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**AMENDMENT NO. 7 TO ADEL URBAN**

**REVITALIZATION PLAN**

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**CITY OF ADEL, IOWA**

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**Original Plan - 2010**

**Amendment No. 1 - 2012**

**Amendment No. 2 - 2012**

**Amendment No. 3 - 2012**

**Amendment No. 4 - 2013**

**Amendment No. 5 - 2014**

**Amendment No. 6 – 2017**

**Amendment No. 7 – 2017**

## **Amendment No. 7 (2017)**

The Urban Revitalization Plan (“Plan”) for the City of Adel adopted by Resolution 10-55 on December 14, 2010 (Original Plan) set forth an Exemption Schedule for Improvements on Qualified Real Estate completed during the 2011, 2012, and 2013 calendar years in the Urban Revitalization Area (“Area”). Amendment No. 1 to the Plan, adopted by Resolution No. 12-13 on March 13, 2012, modified the Exemption Schedule. Amendment No. 2, adopted by Resolution No. 12-59 on October 9, 2012, added annexed land not previously included in the Area. Amendment No. 3, adopted by Resolution No. 12-66 on December 11, 2012, modified the Exemption Schedule for 2013 and added calendar years 2014, 2015, and 2016. Amendment No. 4, adopted by Resolution No. 13-63 on November 12, 2013, added previously annexed land to the Area as well as automatically incorporating all land annexed into the City in the future into the Area as of the annexation date. Amendment No. 5, adopted by Resolution No. 14-36 on August 12, 2014, extended the Exemption Schedule for an additional nine years, thereby covering Improvements completed through December 31, 2025. Amendment No. 6, adopted by Resolution No. 17-02 on January 10, 2017, clarified the duration of the Plan/Area, incorporated a limitation to eligibility for property in an Urban Renewal Area, redefined Qualified Real Estate to include commercial property and multiresidential property, and added an Exemption Schedule for Improvements to Qualified Real Estate assessed as commercial or multiresidential property. The Plan is being further amended by this Amendment No. 7, the purpose of which is to:

- (1) Modify the Exemption Schedule for Improvements to Qualified Real Estate assessed as residential or multiresidential property
- (2) Terminate the Exemption Schedule for Improvements to Qualified Real Estate assessed as residential or multiresidential property for Improvements completed after January 1, 2021

Upon adoption of this Amendment No. 7, the EXEMPTION SCHEDULE available under the terms of the Plan for Improvements to Qualified Real Estate assessed as residential or multiresidential property is as follows:

### Residential or Multiresidential Property

All Qualified Real Estate assessed as residential property, or assessed as commercial property or multiresidential property if the commercial or multiresidential 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 100 percent exemption from taxation on the Actual

Value Added by Improvements Completed on or before January 1, 2019.  
The exemption is for a period of seven (7) years.

All Qualified Real Estate assessed as residential property, or assessed as commercial property or multiresidential property if the commercial or multiresidential 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 exemption from taxation on the Actual Value Added by Improvements Completed after January 1, 2019 but on or before January 1, 2021 according to the following schedule:

1st Year	Seventy-Five percent (75%) of actual value added
2nd Year	Fifty percent (50%) of actual value added
3rd Year	Twenty-Five percent (25%) of actual value added

No exemption shall be available for Improvements Completed after January 1, 2021 on Qualified Real Estate assessed as residential property, or assessed as commercial property or multiresidential property if the commercial or multiresidential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes. All exemptions previously awarded under the terms of the Plan, as amended, for Improvements Completed prior to January 2, 2021 shall continue until their expiration.

For purposes of this exemption only, if the Improvement is a new residential or multi-residential building, the Improvement is deemed “Completed” when the building is framed, sided, roofed, and rough-ins are completed, as determined by the City building inspector in his/her sole discretion.

If the property owner applies for and receives an exemption for a new building that satisfies the above definition of Completed but before the building is fully assessed, the exemption schedule applicable to the increased value from the partially completed project is the schedule effective as of January 1 of the year in which the application for the partial exemption is made.

*For example, assume a new residential building is framed, sided, roofed, and roughed-in by January 1, 2019 and receives a partial assessment of \$200,000 as of January 1, 2019. Assume further that the building is fully completed in calendar year 2019 and fully assessed at \$300,000 as of January 1, 2020. If the property owner applies for the exemption by February 1, 2019 and an exemption is granted, the seven-year 100% exemption would be applied to the \$200,000 partial assessment beginning with the 2019 assessment and*

*ending with the 2025 assessment (i.e., the 7 year 100% schedule would apply to that partial exemption). If an application is filed between January 1, 2020 and February 1, 2020, inclusive, and an exemption is granted, the three year sliding scale exemption (75%/50%/25%) would be applied to the additional \$100,000 in assessed value added for the 2020 assessment year beginning with the 2020 assessment and ending with the 2022 assessment. The partial exemption allowable for the years 2020 through 2022 would be against the value added for 2020 as a result of improvements completed during calendar year 2019.*

In the example above, the taxpayer may elect not to file an application for the partial exemption in 2019. In this situation, if an application is filed by February 1, 2020, an exemption could be allowed for the total value added as of January 1, 2020 and the three year sliding scale exemption would apply.

This Amendment No. 7 does not alter the Exemption Schedule for Commercial Property, which exemption remains as follows:

Commercial Property

All Qualified Real Estate assessed as commercial property is eligible to receive exemption from taxation on Actual Value Added by the Improvements according to the following schedule:

1st Year	Seventy-Five percent (75%) of actual value added
2nd Year	Sixty percent (60%) of actual value added
3rd Year	Forty-Five percent (45%) of actual value added
4th Year	Thirty percent (30%) of actual value added
5th year	Fifteen percent (15%) of actual value added

This Amendment No. 7 shall become effective upon the approval of a resolution by the City Council adopting the same (“Effective Date”).

Except as modified by this Amendment No. 7, the provisions of the Original Plan and Amendments 1-6 are hereby ratified, confirmed and approved and shall remain in full force and effect as provided therein.

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