

## CITY OF CHEROKEE TAX ABATEMENT PLAN

The City of Cherokee passed an Amendment to the Urban Revitalization Plan in May of 2021, and the Plan, as amended, is intended to encourage redevelopment and revitalization within the city limits of Cherokee. Commercial, industrial, residential, and multi-residential real estate within the city limits may be eligible, subject to the terms of the Plan, for the following exemptions from taxation if the actual value of the property is increased by at least 10% by eligible property improvements:

### Exemption – Residential

All qualified real estate assessed as residential property is eligible to receive a one hundred percent (100%) exemption from taxation on the first seventy-five thousand dollars (\$75,000) actual value added by the improvements. This does not apply to the school portion of the property taxes. This exemption is for a period of five (5) years.

### Exemption – Residential (3+ dwelling Units)

All qualified real estate assessed as residential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes is eligible to receive a one hundred percent (100%) exemption from taxation on the actual value added by the improvements. This exemption does not apply to the school portion of property taxes. The exemption is for a period of 10 years.

### Exemption – Residential (Blighted Subarea) – See Map below

All qualified real estate assessed as residential property is eligible to receive a one hundred percent (100%) exemption from taxation of the actual value added by the improvements. This exemption does not apply to the school portion of property taxes. The exemption is for a period of ten (10) years.

### Exemption – Commercial & Industrial

All commercial and industrial real estate is eligible to receive an exemption from taxation on the actual value added by the improvements. The applicant may choose one of the following abatement schedules:

1. A 100% exemption from taxation on the actual value added by improvements for a period of 3 years.
2. A partial exemption from taxation on the actual value added by improvements for a period of 10 years, determined as follows:
  1. For the first year, eighty percent.
  2. For the second year, seventy percent.
  3. For the third year, sixty percent.
  4. For the fourth year, fifty percent.
  5. For the fifth year, forty percent.
  6. For the sixth year, forty percent.
  7. For the seventh year, thirty percent.
  8. For the eighth year, thirty percent.
  9. For the ninth year, twenty percent.
  10. For the tenth year, twenty percent.
3. A minimum assessment agreement is required.

An application shall be filed for each exemption claimed. The property owner must apply to the City for an exemption by February 1<sup>st</sup> of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, or the following two assessment years.

Applications are available at Cherokee City Hall, 416 W Main, Cherokee, IA 51012. Ph: 712-225-5749 or [www.cherokeeiowa.net](http://www.cherokeeiowa.net).

Note: A property that, in the determination of the City Council, is within an urban renewal area and is receiving either direct or indirect benefits that were financed through a City-sponsored tax increment financing program, shall not be eligible for tax abatement under the Urban Revitalization Plan absent specific approval from the City Council.

Residential (Blighted Subarea

A tract of land located within the City Limits of Cherokee, Cherokee County, Iowa, described as follow:

Bounded on the East by the East line of the W1/2 of the W1/2 of the SW1/4 of Section 35, Township 92 North, Range 40 West of the Fifth P.M., Bounded on the North by the North line of the W1/2 of the W1/2 of the SW1/4 of said Section 35, and the North line of the SE1/4 of Section 34, Township 92 North, Range 40 West of the Fifth P.M., Bounded on the West by the Physical Centerline of U.S. Highway #59 (a.k.a. South 2<sup>nd</sup> Street) as it exists this 3<sup>rd</sup> day of May 2021 and Bounded on the South by the Physical Centerline of Linden Street as it exists this 3<sup>rd</sup> day of May 2021. Contains 152 Acres (M/L).

