



Council Communication

Office of the City Manager

Date

September 10, 2007

Agenda Item No. 13

Roll Call No. 07-

Communication No. 07-540

Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Approval of one tax abatement application for 2003 that was apparently timely filed, but not timely processed, for property located at 2425 Grand River Drive, and to start the abatement for the property as soon as possible.

SYNOPSIS:

There is evidence that the application for 2425 Grand River Drive was timely filed prior to February 1, 2004, but was 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 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 apply the tax abatement to the taxes payable as soon as possible.

FISCAL IMPACT:

Amount: \$140,000 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 \$140,000.00 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: 02/26/07

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: 12/18/06

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: 8/21/06

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.

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.