

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**00-167**

**SYNOPSIS -**

**AGENDA:**

Attached to the roll call is the 6th and supplemental set of tax abatement applications submitted for the year.

APRIL 24, 2000

**SUBJECT:**

One application for tax abatement is submitted at this time with an estimated value by the applicant of \$250,000. The application is for new construction (new single family homes, apartments, and new businesses) with an estimated value of \$250,000).

TAX ABATEMENT  
APPLICATIONS FOR  
1999

The applicant chose schedule 4b (with an estimated value of \$250,000).

**TYPE:**

**FISCAL IMPACT -**

**RESOLUTION**

ORDINANCE  
RECEIVE/FILE

There will be a fiscal impact to the City since improvements made to properties will be abated based on the schedule applied for and the number of years the property is eligible for abatement. Taxes on these properties will not become part of the revenue stream until the abatement period ends.

**SUBMITTED BY:**

JAMES M. GRANT  
COMMUNITY  
DEVELOPMENT  
DIRECTOR

The City Assessor's Office will inspect the improvements to determine the exact amount of the impact. The assessor must determine whether the improvements to the property has increased the property value by 5 percent in order for the property to be eligible for tax abatement.

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

Running Totals for 1999:	
Total Applications:	964
Total Value	\$148,000,000
Total New Construction	471 (\$141,000,000)
Total Additions	489 (\$7,000,000)
Total Choosing Schedule 1	484 (\$6,500,000)
Total Choosing Schedule 2	22 (\$17,000,000)
Total Choosing Schedule 3	16 (\$42,500,000)
Total Choosing Schedule 4a	46 (\$4,500,000)
Total Choosing Schedule 4b	394 (\$77,500,000)

The City approved the tax abatement program on September 28, 1987, by Roll Call No. 87-4009, to stimulate growth in the City and compete with the areas outside the City. This program has worked well and attracted residential development back to the City. The City has attracted an average of 260 single-family units, 12 duplex units, and 210 multi-family units or an average of 488 units per year since 1990. That development, in the long run, assists the City in attracting businesses and keeps people looking for residences in the City rather than outside the City. Developers have identified tax abatement as an initiative for attracting buyers for their units. The abatement program has also aided in upgrading deteriorating property in the City by providing an incentive to maintain and upgrade property.