URBAN REVITALIZATION PLAN

CITY OF JESUP, IOWA

JESUP URBAN REVITALIZATION AREA

2013

Exhibit 1

INTRODUCTION

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, with the goal of providing communities with a long-term increase or stabilization in the local tax base by encouraging new construction which might not otherwise occur.

Sections 404.1(4) and 404.1(5) of the Code of Iowa provide that a City Council may designate an area of the City as a revitalization area, if that area meets the following definitions:

> "An area which is appropriate as an economic development area as defined in section 403.17 of the Code of Iowa;" and
>
> "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."

With the adoption of this Jesup Urban Revitalization Plan ("Plan") the Jesup City Council is designating the Jesup Urban Revitalization Area ("Area" or "Revitalization Area") as being qualified under Iowa Code Section 404.1(4) and Section 404.1(5).

Section 404.2 of the Code of Iowa requires that a city prepare a plan to govern activities within the proposed revitalization area, and the balance of this document is intended to set out the elements of a plan that are mandated by state law.

A. DESCRIPTION OF THE AREA AND MAP

The revitalization area shall be known as the Jesup Urban Revitalization Area, and the legal description of real property to be included within the Revitalization Area is as follows:

All real property contained within the incorporated limits of the City of Jesup, Buchanan County & Black Hawk County, State of Iowa as of January 1, 2012.

A map showing the real property to be included within the Revitalization Area is attached as Exhibit A.

B. DESIGNATION CRITERIA

In accordance with Subsections 4 and 5 of Section 404.1 of the Code of Iowa, the City Council of Jesup ("City") has designated the Revitalization Area as appropriate for economic development and for public improvements related to housing and residential development, or construction of housing and residential development, including single or multifamily housing.

C. OBJECTIVES

This Plan is prepared in conformance with Sections 404.1 and 404.2 of the Code of Iowa for the purpose of providing incentives and outlining procedures to enhance the potential for residential development in Jesup. The primary objectives of this Plan are as follows:

- Encourage new construction of, and remodeling and additions to, residential properties through abatement of taxes on the value of the improvements.

- Improve economic conditions in the area and take steps to enhance the general attractiveness of the Urban Revitalization Area.

- Planning goals include revitalizing the Area through the promotion of new construction on vacant land and rehabilitation of existing property, stabilizing and increasing the tax base, and providing overall aesthetic improvement.

It may be that some of the improvements will be on land that is assessed as agricultural land. The City will present justification at the public hearing held pursuant to Section 404.2 for the revitalization of land assessed as agricultural property by means of new construction. Such justification will include information about the City's urgent need for additional housing. Such justification shall demonstrate, in addition to the other requirements of Iowa Code Chapter 404 and Section 419.17, that the improvements on land assessed as agricultural land will utilize the minimum amount of agricultural land necessary to accomplish the revitalization of the residential property within the Urban Revitalization Area. The City finds that the amount of land assessed as agricultural land in the City, when that amount is compared to the amount of agricultural land in the County, is minimal and use of such land is necessary to accomplish the objectives of this Plan, as set out above.

D. PRESENT ZONING AND PROPOSED LAND USE

Zoning classifications in the revitalization district include:

Residential (R-1, R-2, R-3)
Planned Mobile Home
Commercial (C-1 & C-2_
Industrial (M-1 & M-2)
Agricultural (A-1)

The map attached as Exhibit A shows the zoning areas.

E. EXISTING LAND USE

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

F. PROPOSED LAND USE

The revitalization area is proposed for new and expanded residential development in those areas that comply with the City's Zoning Ordinance.

G. PROPOSALS FOR EXPANDING CITY SERVICES

The City proposes that, as it becomes financially feasible, the provision of municipal services to the Revitalization Area will be expanded and improved to meet the demands of new residential development.

H. ELIGIBLE IMPROVEMENTS

Eligible property under this Plan includes all applicable property assessed as residential (or commercial if it meets the definition under "exemptions"), with the exception described in Section I. Eligible property improvements, as used in this Plan, include rehabilitation and additions to existing structures located within the Area. In addition, new construction on vacant land or on land with existing structures is also eligible for tax abatement.

Actual value added by improvements, as used in this Plan, means the actual value added as of the first year for which the exemption was received according to tax assessment valuation determined by the Black Hawk or Buchanan County Assessor. In order to be eligible for tax abatement, the increase in actual value of the building due to the improvements must be at least 15% and increase the assessed value of the building in an amount not less than $10,000. If more than one building is located on property, the fifteen percent (15%) increase and $10,000 requirements apply only to the structure or structures upon which the improvements were made. If no structures were located on the property prior to the improvements, any improvements may qualify. Increases in taxes because of the increased assessed value for land are not eligible for abatement.

