HOW TO APPLY

Applications for the tax abatement benefits are available in the Development Services Department in City Hall and at www.masoncity.net. The application requires the owner's name, location of the property, completion date, description and cost of the improvements, and the use of the property. The application must be submitted within one year of completion of the project. The application deadline is February 1 to qualify for the tax abatement for the prior year. Please return the completed application to the Development Services Department on the 3rd Floor of City Hall. Following review by the Department, the applications will be presented to the City Council for approval before being forwarded to the City Assessor.

REVIEW BY CITY ASSESSOR:

The City Assessor will review the application and conduct a review of the property to determine if the improvements are completed as described and ensure that the improvements have increased the assessed value of the property by the required minimum percentage. If approved, the increased City property taxes resulting from the increase in value will be abated according to the applicable abatement schedule.

RELOCATION REQUIREMENTS

If tenants are displaced as a result of the improvements, the owner must provide relocation assistance to those displaced in order to qualify for the tax abatement. Tenants include persons, families, and businesses. Relocation assistance must include one month's rent and actual reasonable moving and related expenses, including transportation of the tenant and tenant's personal property up to a distance of 50 miles; packing, crating, unpacking and uncrating of personal property; and disconnecting, dismantling, removing, reassembling, reinstalling household appliances and other personal property. The City will review and verify to ensure that relocation requirements have been satisfied.

TAX ABATEMENT SCHEDULES

Commercial and Multi-Residential: Eligible projects can choose one of the following schedules:

Schedule A
Ten-Year Decreasing Value
Year 1: 80% of the increased value
Year 2: 70% of the increased value
Year 3: 60% of the increased value
Year 4: 50% of the increased value
Year 5: 40% of the increased value
Year 6: 40% of the increased value
Year 7: 30% of the increased value
Year 8: 30% of the increased value
Year 9: 20% of the increased value
Year 10: 20% of the increased value

Schedule B
Three-Year 100% Value
Years 1, 2 & 3: 100% of the increased value

Multi-Residential Housing Focus Area
New Multi-Residential Housing Projects Within the Focus Area: 10-Year 100% Value
Year 1 through Year 10: 100% of the increased value

Residential: there is only one abatement schedule:

Residential
Five-Year 100% Value
Year 1 through Year 5: 100% of the increased value

Residential abatement applies only to the first $75,000 of increased value; however, this limitation does not apply to eligible improvements to blighted or historic residential properties.

City of Mason City

Development Services Department
10 1st Street NW
Mason City, IA 50401
(641) 421-3626
www.masoncity.net

City of Mason City

Urban Revitalization

Tax Abatement Program

Easing the tax "sting" of new construction and improvements to your home or business

MASON CITY IOWA

URBAN REVITALIZATION TAX ABATEMENT PROGRAM

The City of Mason City provides an **urban revitalization program**, offering valuable abatement of City property taxes for new construction and improvements to commercial, multi-residential and residential properties in selected areas of the city. The abatement of City property tax is based on the increase in taxable value of the property due to completed new construction or improvements.

DEFINITIONS: Eligibility is based on the assessment class of the property:

- Residential property is defined as a single family home or a two-family home (duplex).

- Multi-residential, defined as a building containing three or more dwellings.

- Commercial property, defined as any retail, hospitality, entertainment, or office use.

The available tax abatements differ based on these assessment classes.

ELIGIBILITY REQUIREMENTS

Residential: Improvements to residential property located within an urban revitalization district must increase the assessed valuation of the property by at least 10 percent. Improvements to outbuildings (such as a detached garage) are also eligible. The property tax abatement applies only to the first $75,000 of increased valuation. However, *blighted* property (severely deteriorated structures, as determined by the City) and *historic* property (50 years old or more) are not subject to the $75,000 limitation.

Multi-residential: Improvements to multi-residential properties within an urban revitalization district must increase the assessed valuation at least 15 percent. However, multi-residential projects that meet the definition of *assisted living* (senior housing, assisted/independent living, group homes, residential care, nursing homes, and similar) are only required to increase the assessed valuation by 10 percent. For all types of multi-residential property, there is no limit on the increase in valuation to which the abatement applies. Multi-residential projects within the Multi-Residential Housing Focus Area are eligible for a 10-year, 100% abatement of City taxes.

Commercial: Improvements to *commercial* property located within an urban revitalization district must add a minimum 15 percent increase to the assessed valuation. Again, there is no limit on the increase in valuation. If the project qualifies, the owner must enter into a Minimum Assessment Agreement with the City Assessor. Contact the Development Services Dept. for more information.

The three tax abatement schedules (two for multi-residential and commercial properties and one for residential properties) are listed on the other side of this brochure.

Mason City Urban Revitalization Districts

To accurately determine if your property is within the urban revitalization area, contact the Development Services Department at (641) 421-3626

Multi-Residential Housing Focus Area