

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	October 22, 2012
	Agenda Item No. Roll Call No. Communication No. Submitted by:	11 <u>12-1608</u> <u>12-544</u> Phillip Delafield, Community Development Director

AGENDA HEADING:

Approval of 88 tax abatement applications for improvements to property completed in 2012.

SYNOPSIS:

Recommend approval of 88 tax abatement applications with an estimated value of \$28,357,843.54. There were 42 applications for the construction of new single family homes, apartments and new commercial buildings with an estimated value of \$24,581,714 and 46 applications for improvements to existing structures with an estimated value of \$3,776,129.54.

FISCAL IMPACT:

Amount: Abatement upon property with a claimed value of \$28,357,843.54.

Funding Source: Taxes will only be generated from the land value, while tax abatement is in effect. Taxes on the \$28,357,843.54 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 88 applications submitted for approval by this roll call:

29 applicants chose Schedule 1 with an estimated value of \$517,888 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.

5 applicants chose Schedule 2 with an estimated value of \$4,643,800 for the declining exemption schedule starting at 80% with the first year and ending in year 10 at 20%.

2 applicants chose Schedule 3 with an estimated value of \$11,871,473 for a 100% exemption for three years. This schedule also applies to commercial and industrial property in specific areas.

20 applicants chose Schedule 4A with an estimated value of \$5,608,900 for 10 year/100% exemption for 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.

32 applicants chose Schedule 4B with an estimated value of \$5,715,789 for 5 year/ 100% exemption for real estate assessed as residential or commercial and consisting of three or more living quarters with at least 75% of the space used residentially.

Cumulative To-Date Totals for 2012 Applications

<i>Schedule</i>	<i>#Applications</i>	<i>Abatement Value</i>
1	29	\$517,881
2	5	\$4,463,800
3	2	\$11,871,473
4A	20	\$5,608,900
4B	32	\$5,715,789
Totals	88	\$28,357,843

2006-2011 Previous Years' Data

<i>Year</i>	<i># Applications</i>	<i>Abatement Value</i>
2011	359	\$116,387,542
2010	434	\$131,978,678
2009	471	\$146,208,042
2008	855	\$198,152,168
2007	23	\$208,376,038
2006	1,088	\$158,302,152

PREVIOUS COUNCIL ACTION(S):

Date: March 12, 2012

Roll Call Number: [12-0382](#)

Action: [Approval](#) of two (2) tax abatement applications for improvements to property completed in 2011. ([Council Communication No. 12-124](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 27, 2012

Roll Call Number: [12-0274](#)

Action: [Approving](#) 39 tax abatement applications for improvements completed in 2011. ([Council Communication No. 12-096](#)). Moved by Meyer to adopt. Motion Carried 7-0.

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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of additional tax abatement applications.

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