All improvements in order to be considered eligible must be completed in conformance with all applicable regulations of the City of Jesup and must be completed during the time the Area is designated as an Urban Revitalization Area and will require a building permit. Actual value added by the improvements means the actual value added as of the first year for which the exemption was received according to tax assessment valuation per the Black Hawk or Buchanan County Assessor. However, if such construction, rehabilitation or additions were begun one year prior to the adoption of the Plan, the value added by such construction, rehabilitation or additions shall not constitute an increase in value for purposes of qualifying for the exemption listed in the Plan.

All improvements, in order to be considered eligible, must be completed in conformance with all applicable regulations of the City of Jesup, and must be completed during the time the Revitalization Area is designated by ordinance as a revitalization area. No abatement will be allowed hereunder unless an occupancy permit has been issued by the City with respect to the project for which the abatement is requested.

I. TAX ABATEMENT/TAX INCREMENT FINANCE

The City also has a tax increment financing program which is designed to provide incentives for development. Accordingly, an applicant whose property is within an Urban Renewal Area shall not be eligible for tax abatement under this Plan, unless otherwise specifically determined by the City Council by resolution.

Improvements receiving any funding from a local, state or federal governmental program are not eligible for tax exemption under this Plan.

J. TIME FRAME

The Area shall be eligible for tax abatement under the Plan for improvements to qualified real estate that are completed on or before December 31, 2017, so that the assessor can make a full assessment as of January 1, 2018. If, 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, the City Council may repeal the ordinance establishing the Urban Revitalization Area, pursuant to Section 404.7 of the Code of Iowa at any time before the time period set out above. In the event the ordinance is repealed, all existing exemptions shall continue until their expiration. In addition, the City may decide to amend this Plan or extend its designation in accordance with Chapter 404.

K. EXEMPTIONS

All qualified real estate assessed as residential property is eligible to receive a one hundred percent (100%) exemption from taxation on the first seventy-five thousand dollars ($75,000) of actual value added by the improvements. Improvements must increase the assessed value of the building by a minimum of 15% and be in an amount not less than $10,000. The exemption is for a period of five (5) years.

In addition, property assessed as commercial that consists of 3 or more separate living quarters with at least 75% of the space used for residential purposes shall be eligible to receive a 100% exemption from taxation on the actual value added by the improvements. Improvements must increase the assessed value by a minimum of 15% and be in an amount not less than $10,000. The exemption is for a period of ten (10) years.

L. APPLICATION PROCEDURES

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

M. APPROVAL OF APPLICATIONS

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.

For prior approval and non-prior approval applications, the City Council shall approve an application submitted for approval if:

1. The project, as determined by the City Council, is in conformance with this Plan;
2. The project is located within the Area;
3. The improvements were made during the time the Area was so designated (completed so that the first full assessment is January 1, 2018);
4. The project is not located in an Urban Renewal Area, unless the council specifically authorizes the project as eligible;
5. The project has obtained a building permit from the City.
6. An occupancy permit has been issued; and
7. Any other legal requirement.

All approved applications shall be forwarded by the City to the applicable County Assessor by March 1 for review, and a final determination of eligibility, 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.

N. OTHER SOURCES OF REVITALIZATION FUNDS

The City anticipates no federal or state grants or loans for improvements in the Revitalization Area at this time other than those of conventional lending institutions at normal market rates.

However, it is not the intention of the City to prohibit the use of other appropriate federal or state revitalization or incentive programs within the area. <u>But see</u> Section I.

O. 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 Revitalization Area. If so, the City will comply with all requirements.

Only tenants who have occupied the same dwelling unit continuously for one (1) year prior to the Plan's adoption and who are displaced due to construction of an improvement are eligible for relocation benefits.

P. REVENUE BOND

The City has no plans at the present time to issue revenue bonds for revitalization projects within the Area.

Q. OWNERS OF RECORD AND EXISTING ASSESSED VALUATIONS

The names and addresses of owners of record and existing assessed valuations (listing land and building values separately) are listed in Exhibit C, which is on file at City Hall.

