

Downtown Urban Renewal Program

Purpose:

To assist building/land owners in the retrofit, renovation, or new construction of properties or second story housing development, within the designated area to provide: new retail, service, housing projects; to combat urban blight; and to provide employment opportunity for the City of Red Oak. The assistance provided to the land owner will come in the form of direct grants, of up to 25% of the project cost, or tax reimbursements. The plan itself is temporary in that it will be designated as a tax increment financing area for ten years even though bonds by the city may be prepaid through year fifteen. Final grant requests, providing application was made prior to the end of the tenth year, will also be considered under special circumstance. The Red Oak City Council may choose to renew this plan for an additional 10 year period.

Eligibility Criteria:

1. Property must be located in designated downtown urban renewal district as identified by the Red Oak City Council ordinance of November 17, 1997.
2. Building improvements are designated as those to the façade, and to the interior renovation/retrofit, preferably for the case of second story housing, or code improvements, or property preservation (i.e., roofing, windows, etc.). Exterior improvement must be completed first before interior eligibility will be designated for subsequent grant funding.
3. Any property improvements made from January 1, 1997 on are eligible for project funding.

Requirements:

- Qualified applicants must first invest in exterior improvements prior to being eligible for interior renovation grants
- All exterior improvements must conform to the historic character of the building and should follow the renderings or color schemes as provided by the Downtown Square Vision Committee and advice of the Historic Preservation Commission.
- Interior renovation/retrofit must meet NFPA, NEC, and all applicable city, state, and federal code requirements.
- Qualified applicants must submit a plan of improvements, complete with cost estimates, for approval by representatives of the Downtown Urban Renewal Agency
- New construction projects in the area are eligible for incentive programs upon approval by representatives of the Downtown Urban Renewal Agency
- Multiple building owners can apply for multiple grants, but are only able to submit one application per year, per building.

Incentives:

Building owners may choose from the following:

1. A direct grant to the building owner for up to 25% of the total project cost, or \$5,000, whichever is less. Final approval for this grant will come from representatives of the Downtown Urban Renewal Agency and will only be disbursed at the completion of the actual project as determined by this agency.
2. Property Tax reimbursement for that portion of increased value, less debt service, resulting from property improvements, for a time not to exceed five years.
3. Grants up to \$10,000 may be made to new or non resident relocating retail establishments as an incentive to locate and enhance the downtown urban area. All applications will be reviewed on a case by case basis. Allocations will be determined by availability of funds.
4. Tax Increment Financing for projects generating substantial increased assessed value is available as stated in Chapter 403, Iowa Code(1997), (as amended).

Administration:

- A. Applications will be accepted and reviewed quarterly, with approvals and disbursements being made on January 1, April 1, July 1, and October 1 of any given year.
- B. Disbursements of grants are only available upon the completion of the project. Approved applicants will be subject to a final review of the project by the agency prior to disbursement. All approved applicants must complete their projects within 12 months of the date of the first approval. Any project not completed within that period of time is no longer eligible for grant funding, unless an extension is approved by the agency.
- C. Administration of this program will be done cooperatively by the appointment, by the Red Oak City Council, of a Downtown Urban Renewal Agency. Suggested representatives would include members of the Downtown Square Vision Committee, HPC, Chamber, and Industrial Foundation.

Contact Houghton State Bank(712)623-4823 or the Red Oak Chamber of Commerce(712)623-4821 for additional information.