

# Property Tax Rebate Program

Program: Property Tax Rebate Program (PTR)

Purpose: To encourage and provide assistance to property owners in the renovation and redevelopment of vacant or underutilized retail, office, mixed use and industrial buildings and sites.

Any building(s) or site(s) in question must be either planned or used as a retail, office, mixed use, or industrial use. For the purposes of this program, a mixed-use building is one where a mix of retail/office/residential uses are contained within the footprint of the building.

Eligible Areas: Only within the designated areas as identified on the attached map.

Program Funding: Properties owners within the designated areas are eligible to apply for a property tax rebate. The property tax rebate will be based on a five-year 100% rebate of the tax increment revenues generated by the agreed upon construction/upgrades/replacements with all rebates being subject to a non-appropriation in any given year. This schedule shall be followed unless an alternate schedule is adopted by the City Council. The incentive will only be given on new taxable valuation as determined by the county assessor.

***If a project involves the renovation of a contributing building or one that will be made contributing according to the National Historic District nominating application, then the property owner would be eligible to apply for a ten-year 100% property tax rebate. In addition, the participating property owners must enter into a 20-year minimum assessment agreement with the City.***

Program Mechanics: Property owners wishing to apply for funding through the PTR would submit an application to the Community and Economic Development Department. Staff would review the application and submit it to the Finance and Administration City Council Subcommittee for a recommendation which will be forwarded to the City Council for ultimate action to approve or deny the request.

If the project is approved for funding, the property owner will be required to submit documentation of the estimate of project expenses before the start of construction or renovation activities.

In addition, the property owner will be required to enter into a development agreement with the City. As part of the development agreement, the property owner will commit to creating or retaining a minimum of five (5) FTE's in the first two years following completion of the construction, redevelopment, or renovation work, and retain those positions for life of the rebate.

As part of the development agreement, the property owner must commit to the City that they will undertake at least \$500,000 worth of construction/upgrades/replacements to the property.

Upon completion of the upgrades, the property owner will document, to the satisfaction of the City that the upgrades have occurred to the property. Only after satisfying the City that the work was completed and that it did meet the \$500,000 threshold, will the City initiate the rebate program for that respective building(s) or site.

The property owner receiving the property tax rebate must waive their right to any other property tax rebate/abatement contained in the State of Iowa or City Code.

Participating property owners must enter into a ten (10) year minimum assessment agreement with the City ***if they are in the 5-year property tax rebate program. For those participating in the 10-year property tax rebate program, the property owner must enter into a 20-year minimum assessment agreement with the City.***

The amendment will be in full force and effect on any application for assistance filed after the enactment of the amending resolution (December 12, 2016).

The approval of this program does not imply that any legal entitlement is granted or that any business or property owner

that meets the identified requirements will be offered the incentive.

The City Council at its sole discretion shall be responsible for consideration and potential approval of the incentive.

Funding Source: The source of funding for this program shall be the property tax increment generated by the increase in property valuation.