EXHIBIT A

MAP OF PROPERTY IN JESUP REVITALIZATION AREA

Map of City boundaries as of 1/1/2012, showing Zoning areas

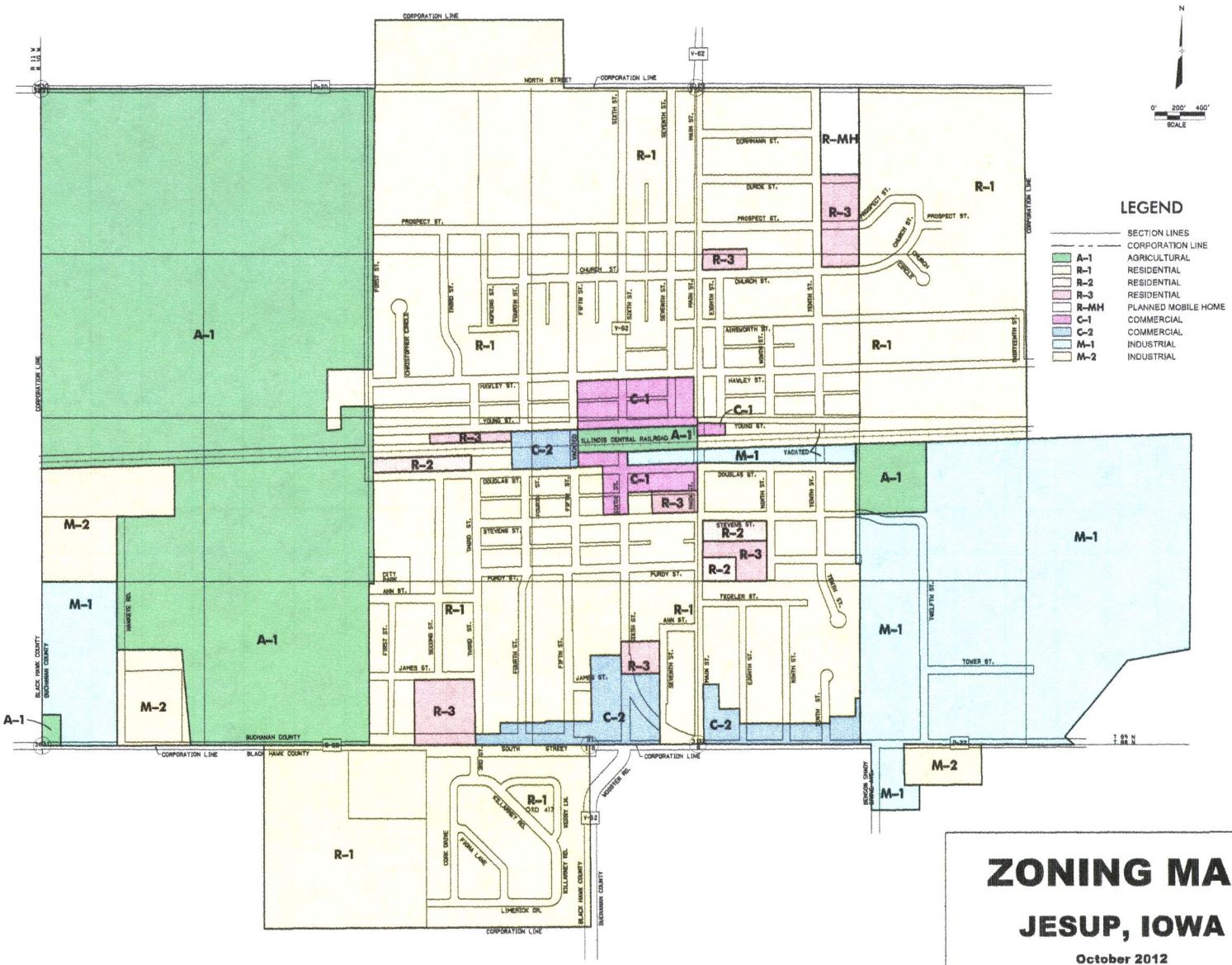
ZONING MAP
JESUP, IOWA
October 2012
LEGEND
SECTION LINES
CORPORATION LINE
A-1 AGRICULTURAL
R-1 RESIDENTIAL
R-2 RESIDENTIAL
R-3 RESIDENTIAL
R-MH PLANNED MOBILE HOME
C-1 COMMERCIAL
C-2 COMMERCIAL
M-1 INDUSTRIAL
M-2 INDUSTRIAL
SCALE
0' 200' 400'
N
CORPORATION LINE
NORTH STREET
SOUTH STREET
PROSPECT ST.
CHURCH ST.
HAWLEY ST.
YOUNG ST.
DOUGLAS ST.
STEVENS ST.
PURDY ST.
ANN ST.
JAMES ST.
TEGELER ST.
TOWER ST.
ILLINOIS CENTRAL RAILROAD
VACATED
BUCHANAN COUNTY
BLACK HAWK COUNTY
CITY PARK
CHRISTOPHER CIRCLE
KILLARNEY RD.
FIRM LANE
CORE DRIVE
LIMERICK DR.
HAMMER RD.
BOSCH SANDY DRIVE

