

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	February 27, 2012
	<b>Agenda Item No.</b>	11
	<b>Roll Call No.</b>	[ _____ ]
	<b>Communication No.</b>	<u>12-096</u>
	<b>Submitted by:</b>	<b>Phillip Delafield, Community Development Director</b>

**AGENDA HEADING:**

Approval of 39 tax abatement applications for improvements to property completed in 2011.

**SYNOPSIS:**

Recommend approval of 39 tax abatement applications with an estimated value of \$19,615,190.06. There were 5 applications for the construction of new single family homes, apartments and new commercial buildings with an estimated value of \$18,099,800.00 and 34 applications for improvements to existing structures with an estimated value of \$1,515,390.06.

**FISCAL IMPACT:**

Amount: Abatement upon property with a claimed value of \$19,615,190.06.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect. Taxes on the \$19,615,190.06 improvement value will be forthcoming 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 39 applications submitted for approval by this roll call:

Twenty-six applicants chose Schedule 1 with an estimated value of \$55,590.06. Schedule 1 is for residential property with a 10-year exemption from the taxation on the actual value of improvements not to exceed \$20,000. The exemption amount is 115% of the actual value added by improvements.

One applicant chose Schedule 2 with an estimated value of \$300,000. Schedule 2 is for all qualified real estate and will receive a partial exemption for 10 years. The exemption schedule is a declining schedule starting with the first year at 80% and ending in year 10 at 20%.

Zero applicants chose Schedule 3 with an estimated value of \$0.00. 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.

Four applicants chose Schedule 4A with an estimated value of \$492,100. Schedule 4A is for qualified real estate in specific areas generally located downtown or near the downtown area. The exemption period is 10 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.

Eight applicants chose Schedule 4B with an estimated value of \$18,270,500. 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 2011 Applications:

Schedule	#Applications	Abatement Value
1	190	\$3,610,241.83
2	9	\$38,472,589.00
3	5	\$715,645.00
4a	69	\$41,601,459.87
4b	82	\$31,530,318.72
Totals	355	\$115,930,254.42

Previous Years' Data:

Year	# Applications	Abatement Value
2010	434	\$131,978,678.99
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: February 13, 2012

Roll Call Number: 12-0175

Action: [Approving](#) 135 tax abatement applications for improvements to property completed in 2011. ([Council Communication No. 12-052](#)) Moved by Hensley to adopt. **Motion Carried 7-0.**

Date: January 23, 2012

Roll Call Number: 12-0079

Action: [Approving](#) 95 tax abatement applications for the additional value added by improvements completed during 2011. ([Council Communication No. 12-024](#)) Moved by Hensley to adopt. **Motion Carried 7-0.**

Date: November 21, 2011

Roll Call Number: 11-1963

Action: [Approval](#) of 89 tax abatement applications for improvements to property completed in 2011. ([Council Communication No. 11-697](#)) Moved by Hensley to adopt. **Motion Carried 7-0.**

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approval of additional tax abatement applications.

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