

Citywide Ownership Housing New Construction Urban Revitalization Area *Application Packet*

Ames City Council approved a Citywide Urban Revitalization Area (URA) designation and plan on April 23, 2024. The URA Plan provides for a partial property tax abatement of up to \$500,000 of improvement* value for new construction of ownership housing, subject to specific eligibility criteria.

Note that not all the property taxes of a home are abated with this program. Per state law, school district property taxes are not included in this program. Please speak with the Story County Auditor about specific tax rates.

The “Application Packet” for the *Tax Abatement* includes the following:

- Summary of Program;
- Application Form;
- Tax Exemption Schedule.

1. Summary of Eligibility Criteria. The URA Plan includes mandatory eligibility requirements.

- *Residential Dwelling Improvements* for up to a maximum of \$500,000 in value.*
- *Residential assessment classification only. Agricultural classification or zoning are ineligible.*
- *Property must be owner-occupied as their primary residence (e.g. Homestead Exemption)*
- *New construction of a dwelling only; no rehabilitation, remodels, or additions are eligible.*
- *New construction on an existing vacant lot that did not previously have a single-family dwelling that was demolished since April 26, 2024.*
- *Improvements completed on or after April 26, 2024.*
- *Building permit issued prior to December 31, 2027.*
- *Dwelling must be completed with a Certificate of Occupancy no later than December 31, 2028.*
- *All improvements must be completed in conformance with City of Ames zoning and building code standards.*
- *Value added must be at least 10% of the actual value of the property.*

2. Application Process.

- *Fill out all sections completely and return to the Department of Planning & Housing. City staff will review the information and determine eligibility based upon information provided and through review of other City records. Additional information may be required to determine eligibility. Contact Planning Division staff with questions about the application.*

- ***The complete application must be received prior to February 1 of the assessment year for which the exemption is first claimed, but no later than the year in which all improvements* included in the project are first assessed.***
- *Once the application is reviewed, it will be forwarded to the City Council for formal determination of consistency with the URA criteria based upon the information provided. City Council must determine and approve eligible properties prior to March 1.*
- *If approved by the City Council, the City Clerk will forward the application to the City Assessor, who will review the application once to determine the Actual Value of the improvements* for property tax purposes.*

* Improvements are what is constructed on a property, primarily the building. The improvements are separate from, and do not include, the land itself.

Program Examples

The existing property value prior to starting construction is the base value; the abatement only applies to improvements* that increase value above the base. Only improvements completed after the URA designation date of April 26, 2024, are eligible for abatement. If a home started construction prior to this date and has not yet received a final inspection, it may be eligible for abatement of some improvements.

Example 1 – Construction started in 2023

- Vacant lot value of (\$900) on January 1, 2023 (base value)
- Building permit issued for basement and foundation November 1, 2023
- January 1, 2024, partial improvement value assessed for lot value and improvements (\$150,000)
- Framing inspection: February 15, 2024
- Final Inspection: May 10, 2024
- Final value of home with lot value: \$450,000.
- *Partial improvements after April 26: claimed \$50,000. – Eligible amount for abatement*
- Assessment Year Claimed – 2024

Example 2 – Construction started in 2024, before URA Designation

- Vacant lot value of (\$900) on January 1, 2024 (base value)
- Building permit issued for basement and foundation February 1, 2024
- Framing inspection: April 15, 2024
- Final inspection: June 1, 2024
- Total value of improvements with lot value: \$385,000
- *Partial improvements after April 26, 2024: claimed \$165,000 (Eligible amount for abatement)*
- Assessment Year Claimed – 2024

Example 3 – Construction started after April 26, 2024, and before December 31, 2027

- Vacant lot value of (\$75,000) on January 1, 2024 (base value)
- Building permit issued: June 1, 2024
- Framing inspection: September 15, 2024.
- Partial assessment: January 1, 2025 (\$300,000)
- Final Inspection: March 15, 2025.
- Total value of improvements with lot value: \$550,000
- Full assessment value January 1, 2026: \$550,000
- *Eligible full amount for abatement \$475,000 = (\$550,000 - \$75,000)*

Example 4 – Completed improvements occupancy or final inspection prior to April 26, 2024.

- No eligibility

Example 5 – Completed improvements occupancy or final inspection after December 1, 2028.

- No eligibility

* Improvements are what is constructed on a property, primarily the building. The improvements are separate from, and do not include, the land itself.

Citywide Ownership Housing New Construction Urban Revitalization Program Application Form

(This form must be filled out completely before your application will be accepted.)

1. Property Address: _____

2. Assessor Property Identification Number (Map ID – 10 Digit No.): _____

3. Legal Description (Subdivision, Addition No., Lot No., Block No.) (attach, if lengthy):

4. Is the property the primary residence of the owner? _____

May require additional documentation if the property does not have a Homestead Exemption

5. Type of Improvement (*must have a Residential Assessment Classification*):

<input type="checkbox"/> Single-Family Dwelling	<input type="checkbox"/> Two-Family Dwelling
<input type="checkbox"/> Single-Family Attached Dwelling (Townhome)	<input type="checkbox"/> Condominium Dwelling
<input type="checkbox"/> Accessory Dwelling Unit	

New Construction Starting After April 26, 2024

Date building permit issued to start construction of home: _____

Completion date of home (Final Inspection or Certificate of Occupancy): _____

Assessment year for which exemption is being claimed: _____

Claimed Improvement Value/Cost (Actual final value determined by Assessor):* _____

New Construction Started Before April 26, 2024 (Partial Improvement Eligibility)

Date building permit issued to start construction of home: _____

Describe improvements completed after April 26th, 2024. (Only improvements after 26th eligible):

Completion date of home (Final Inspection or Certificate of Occupancy): _____

Assessment year for which exemption is being claimed: _____

Claimed Improvement Value/Cost (Actual final value determined by Assessor):* _____

* Improvements are what is constructed on a property, primarily the building. The improvements are separate from, and do not include, the land itself.

5. **Property Owner(s):** _____

Mailing Address: _____
(Street/PO Box) (City) (State) (Zip)

Telephone: _____

Email: _____

I (We) certify that I have submitted all the required information to apply for approval of the Urban Revitalization Program and that the information is factual. I understand that I must continue to use the property as an owner-occupied primary residence for the duration of the tax abatement schedule or forgo the remaining years of the schedule.

Signed by: _____ **Date:** _____
Property Owner(s)*

Print Name

Signed by: _____ **Date:** _____
Property Owner(s)*

Print Name

*** All owners listed on the deed must sign the application.**

(Note: No other signature may be substituted for the Property Owner’s Signature.)

Submit the completed *Tax Abatement* Application Packet to the:

Department of Planning and Housing
Room 214, City Hall
515 Clark Avenue
Ames, Iowa 50010
Phone: 515-239-5400
E-mail: planning@cityofames.org

APPLICATION MUST BE RECEIVED BY FEBRUARY 1ST OF FIRST YEAR CLAIMED.

Urban Revitalization Program

Tax Exemption Schedule

All qualified real estate located in the designated revitalization area is eligible to receive a partial exemption from taxation on the Actual Value added by the improvements as specified by the schedule below.

Qualified real estate is eligible for a five-year, partial property tax abatement of value on the following schedule:

For the First Year	100%
Second	80%
Third	60%
Fourth	40%
Fifth	20%

Per requirements of state law, school-related property taxes are not abated with this program. Contact the County Auditor for more information regarding property taxes and tax rates.