

WHAT IF I DON'T KNOW HOW MUCH MY PROJECT WILL COST? DO I NEED TO KEEP RECEIPTS?

You do not need to provide receipts with your application. When you apply for the exemption, you may provide us with a "guesstimate" of your costs. The reason why you are asked to provide a value of your improvements is to help us determine whether or not you have selected the appropriate tax exemption schedule.

HOW LONG DO I HAVE TO APPLY?

You must apply for the tax exemption within the year your improvements are made and within the effective date of the urban revitalization district. Normally each district will be effective for a three year period. However, City Council has the option to increase the length of time an urban revitalization district remains in effect.

I HAVE ADDITIONAL QUESTIONS. WHO CAN I CALL?

If you have additional questions about the Urban Revitalization Tax Exemption Program you may call the Planning and Neighborhood Services Division, Community Development Department at 279-6255.

If you have questions about an application that has already been approved, questions about the tax abatement received, or general questions about your property taxes, please call the City Assessor's office at 279-6535.



City of Sioux City
Planning and Neighborhood Services Division
Attn: Amy Keatras
PO Box 447
Sioux City, IA 51102

SIoux CITY

Community Development Department

URBAN REVITALIZATION TAX ABATEMENT PROGRAM



Planning and Neighborhood Services
Division
City of Sioux City
PO Box 447
405 6th Street
Sioux City, IA 51102

Tel: 712-279-6255

WHAT IS THE URBAN REVITALIZATION TAX ABATEMENT PROGRAM?

The Iowa State Code (Chapter 404) authorizes cities to abate property taxes for qualified improvements to real estate that is located within designated urban revitalization areas.

The City of Sioux City has created a City-wide urban revitalization district to encourage either neighborhood reinvestment or new housing production. For additional information, go to <http://sioux-city.org>. Follow the links to Community Development, Planning and Neighborhood Services.

Specific urban revitalization districts that were in place prior to creation of City-wide urban revitalization will remain in effect until expiration. To find out the schedules available in specific urban revitalization districts, please call 279-6255.

WHAT IS A QUALIFIED IMPROVEMENT?

Qualified improvements include:

- New construction
- Rehabilitations that add value to a home
- Additions to existing homes

Please note: not all "improvements" add value to a home. Adding a new roof or painting a home, for example, rarely increases the taxable value of a home. This program requires that you add value to your property. For residentially assessed property you must add at least 5%, for commercially assessed property you must add at least 10% to the base value. If you have questions about what adds taxable value to a residence for urban revitalization purposes, please call the City Assessor's office at 712-279-6535.

WHAT PROPERTIES QUALIFY FOR ABATEMENT?

Generally, residential (both single family and multi family), properties may take advantage of the tax abatement program.



WHEN AND HOW DO I APPLY?

At the conclusion of your project or no later than December 31st in the year your project was completed, you must file an application with the City's Community Development Department.

You can obtain an application at the Planning and Neighborhood Services Office, Room 305, City Hall or by going on line at <http://sioux-city.org>. Follow the links to the Community Development Department, Planning and Neighborhood Services Division. Click on Urban Revitalization.

The application takes less than 5 minutes to complete and staff will be available to assist you. You will be asked to estimate the cost of your improvements. Unfortunately not every dollar you spend will increase your property's value. The City Assessor makes the final determination of how much value has been added to your property.

In February of each year, City Council approves and forwards the applications to the City Assessor. The City Assessor then determines how much value has been added to the property.

You will also be asked which tax abatement schedule you would like to receive. The program offers five schedules. Once you have selected a schedule and applications have been approved by City Council, you may not change your selection.

Schedule 1: For residential properties where improvements added are less than \$20,000 in value. This schedule remains in effect for a 10 year period and equals 115% of the improvement value added.

Schedule 2: For residential properties where improvements are in excess of \$20,000. Provides graduated abatement over a 10 year period on a declining scale from 80% exemption in year 1 to 20 % exemption in year 10.

Schedule 3: For residential properties. Provides a 100% abatement for a three year period.

Schedule 4: For commercial properties consisting of three or more separate living quarters with at least 75% of space used for residential purposes. Provides graduated abatement over a 10 year period on a declining scale from 80% exemption in year 1 to 20% exemption in year 10.

Schedule 5: For commercial properties consisting of three or more separate living quarters with at least 75% of space used for residential purposes. This schedule provides a 100% abatement for a three year period.

CAN APPLICATIONS BE DENIED?

Yes. Applications can be denied under the following circumstances:

- Your improvements were started before the date of designation of the urban revitalization area.
- Your improvements were completed after the urban revitalization area expired.
- Your property is not located in a designated urban revitalization area.
- Your application was submitted after the required deadline.
- The improvements you made to your property did not meet City codes and regulations.
- The improvements that you made did not add taxable value to your property.

CAN ALL OF MY PROPERTY TAXES BE ELIMINATED?

No. You will still pay taxes on the base value of the property before you made the improvements. In fact, your base property taxes can increase—or decrease— during the life of the urban revitalization district. This normally occurs when the City Assessor reevaluates property values within your neighborhood.

HOW OFTEN DO I HAVE TO APPLY?

Normally, if you make no additional improvements to your property during the life of the urban revitalization district, you will only need to file one application in the year in which your improvements were completed.

If you make multiple improvements over many years, you must submit an application each year that you make qualifying improvements to your property.

For large projects, you can make one application in the calendar year in which you finish the project. To take the fullest advantage of the tax exemption offered, you may end up paying taxes on the full value of improvements for a year or a portion of a year while you are in construction.

