



Agenda Item:

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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 08/22/05

Communication No.: 05-469

Agenda Item Type: Resolution,

Roll Call No.:

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Approval of 1 application for abatement for improvements to a property completed in 2002 that was not timely filed.

SYNOPSIS—

The attached tax abatement application is for improvements to the property at 500 North Valley Drive, Unit 804, completed in 2002. The application is within a designated abatement area, meets the requirements for the area, but was not filed until 2005, outside the normal filing period. The staff recommends that the City Council extend the deadline and approval of the application. Under the terms of Iowa Code §404.4, this will allow the applicant to receive tax abatement for the 4 years remaining under the normal 5-year 100% abatement schedule.

The applicant is further requesting that the application be backdated to 2002 and given full 5-year abatement. In support of this request, the applicant asserts that he relied upon the builder to file the abatement application and was not aware that abatement for his property was not in effect until this year. The City Council cannot change the date the application was actually filed, but may in its discretion request that Polk County apply the application retro-actively to allow the full 5-year 100% abatement schedule.

FISCAL IMPACT—

Taxes are generated in the first year from the land value, but the improvement value will be forthcoming when the new valuation comes on the tax rolls after abatement ends.

RECOMMENDATION—

Approval

BACKGROUND—

Applications for tax abatement are to be filed by February 1st following the calendar year in which the improvement is completed, or within a two-year grace period. The attached application is for a project that was completed in 2002, but was not filed with the City until this year. This project is in a designated abatement area, meets the area requirements, but was not timely filed. The City Council may approve the late-filed applications, but under state law the applicants will receive tax abatement only for the number of years remaining under the tax abatement schedule they have selected.

Late Filed Application For Tax Abatement:

1. 500 North Valley Drive, Unit 804