



Council Communication

Office of the City Manager

Date	February 26, 2007
-------------	-------------------

Agenda Item No.	17
Roll Call No.	<u>07-</u>
Communication No.	<u>07-098</u>
Department: Larry Hulse, Community Development Director	

AGENDA HEADING:

Approval of one (1) tax abatement application for improvements to property at 1245 11th Street completed in 1999.

SYNOPSIS:

Recommend approval of one tax abatement application, with an estimated value by the applicant of \$22,000, for the number of years remaining. The application was not filed within the two year time period allowed to receive full abatement for the improvements.

FISCAL IMPACT:

Amount: Tax abatement upon property with a claimed value of \$22,000.

Funding Source: Taxes are generated in the first year from the land value, but the improvement value will be forthcoming when the \$22,000 comes on the tax rolls after abatement ends.

ADDITIONAL INFORMATION:

A letter from the applicant (included in the Council packet) states that, due to special circumstances, the abatement should be granted for 10 years instead of the remaining amount of time. The special circumstances as outlined in the letter indicate that a previous director of NHS (Neighborhood Housing Services) promised to file the application for rehabilitation work done to the home but did not because of the director's criminal activity.

The applicant is not asking for retroactive abatement for the property, but is asking that the application be approved for 10 years, not just the 3 years remaining on the 10 year abatement. State law provides for a 2 year window to file for abatement without penalty. After two years, the number of years abatement can be granted is reduced by one year for each year that has passed.

PREVIOUS COUNCIL ACTION(S):

Date: December 18, 2006

Roll Call Number: 06-2451

Action: [Approving](#) Tax Abatement applications (194) for additional value added by improvements made during 2006. ([Council Communication No. 06-777](#)) Moved by Vlassis to adopt. Motion Carried 6-0.

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.

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 applied for. It is anticipated that there will be numerous submittals of tax abatement applications on a yearly basis until the program ends.