EXHIBIT A

EXHIBIT B

Map Showing Urban Renewal Areas

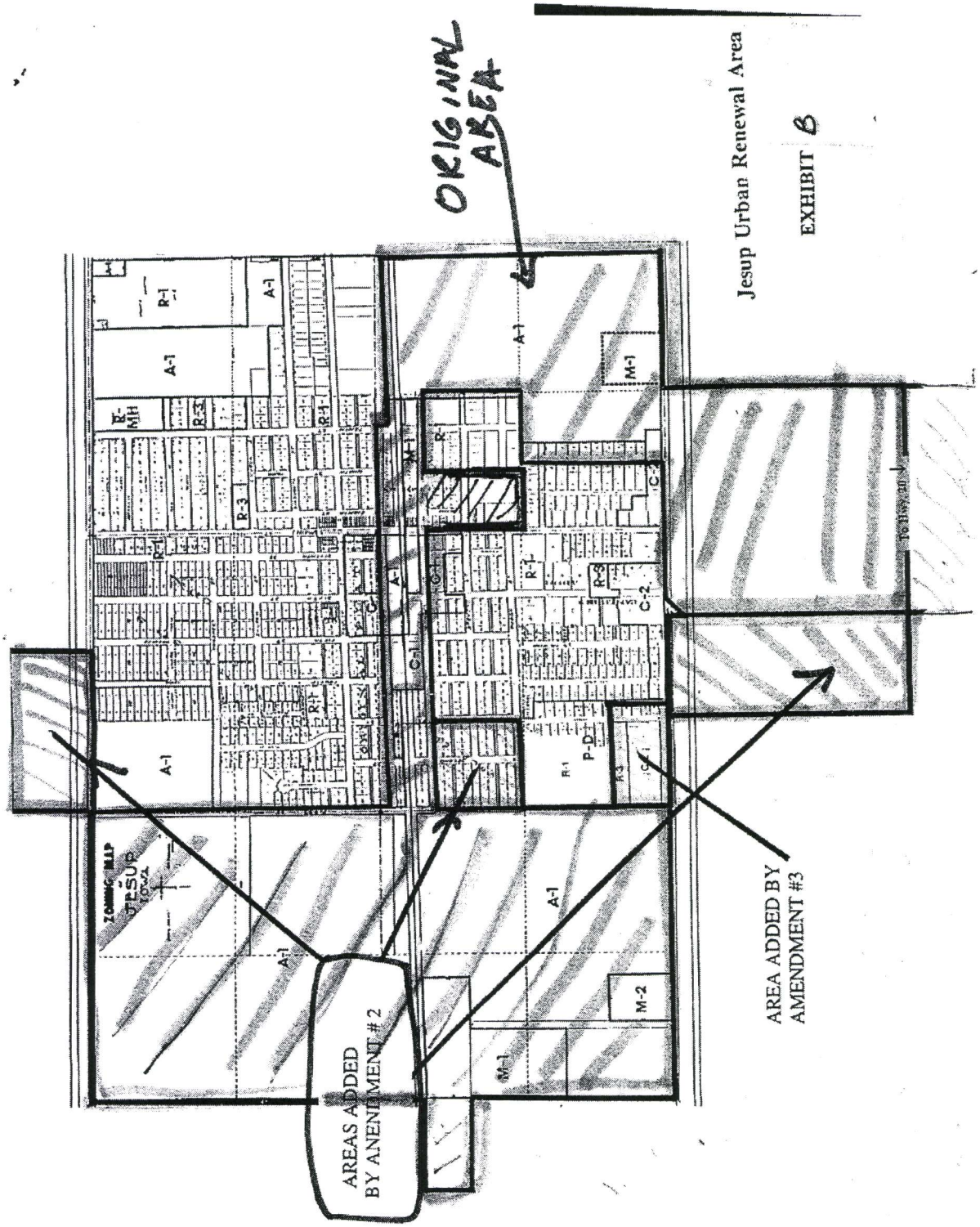

EXHIBIT C

Assessed Valuations of Land and Buildings and Owners of Record of Real Estate

A list of the totals of the existing assessed valuations of the real estate in the Area, listing the land and building values separately is set forth below:

Number of Parcels	Assessed Value of Land	Assessed Value of Commercial and Industrial Buildings	Assessed Value of Agricultural Buildings	Assessed Value of Residential Buildings
1104	$14,829,284	$17,955,044	$468,720	$94,060,783

Individual assessed values for land and buildings within the Area and the names and addresses of the owners of record of the real estate within the Area are compiled on spreadsheets, located at the Clerk's Office at City Hall. Accommodations for viewing will be made.

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