

**Davenport 2022 Urban Revitalization Area Plan for Central City & North Areas
July 2022**

Proposed for Public Hearing on August 17th, 2022

Introduction

The Urban Revitalization Act, Chapter 404 of the Code of Iowa, is intended to encourage development, redevelopment and revitalization within designated areas of the 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 encouraging new construction or rehabilitation which might not otherwise occur.

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.

This plan affirms a crucial partnership between the private and public sectors. This document establishes the framework and procedures for the public sector to modify its power to tax real property in order to encourage private reinvestment in the portions of Davenport where the need is greatest.

Effective Date

The provisions of the Plan shall be effective as of the date the City council has approved and published the ordinance designating the boundaries of the Davenport 2022 Urban Revitalization Area Plan for Central City & North Areas.

Goals and Purposes

The general goals and purposes to be addressed within the Davenport 2022 Urban Revitalization Area Plan for Central City & North Areas are as follows:

1. To encourage private investment and reinvestment within targeted areas of the city and thus improve the stability, economic vitality, and living environment of these areas.
 1. To encourage the preservation of existing and the expansion of new housing within the URA
 2. To encourage business growth and redevelopment within the URA
2. To encourage the rehabilitation of structures that are deficient with respect to building, housing and fire code standards.
3. To use the incentives set forth in this plan, together with other economic development programs of the City to achieve increased assistance for projects which otherwise would not occur.
4. To implement the exemptions and other benefits of this plan without unduly diminishing the City's tax revenues and its ability to provide necessary municipal services.

Legal Description

The boundaries of the Davenport 2022 Urban Revitalization Area Plan for Central City & North Areas are defined with the legal description of the entire area, which is provided as an attachment to this plan.

Maps

As noted, a map depicting the new areas are shown as an attachment to this plan. Two maps also include the current areas for the Central City and North areas.

Designation Criteria

In accordance with Section 404.1 of the Act, the City Council has made the following determinations with respect to the Revitalization Area:

1. A portion of the property situated in the Revitalization Area is an area which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, deterioration of site or other improvements, and a combination of these and other factors, substantially impairs or arrests the sound growth of the City, constitutes an economic and social liability and is a menace to the public welfare in its present condition and use; and
2. A portion of the property situated in the Revitalization Area is an area in which there is a predominance of building and improvements which, by reason of age, history, architecture and significance, should be preserved and/or restored to productive use; and
3. The Revitalization Area is an area which is appropriate as an economic development area as defined in Section 403.17 of the Code of Iowa; and
4. The rehabilitation, redevelopment, economic development and promotion of housing and residential development in the Revitalization Area is necessary in the interest of the public welfare of the residents of the City and the Revitalization Area substantially meets the criteria set forth in Section 404.1 of the Act.
5. A portion of the property situated in the Revitalization Area is 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.
6. Agricultural land shall be reclassified as commercial, industrial or residential prior to eligibility for benefits.

Assessed Valuation

The assessed valuation of the real estate for both land and buildings in the Davenport 2022 Urban Revitalization Area Plan for Central & North is available upon request to the City of Davenport or individual parcel data can be found at the following website:

<https://www.scottcountyiowa.gov/parcels>

Proposals for Improving or Expanding City Services in the Area

Pending proposals for the development or improvements to certain public facilities to be funded by the City and which will improve or expand services within the URA are included in the City's Capital Improvement Program. This report is available online at:

https://www.davenportiowa.com/government/davenport_cip

Grant and Loan Programs Available Within the Urban Revitalization Area

Grant and loan programs are available to both housing and business owners in this area.

Descriptions of programs supporting improvements to real property are available from the Department of Community and Economic Development, City Hall or online:

https://www.davenportiowa.com/our_community/economic_development/programs_and_incentives &

https://www.davenportiowa.com/government/departments/community_economic_development/housing_programs.

Zoning

Existing and any updated zoning classifications and zoning district boundaries are available online: [Maps - City of Davenport \(davenportiowa.com\)](https://www.davenportiowa.com/maps)

Owners of Record

A list of the owners of record of real estate in the proposed additional area are provided as an attachment. Owner information can be found <https://www.scottcountyiowa.gov/parcels>.

Applicability

The benefits of urban revitalization tax exemption as set forth in this plan are applicable to all classes of property in the area. Benefits are available both for rehabilitation of and additions to existing buildings, as well as new construction.

