

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 14, 2011
	Agenda Item No. 20 Roll Call No. <u>11-0184</u> Communication No. <u>11-059</u> Submitted by: Phil Delafield, Community Development Director

AGENDA HEADING:

Approval of 135 tax abatement applications for improvements to property completed in 2010.

SYNOPSIS:

Recommend approval of 135 tax abatement applications, with an estimated value of \$56,214,495.75. There were 53 applications for the construction of new single family homes, apartments and new commercial buildings with an estimated value of \$28,744,272.50 and 82 applications for improvements to existing structures with an estimated value of \$27,470,223.25.

FISCAL IMPACT:

Amount: Abatement upon property with a claimed value of \$56,214,495.75.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect. Taxes on the \$56,214,495.75 improvement value will be forth coming when the improvement value comes on the tax rolls after abatement ends.

ADDITIONAL INFORMATION:

The applicant must increase the value of residential property at least 5% for residential or 15% for commercial and industrial property to receive tax abatement.

Of the 135 applications submitted for approval:

Forty-seven applicants chose Schedule 1 with an estimated value of \$873,257.25. Schedule 1 is for residential property with a ten year exemption from taxation on the actual value of improvements not to exceed \$20,000. The exemption amount is 115% of the actual value added by improvements.

Nine applicants chose Schedule 2 with an estimated value of \$3,038,348. Schedule 2 is for all qualified real estate that will receive a partial exemption for ten years. The exemption schedule is a declining schedule starting with the first year at 80% and ending in year ten at 20%.

Three applicants chose Schedule 3 with an estimated value of \$12,630,000. All qualified real estate is eligible to receive an exemption from taxation on the actual value added by the improvements for three years. This schedule also applies to commercial and industrial property in specific areas.

Forty-one applicants chose Schedule 4A with an estimated value of \$16,909,429. Schedule 4A is for qualified real estate in specific areas generally located downtown or near the downtown area. The exemption period is ten years and the exemption amount is 100% of the actual value added by improvements. Qualified real estate assessed as residential or assessed as commercial consisting of three or more living quarters with at least 75% of the space used residentially is eligible to receive an exemption from taxation and the actual value added by the improvements.

Thirty-five applicants chose Schedule 4B with an estimated value of \$22,763,461.50. Schedule 4B is for qualified real estate for the remainder of the City for a period of five years. Qualified real estate assessed as residential or 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.

Cumulative To-Date Totals for 2010:

<i>Schedule</i>	<i>#Applications</i>	<i>Abatement Value</i>
1	175	\$2,871,211.63
2	11	\$3,093,348.00
3	4	\$12,963,600.00
4a	63	\$28,408,030.00
4b	122	\$37,661,507.36
Totals	375	\$84,997,696.99

Previous years' data:

<i>Year</i>	<i># Applications</i>	<i>Abatement Value</i>
2009	471	\$146,208,042
2008	855	\$198,152,168
2007	823	\$208,376,038
2006	1,088	\$158,302,152
2005	1,140	\$192,605,885

PREVIOUS COUNCIL ACTION(S):

Date: January 24, 2011

Roll Call Number: 11-0092

Action: [Approving](#) 158 tax abatement applications for the additional value added by improvements completed during 2010. ([Council Communication No. 11-028](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

Date: October 25, 2010

Roll Call Number: 10-1722

Action: [Approving](#) Tax Abatement applications for additional value added by improvements completed during 2010. (78 applications). ([Council Communication No. 10-626](#)) **Moved by Mahaffey to adopt. Motion Carried 7-0.**

Date: March 8, 2010

Roll Call Number: 10-346

Action: [Approving](#) tax abatement applications for the additional value added by improvements completed during 2009 (4 applications). ([Council Communication No. 10-115](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of additional submitted tax abatements.

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