



Council Communication

Office of the City Manager

Date

February 22, 2010

Agenda Item No. 20
Roll Call No. 10-
Communication No. 10-079
Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Approval of one (1) tax abatement application for improvements to property located at 1920 E 39th Street completed in 2005. The improvement made to the property was a private detached garage.

SYNOPSIS:

Approval of the application to apply prospectively as provided by Iowa Law for the number of years remaining since the application was not timely 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 \$24,000.

- Taxes are generated in the first year from the land value, but the improvement value will be forth coming when the \$24,000 for the private detached garage comes on the tax rolls after abatement ends.

Funding Source: General Fund

ADDITIONAL INFORMATION:

There is only a two-year grace period in which an applicant can file for abatement without losing time from the maximum time abatement is allowed. The applicants did not timely file the abatement applications until this year and therefore each can only receive abatement for the number of years remaining on the schedule chosen. Therefore, the applications should be approved only for the time remaining on their chosen abatement schedule.

PREVIOUS COUNCIL ACTION(S):

Date: January 25, 2010

Roll Call Number: 10-103

Action: Approving Tax Abatement applications for additional value added by improvements completed during 2009 (92 applications). (Council Communication No. 10-031) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: December 21, 2009

Roll Call Number: 09-2266

Action: Approving Tax Abatement Applications (69) for additional value added by improvements made during 2009. (Council Communication No. 09-887) Moved by Hensley to adopt. Motion Carried 7-0.

Date: November 8, 2009

Roll Call Number: 09-2500

Action: Approving 80 Tax Abatement Applications for the additional value added by improvements completed during 2009. (Council Communication No. 09-779) Moved by Hensley 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, 2011, unless the City Council extends the program beyond that date. Any application received by February 1, 2012, 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.

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