



Council Communication

Office of the City Manager

Date	April 23, 2007
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Agenda Item No.	17
Roll Call No.	<u>07-</u>
Communication No.	<u>07-242</u>
Submitted by:	Larry Hulse, Community Development Director

AGENDA HEADING:

Approval of two tax abatement applications for 2005 and 2006 that were timely filed but not timely processed for properties located at 2809 Brockway Drive and 3400 3rd Street and to allow retroactive application.

SYNOPSIS:

There is evidence that the applications for 2809 Brockway Drive and 3400 3rd Street were timely filed prior to February 1, 2007, but were misplaced by the City. Although there is no statutory authority to apply the city's approval retroactively, the Polk County Assessor has indicated a willingness to treat the applications 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 abatements to the taxes payable in FY2007/08.

FISCAL IMPACT:

Amount: \$306,645 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 \$306,645.00 comes on the tax rolls after abatement ends.

ADDITIONAL INFORMATION:

The applicants chose **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.

PREVIOUS COUNCIL ACTION(S):

Date: February 26, 2007

Roll Call Number: 07-335

Action: [Approving](#) Tax Abatement applications (711) for additional value added by improvements made during 2006. ([Council Communication No. 07-096](#)) Moved by Hensley to adopt. Motion Carried 6-1.

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: September 11, 2006

Roll Call Number: 06-1804

Action: Approving late filed tax abatement applications for improvements to 2704 E. Titus Avenue and 5207 SE 31st Street). Approval applied prospectively only. The applicants' failure to timely file the applications were not due in any part to action or inaction by the City. ([Council Communication No. 06-567](#)) Moved by Hensley to adopt, with the tax abatement to be applied prospectively. Motion Carried 6-0.

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.