

**CHAPTER 9**  
**ECONOMIC DEVELOPMENT PROPERTY TAX**  
**EXEMPTION**

9.01 Purpose  
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**9.01 PURPOSE.** The purpose of this chapter is to provide for a property tax exemption for shell buildings constructed by community development organizations, not-for-profit cooperative associations under Chapter 499 of the Code of Iowa or for-profit entities for speculative purposes in accordance with Section 427.1 of the Code of Iowa.

**9.02 DEFINITIONS.** For use in this chapter the following terms are defined:

1. “Community development organization” means a City organization or a multi-community group formed for one or more of the following purposes:

- A. To promote, stimulate, develop, and advance the business prosperity and economic welfare of the community, area, or region and its citizens.
- B. To encourage and assist the location of new business and industry.
- C. To rehabilitate and assist existing business and industry.
- D. To stimulate and assist in the expansion of business activity.

For purposes of this definition, a community development organization must have at least fifteen (15) members with representation from the government at the level or levels corresponding to the community development organization’s area of operation; a private sector lending institution; a community organization in the area; business in the area; and private citizens in the community.

2. “New construction” means new buildings or structures and includes new buildings or structures which are constructed as additions to existing buildings or structures. “New construction” also includes reconstruction or renovation of an existing building or structure which constitutes complete replacement of an existing building or structure or refitting of an existing building or structure, if the reconstruction or renovation of the existing building or structure is required due to

economic obsolescence, if the reconstruction or renovation is necessary to implement recognized industry standards for the manufacturing or processing of products, and the reconstruction or renovation is required in order to competitively manufacture or process products or for community development organizations, not-for-profit cooperative associations under Chapter 499 of the Code of Iowa or for-profit entities to market a building or structure as a speculative shell building, which determination must receive prior approval from the Council.

3. “Speculative shell building” means a building or structure owned and constructed or reconstructed by a community development organization, a not-for-profit cooperative association under Chapter 499 of the Code of Iowa or a for-profit entity without a tenant or buyer for the purpose of attracting an employer or user which will complete the building to the employer’s or user’s specification for manufacturing, processing, or warehousing the employer’s or user’s product line.

**9.03 ELIGIBILITY.** The new construction of shell buildings, or the portion of the value added to buildings being reconstructed or renovated in order to become speculative shell buildings, by the community development organization, not-for-profit cooperative association under Chapter 499 of the Code of Iowa or for-profit entity is eligible for property tax exemption commencing the assessment year in which the building is first assessed or in which the reconstruction or renovation first adds value. The exemption shall continue until the property is leased or sold or until terminated by ordinance of the Council. The exemption shall continue for a period of five (5) years. Eligibility for an exemption as a speculative shell building shall be determined as of January 1 of the assessment year. However, an exemption shall not be granted a speculative shell building of a not-for-profit cooperative association under Chapter 499 of the Code of Iowa or a for-profit entity if the building is used by the cooperative association or for-profit entity or a subsidiary or majority owners thereof for other than as a speculative shell building.

**9.04 APPLICATION.** An application shall be filed with the local assessor for each project for which an exemption is claimed in accordance with Section 427B.4 of the Code of Iowa.

<b>EDITOR'S NOTE</b>		
<p>The following ordinances, not codified herein and specifically saved from repeal, have been adopted granting prior approval and remain in full force and effect.</p>		
<b>ORDINANCE NO.</b>	<b>ADOPTED</b>	<b>ENTITY</b>
698	June 17, 1996	Perry Property, LLC