

ments, and the use of the property. The application must be completed and submitted within one year of the completion of the project. The application deadline is February 1 in any year to qualify for the property tax abatement for the prior year. If the application is submitted after February 1, it will be processed the following year and may result in the loss of one year of tax abatement. 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 will conduct a review of the property to determine if the improvements are completed as described and to ensure that the improvements have increased the assessed value of the property by the required minimum amounts. If approved, the increased taxes resulting from the increase in value will be abated and will not appear on the property tax bill.

#### RELOCATION REQUIREMENTS

If tenants are displaced as a result of the improvements being made to the property, the owner must provide relocation assistance to those displaced in order to qualify for the urban revitalization tax abatement. Tenants can include persons, families, and businesses. Relocation assistance must include one month's rent and actual reasonable moving and related expenses. These expenses include 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*

- Year 1: 100% of the increased value
- Year 2: 100% of the increased value
- Year 3: 100% of the increased value

**Residential:** there is only one abatement schedule:

#### Residential

##### *Five-Year 100% Value*

- Year 1: 100% of the increased value
- Year 2: 100% of the increased value
- Year 3: 100% of the increased value
- Year 4: 100% of the increased value
- 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 1<sup>st</sup> Street NW  
Mason City, IA 50401  
(641) 421-3626  
[www.masoncity.net](http://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***



# URBAN REVITALIZATION TAX ABATEMENT PROGRAM

The City of Mason City provides an **urban revitalization program**, offering valuable property tax abatements for new construction and improvements to commercial, multi-residential and residential properties in selected areas of the city. The abatement of 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:

- **Commercial** property, defined as any retail, hospitality, entertainment or office use.
- **Multi-residential**, defined as a building containing three or more dwellings, with at least 75% of the space dedicated to residential use.
- **Residential** property is defined as a single family home or a two-family home (duplex).

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.

**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.

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.

## HOW TO APPLY

Applications for the tax abatement benefits are available in the Development Services Department in City Hall and at [www.masoncity.net](http://www.masoncity.net). The application requires information such as the owner's name, location of the property, completion date, description and cost of the improve-

## Mason City Urban Revitalization Districts

