Buyer: _____

Address of Owner (if different than above): _____

Phone Number (to be reached during the day): _____

Email Address: _____

Property is assessed as:

 Residential **Commercial** **Industrial**

_____ Residential with Three or More Separate Dwelling Units (Iowa Code Section 441.21(14)(a)(6))

Nature of Improvements: _____ New Construction _____ Improvements to Existing Structure

Specify Improvements: _____

Permit Number(s) from the City of Inwood [Attach approved Building Permit to this application]

Date Permit(s) Issued: _____

Permit(s) Valuation: _____

Estimated or Actual Date of Completion: _____

Estimated or Actual Cost of Construction: _____

The name(s) of the tenant(s) that occupied any building on the property on May 2, 2016, if known:

Application for:

_____ Prior Approval for Intended Improvements _____ Approval of Improvements Completed

Signature: _____

Name (Printed) _____

Date: _____

This Application is a summary of some of the Plan terms; for complete information, read a copy of the AMENDED AND RESTATED URBAN REVITALIZATION PLAN, available at City Hall.

ATTACHMENTS: ATTACH YOUR APPROVED BUILDING PERMIT TO THIS APPLICATION AND A COPY OF MOST RECENT PROPERTY TAX STATEMENT

FOR CITY USE:

CITY COUNCIL	<p>Application is: Approved/Disapproved (circle one)</p> <p>If disapproved, reason for disapproval: _____</p> <p>If approved, for which schedule: ____ Residential ____ Residential with three or more dwelling units</p> <p>Date _____ Resolution No. _____</p> <p>Attested by the City Clerk _____</p> <p>Date forwarded to County Assessor _____</p> <p>(This Application is to be forwarded by the City to the County Assessor by March 1.)</p>
ASSESSOR	<p>Present Assessed Value _____</p> <p>Assessed Value with Improvements _____</p> <p>Eligible or Not Eligible for Tax Abatement _____</p> <p>Assessor _____ Date _____</p>

