



**Council  
Communication**  
Office of the City Manager

**Date**

September 24, 2007

**Agenda Item No.** 18

**Roll Call No.** 07-

**Communication No.** 07-586

**Submitted by:** Larry Hulse, Community  
Development Director

**AGENDA HEADING:**

Pre-approval of tax abatement for one single family dwelling on 3.1 acres of property located at 5884 SW McKinley Avenue and not served by the public sewer system.

**SYNOPSIS:**

Recommend pre-approval of tax abatement for one single family dwelling on 3.1 acres of property located at 5884 SW McKinley Avenue and not served by the public sewer system. The construction of a new dwelling not served by the public sewer system is allowed to receive tax abatement only if it satisfies certain conditions outlined in the City-wide Urban Revitalization Plan (these conditions can be found below in the "Additional Information" section). Staff has reviewed the application and finds that it meets all requirements.

**FISCAL IMPACT:**

Amount:

Taxes on the property improvements once the new residential structure is built.

Funding Source:

Taxes are generated in the first year from the land value, but the improvement value will be forthcoming when the property improvement comes on the tax rolls after abatement ends.

**ADDITIONAL INFORMATION:**

The Citywide Urban Revitalization Plan provides that the construction of new dwellings does not qualify for tax abatement unless the dwelling is served by the public sewer system. The purpose of this requirement is to avoid using public funds to encourage development on private septic systems that may obstruct the future extension of the public sewer system and the orderly growth of the City at urban densities. The construction of a new dwelling not served by the public sewer system is allowed to receive tax abatement only if it satisfies the conditions identified below.

The subject property is not served by City Sewer and will not be in the near future. The property will be served by a septic system approved by the Engineering Department. In order to receive tax abatement on this property, the owner must meet the following conditions set forth in the City-wide Urban Revitalization Plan:

1. Public sewer is not available within 100 feet of the boundaries of the parcel land upon which the improvements are to be made.

2. The improvements will be assessed as residential property.
3. The parcel of land upon which the improvement will be made was created prior to July 1, 1999, and not thereafter voluntarily reduced in size.
4. The owners will enter into an agreement in a recordable form acceptable to the Legal Department agreeing to connect to the public sewer when it becomes available and waiving the right to protest the assessment for such sewer.
5. The construction of the improvements will not jeopardize future development and improvement in the vicinity, considering the following factors:
  - a. The location of the improvements allows for future development to urban densities.
  - b. The location of the improvements do not interfere with the logical extension of streets, water sewer and other public infrastructure to serve future development in the vicinity.
  - c. The improvements are reasonably accessible by emergency vehicles.

The application meets the requirement listed above. Public sewer is not available within a 100 ft of the property; the improvements will be assessed as residential property, the parcel of land was created prior to July 1999 and has not voluntarily been reduced in size; the owner has agreed to sign an agreement with the City in a form approved by the Legal Department agreeing to connect to City Sewer and waiving the right to protest the assessment for such sewer; the location of the improvements will allow for future development to urban densities; the location of the improvements will not interfere with future street improvements in the area (including the SW Connector and proposed SW 58<sup>th</sup> Street), the improvements will not conflict with Airport expansion plans, and the improvements will not conflict with provision of sewer and water to the area in the future; and the improvements are reasonably accessible by emergency vehicles.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: September 10, 2007

Roll Call Number: 07-1707

Action: [Approving](#) tax abatement application for additional value added by improvements completed in 2003 for property at 2425 Grand River Drive. ([Council Communication No. 07-540](#)) Moved by Hensley to adopt, and to request that the Polk County Assessor apply the tax abatement as soon as possible to this property. Motion Carried 7-0.

Date: May 5, 2007

Roll Call: 07-919

Action: [Approving](#) Tax Abatement application for additional value added by improvements completed in 2006, and denying retro-active application for 2473 SW 7<sup>th</sup> Street. ([Council Communication No. 07-263](#)) Moved by Hensley to adopt and approve the application for tax abatement, to be applied prospectively. City will send a confirmation letter to the applicant. Motion Carried 7-0.

Date: April 23, 2007

Roll Call Number: 07-739

Action: [Approving](#) Tax Abatement application for the additional value added by improvements at 4411 SE 14<sup>th</sup> Street. ([Council Communication No. 07-241](#)) Moved by Hensley to adopt, with the tax abatement to be applied prospectively. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Currently, the tax abatement program on new improvements is scheduled to end 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.