Duration

The area shall remain designated and the Plan in effect for an estimated period of ten (10) years after the adoption of the Plan; with the City Council having the option to extend the time period for a maximum of two (2) five (5)- year periods. Although it is presently the City's intent to have the Plan in effect for the ten (10) year base period and to present the opportunity for extension through the two five-year options, the City Council expressly reserves the right to repeal the Plan at any time.

When, 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 by this Plan would cease to be of benefit to the City, the City Council may repeal the ordinance establishing the Urban Revitalization Area. In the event that the Revitalization Plan is repealed by the City Council, all existing tax exemptions shall continue until their expiration.

Provisions for Relocation

Among the objectives in revitalizing a targeted area is to promote a stable housing stock and strong economic base. In rehabilitating the present housing supply, these activities may cause a varying degree of displacement to tenants. It is the intent of this plan to discourage displacement whenever possible. When displacement is unavoidable, it shall be done with minimum inconvenience and economic hardship to those being displaced.

The following provisions apply to the displacement and relocation of residential and business tenant of real estate for which the new investment is to be presented for consideration for conferring benefits under the provisions of this plan, particularly the Urban Revitalization Tax Exemption program described more fully later in this document.

Agency Responsible for Administering Relocation Activities

The City of Davenport Department of Community and Economic Development will be responsible for the monitoring of the relocation program. The City's role in relocation will be to provide technical assistance and social service referrals to those in need of relocation assistance.

Who is Eligible for Relocation?

A "qualified tenant" shall mean the legal occupant of a residential dwelling unit or commercial or industrial structure within the targeted revitalization area and who has occupied the same unit continuously since one year prior to the City's adoption of the Plan.

If the City of Davenport goes through eminent domain proceedings to acquire any property from homeowners or business interests, it shall adhere to all relevant provisions of the applicable state law.

Any small business that leases the building in which it operates, who is displaced for rehabilitation can contact Community and Economic Development for assistance in finding options for a suitable replacement location.

Any low-moderate income person (but not a "qualified tenant") who is displaced by substantial rehabilitation as determined by the City from the dwelling in which they were residing may be eligible for assistance through the Community and Economic Development Department in accordance with the City's Relocation Program. (Examples of substantial rehabilitation include the shutting off of utilities for rehabilitation purposes, extensive interior rehabilitation purposes, extensive interior rehabilitation, etc.) Whenever possible, assistance to locate temporary housing will be made available.

"Low- and moderate-income persons" shall mean those persons within a household whose income is at or below the United States Housing and Urban Development standard as to the maximum allowable gross income level, as published by HUD from time to time.

Program Information

Information shall be provided by the owner, developer, or redeveloper to inform occupants within the targeted property of the benefits and assistance and grievance process. The program may include meetings, printed material, and media coverage. The information will be made available when the project is proposed. There will also be a conscientious attempt to inform tenant affected by displacement as a result of the tax exemption incentive prior to relocation.

Relocation Assistance to Families and Individuals (“Qualified Tenants”)

1. Assistance. Qualified Tenants shall receive technical information and referrals to available housing from the City of Davenport Relocation Specialist.
2. Notification. Qualified Tenants shall receive thirty (30) days’ notice of the need to relocate by the property owner causing the displacement.
3. Payment. Qualified Tenants of residential units shall be eligible to receive compensation under the provisions of the City’s Relocation Program to the extent they meet the requirements of that program and as provided by the financial parameters of that program at the time of relocation.
4. Responsibility of Payment. Relocation payments are the responsibility of property owners causing displacement as a condition or receiving tax exemption, except as provided in 3 above. Payment shall be made within ten business days of the notification of the tenant. Failure to do so will result in the forfeiture of the tax exemption.

Anyone displace who is aggrieved by the determination as to eligibility or for the amount of relocation payment shall submit in writing the nature of the complaint to the Department of Community and Economic Development., City Hall. The Director of Community and Economic Development shall make a decisions concerning the grievance within 30 days.

Tax Exemption

Definitions:

“Qualified Real Estate”, as used in this plan, means real property, other than land, which is located in a designated revitalization area and to which improvements have been made during the time the area was so designated, which has increased the actual value by at least the amount specified in the following section of the plan. “Qualified Real Estate” with regard to the Davenport 2013 URA may also be new construction.

