

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 10, 2014
	Agenda Item No.	12
	Roll Call No.	<u>14-0205</u>
	Communication No.	<u>14-054</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Approving tax abatement application for the additional value added by the construction of a new house at 1424 E. County Line Road not served by the public sewer system.

SYNOPSIS:

Recommend approval of a tax abatement application for the additional value added by the construction of a new house at 1424 E. County Line Road, which is not served by the public sanitary sewer system. By provision of the City-wide Urban Revitalization Plan, approval of tax abatement requests for property not served by the public sewer system require a City Council resolution. The property is owned by John D. Kemper, 1424 E. County Line Road, Des Moines, IA 50320, and the amount of value claimed in the tax abatement application is \$120,000.

FISCAL IMPACT:

Amount: Abatement upon property with a claimed value of \$120,000.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect. Taxes on the \$120,000 improvement value will be forthcoming when the improvement value comes on the tax rolls after abatement ends.

ADDITIONAL INFORMATION:

Des Moines' City-wide Urban Revitalization Plan authorizes the eligibility for property owners to receive tax abatement for the value added improvements to property, subject to meeting program requirements.

John D. Kemper, property owner, has filed a tax abatement application in the amount of \$120,000 under Schedule 4B (5-year, 100% abatement) for the new construction of a single-family home, which has since been completed and is currently occupied. This property is not served by the public sewer system, and was allowed to be constructed with the use of a private waste disposal system (septic tank) due to the distance to a public sanitary sewer main that could service the property.

Development within and at the fringes of the City on private septic systems creates a barrier to the orderly extension of the City sewer system and the development of the City at urban densities in accordance with the adopted comprehensive plan of the City. It is burdensome upon the taxpayers of the City and upon the ratepayers of the City sewer system to extend the City sewer system through or

around intervening areas developed with septic systems to serve future development. For that reason the City has sought to discourage development not served by the City sewer system unless adequate provision is made for the future extension of the City sewer system through the development when warranted by additional development in the area. One of the prerequisite requirements to receive tax abatement is that the property is served by the public (sanitary) sewer system, unless the following exceptions can be demonstrated:

Improvements consisting of the construction of a new building shall be served by the public sewer system. EXCEPTIONS: In the event that:

- i) public sewer is not available within 100 feet of the boundaries of the parcel of land upon which the improvement is made;*
- ii) the improvement is assessed as residential property;*
- iii) the parcel of land upon which the improvement is made was created prior to July 1, 1999, and not thereafter voluntarily reduced in size; and,*
- iv) the owners of the property have entered into an agreement in recordable form acceptable to the City Legal Department agreeing to connect to the public sewer system when it becomes available and waiving the right to protest the assessment for such sewer;*
then the use of a private sewage disposal system may be utilized if:
 - a) the lot is two acres or less in size; or,*
 - b) the City Council has by resolution made a determination that the improvements will not jeopardize future development and improvements in the vicinity considering the following factors:*
 - (1) the location of the improvements on the lot must allow for future development to urban densities;*
 - (2) the location of the improvements must not interfere with the logical extension of streets, water, sewer and other public infrastructure to serve future development in the vicinity; and,*
 - (3) the improvement is reasonably accessible by emergency vehicles. Any private bridge or culvert use for such access must be of width and load bearing capacity sufficient to carry a fire truck and other emergency vehicles.*

Polk County records indicate that the property has not been “voluntarily reduced in size” or further subdivided, was a parcel created prior to July 1st, 1999, and does not inhibit future development or the extension of streets or utilities. Staff finds that the property meets the applicable criteria to allow an exemption to the requirement to connect to the public sewer system to receive tax abatement, therefore approval of tax abatement for the value added by improvements to this property is recommended.

Mr. Kemper has entered into an agreement with the City of Des Moines to connect to the public sewer system when it becomes available and waiving the right to protest the assessment for such sewer, which has since been recorded.



PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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