



# Council Communication

Office of the City Manager

<b>Date</b>	January 22, 2007
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<b>Agenda Item No.</b>	12
<b>Roll Call No.</b>	<u>07-</u>
<b>Communication No.</b>	<u>07-036</u>
<b>Submitted by:</b>	Larry Hulse, Community Development Director

## AGENDA HEADING:

Approval of one tax abatement application for 2004 for property located at 3004 Deep Woods Court and to allow retroactive application of the approval for the property.

## SYNOPSIS:

Recommend approval of the tax abatement application for 3004 Deep Woods Court with retroactive status. There is some evidence that an application for this property was filed on time prior to February 1, 2005, but was lost or misplaced by the City. The applicant claims to have faxed the application on time and provided as evidence a copy of the fax confirmation that was date-stamped by the machine. The applicant did not provide a date-stamped copy of the application, and staff cannot verify that the application was received by the City. Because of the inconclusive evidence, staff recommends retroactive approval.

Due to situations such as these, the City has changed its processes related to tax abatement applications. The City no longer accepts faxed application. Applications must be mailed or hand delivered to the appropriate staff person in the Permit and Development Center. Applications are immediately date stamped, and a copy is returned to the applicant as confirmation.

## FISCAL IMPACT:

Amount: \$130,000 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 \$130,000 comes on the tax rolls after abatement ends.

## ADDITIONAL INFORMATION:

The property has a total assessed value of \$160,000, of which \$130,000 is for improvements. The applicant choose **Schedule 4B**. **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.

This action approves retroactive approval of the tax abatement application. Although there is no statutory authority to apply the City's approval retroactively, the Polk County Assessor has indicated a willingness

to 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 FY2006/07 as if the original application had been timely processed.

**PREVIOUS COUNCIL ACTION(S):**

Date: August 21, 2006

Roll Call Number: 06-1664

Action: Approving 97 tax abatement applications for improvements made to property within the last 2 years ([Council Communication No. 06-519](#)) Moved by Vlassis to adopt. Motion Carried 4-1-1.

Date: May 8, 2006

Roll Call Number: 06-1086

Action: Approving 86 tax abatement applications for improvements made to property within the last 2 years ([Council Communication No. 06-324](#)) Moved by Kiernan to adopt. Motion Carried 6-1.

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

**BOARD/COMMISSION ACTION(S): NONE**

**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.