



**Council
Communication**
Office of the City Manager

Date

July 10, 2006

Agenda Item No. 25
Roll Call No. 06-
Communication No. 06-408
Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Approval of two late-filed tax abatement applications for 2005 for properties located at 5123 S.E. 26th Court and 3406 E. 49th Street, and allow retro-active application of the approval for the property at 3406 E. 49th Street.

SYNOPSIS:

Recommend approval of two additional tax abatement applications for improvements completed in 2005.

1. The application for 5123 SE 26th Court was not timely filed by the February 1, 2006 deadline, but was filed within the two year grace period. The applicant's failure to timely file the application was not due in any part to action or inaction by the City. The property will receive the full 5-year 100% abatement, but the abatement will commence with the taxes payable in FY2008/09.
2. There is evidence to indicate that an application for 3406 E. 49th Street was timely filed prior to February 1, 2006, but was lost or misplaced by the City. Although there is no statutory authority to apply the City's approval retroactively, the Polk County Assessor has indicated that he will treat an application as having been timely filed, when requested by the City to remedy an error by the City. Therefore, it is recommended that the City Council request that the Polk County Assessor's Office retroactively apply the tax abatement to the taxes payable in FY2007/08.

FISCAL IMPACT:

Amount: \$253,890 in forthcoming taxable value.

Funding Source: Taxes are generated in the first year from the land value, but the improvement value will be forthcoming when the \$253,890 comes on the tax rolls after abatement ends.

ADDITIONAL INFORMATION:

The applicants chose **Schedule 4B** with a total estimated value of \$253,890. **Schedule 4B** is for qualified real estate in all areas of the City not included in other tax abatement schedules. The abatement lasts for five years. Qualified real estate assessed as residential, or assessed as commercial and consisting of three or more living quarters with at least 75% of the space used residentially, is eligible to receive an exemption from taxation on the actual value added by improvements. The exemption amount is 100% of the actual value added by the improvements.

PREVIOUS COUNCIL ACTION(S):

Date: March 6, 2006

Roll Call Number: 06-432

Action: Approving one tax abatement application for improvements made to 3430 South Union Street during 2005. Approval applied retroactively because the applicant's failure to timely file the application was due in part by a miss-communication by the City Staff to the applicant who does not speak English proficiently. ([Council Communication No. 06-117](#)) Moved by Brooks to adopt. Motion Carried 6-0. Absent: Hensley.

Date: February 20, 2006

Roll Call Number: 06-388

Action: Approving 435 tax abatement applications for improvements made to property during 2005. ([Council Communication No. 06-088](#)) Moved by Hensley to adopt. Motion Carried 6-1. Pass: Kiernan.

Date: February 20, 2006

Roll Call Number: 06-339

Action: Conditionally approving tax abatement application for 2120 E Army Post Rd. for improvements completed in 2005. Approval applied prospectively only. The applicant's failure to timely file the application was not due in any part to action or inaction by the City. ([Council Communication No. 06-083](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The tax abatement program on new improvements currently ends on December 31, 2008, unless the City Council extends the program beyond that date. Any application received by February 1, 2009, and approved by the City Council, will receive abatement for the number of years eligible and for which an application was submitted. It is anticipated that there will be numerous submittals of tax abatement applications on a yearly basis until the program ends.