“Improvements” includes rehabilitation and additions to existing structures as well as new construction. However, new construction on land assessed as agricultural property shall not qualify as “improvements” unless the City Council has resented justification at a public hearing held pursuant to section 404.2 of the Code of Iowa for the revitalization of land assessed as agricultural property by means of new construction. Such justification shall demonstrate in addition to the other requirements of this chapter that the improvement on the land assessed as

agricultural land will utilize the minimum amount of agricultural land necessary to accomplish the revitalization of the other classes of property within the urban revitalization area.

“Actual Value Added by the Improvements” means the actual value added as of the first year for which the exemption was received.

Increase in Actual Value Requirements

1. Residential property: For property assessed as residential, there shall be no minimum increase in assessed value required for property tax exemption eligibility. Any dollar increase in actual value of such real estate shall qualify for the tax exemptions listed in this plan.
2. For property assessed other than residential, the improvements made to qualified real estate must increase the actual value of such real estate by at least ten (10) percent, in order to qualify for the tax exemptions provided in this plan.

Basis of Tax Exemption Central URTE Area:

1. All qualified industrial or commercial real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:
 1. For the first year, eighty percent.
 2. For the second year, seventy percent.
 3. For the third year, sixty percent.
 4. For the fourth year, fifty percent.
 5. For the fifth year, forty percent.
 6. For the sixth year, forty percent.
 7. For the seventh year, thirty percent.
 8. For eight year, thirty percent.
 9. For the ninth year, twenty percent.
 10. For the tenth year, twenty percent.
2. All qualified industrial or commercial real estate is eligible to receive a one hundred percent exemption from taxation on the value added by the improvements. The exemption is for a period of three years.
3. All qualified residential and multi-residential real estate is eligible to receive a one hundred percent exemption from taxation on the value added by the improvements. The exemption is for a period of ten years.

Basis of Tax Exemption North URTE Area:

1. All qualified residential, multi-residential, commercial or industrial real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:
 1. For the first year, eighty percent.
 2. For the second year, seventy percent.
 3. For the third year, sixty percent.
 4. For the fourth year, fifty percent.
 5. For the fifth year, forty percent.
 6. For the sixth year, forty percent.
 7. For the seventh year, thirty percent.
 8. For eight year, thirty percent.
 9. For the ninth year, twenty percent.
 10. For the tenth year, twenty percent.
2. All qualified residential, multi-residential, commercial or industrial real estate is eligible to receive a one hundred percent exemption from taxation on the value added by the improvements. The exemption is for a period of three years.

Procedures

1. Applicants for tax exemption must fill out a form prepared by city staff and available at the Department of Community and Economic Development, City Hall, or at the City's website, www.davenportiowa.com/urte. The application shall contain, but not be limited to, the following information: the nature of the improvements, the cost, the estimated or actual date of completion, the number of residential tenants currently occupying the structure, and which exemption schedule is selected.
2. All applications for tax exemption shall be due February 1 of the year in which the improvements resulting from the project are assessed for taxation.
3. An application shall be filed for each new exemption claimed.

The Davenport City Council, upon review and recommendation by city staff, shall approve the application, subject to review by the City Assessor, if the project is in conformance with the plan for revitalization developed by the City, is located within a designated revitalization area and if the improvements were made during the time the area was so designated. The City shall forward for review all approved applications to the City Assessor by March 1 of each year indicating which exemption schedule apply. Applications for exemption for succeeding years for approved applications shall not be required.

If the real estate is assessed other than residential, the City Assessor shall review each first year application to determine if the improvements made increased the actual value of the

qualified real estate by the requisite percentage. If the Assessor determines that the actual value of the real estate has increased by the requisite percent, the Assessor shall proceed to determine the revised actual value of the property and certify the revised valuation to the County Auditor at the time of transmitting the assessment rolls.

If the application for exemption is denied as a result of failure to sufficiently increase the value of the real estate as provided in this plan, the owner may file a first annual application in the subsequent year when the additional improvements are made to satisfy the requirements of this plan. After the tax exemption is granted, the City Assessor shall continue to grant the tax exemption, after annual physical review by the Assessor, for the appropriate time period. The tax exemptions for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years.

Projects determined by the City Council not to be in conformance with the revitalization plan or with the Comprehensive Plan of the City of Davenport will be denied the benefits of this plan.

Attachment A Legal Description

Attached legal description will be forthcoming.