

**CITY COUNCIL
COMMUNICATION:**

03-118

AGENDA:

MARCH 10, 2003

SUBJECT:

TAX ABATEMENT
APPLICATION FOR
2002—6700 CHAFFEE
ROAD, #60

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

ITEM _____

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

SYNOPSIS —

Attached to the roll call is a 2002 tax abatement application for 6700 Chaffee Road, #60. Only improvements made between June 3, 2002 and December 2002 are eligible for abatement.

FISCAL IMPACT —

Taxes are generated in the first year from the land value, but the improvement value is added when the added value comes on the tax rolls after the abatement. The amount of abatement for this property is not yet known, but will be determined by the County Assessor.

RECOMMENDATION —

Approval.

BACKGROUND —

The City Council first enacted tax abatement programs for the City on September 28, 1987, by Roll Call No. 87-4009.

This property was not annexed into the City until February 22, 2002, and tax abatement was not extended to the property until June 3, 2002, by Roll Call No. 02-1447. Because tax abatement was not extended to the property until June 3, 2002, only improvements made after June 3, 2002 and before the completion of the improvements in December 2002 are eligible for abatement under the City Wide Urban Revitalization Plan.

Because only improvements made to the property between June and December 2002 are eligible for abatement, it is difficult to determine the amount of abatement. The County Assessor will determine the value of the improvements made during this time period at a later date. Depending on the value of the improvements, the abatement could be issued from five to ten years. If the value is less than \$23,000, a ten-year abatement will be issued, but if the value is greater than \$23,000, a five-year abatement will be issued.

In addition to the application for 6700 Chaffee Road, #60, an application for 6700 Chaffee Road, #59 is also before the Council. While staff recommends approval for property #60, denial is recommended for property #59.

