

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 21, 2014
	Agenda Item No. 15 Roll Call No. <u>14-0604</u> Communication No. <u>14-174</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approval of two (2) tax abatement applications for improvements to property completed in 2013 that appear to be timely filed, and to request that the Polk County Assessor apply the tax abatement to the valuation existing as if the applications had been timely processed and delivered to the County Assessor by March 1, 2014.

SYNOPSIS:

Recommend approval of two (2) tax abatement applications with an estimated value of \$330,000. There were two (2) applications for the construction of new single family homes with an estimated value of \$330,000 and zero (0) applications for improvements to existing structures with an estimated value of \$0.

FISCAL IMPACT:

Amount: Abatement upon property with a claimed value of \$330,000.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect. Taxes on the \$330,000 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 two (2) applications submitted for approval by this roll call:

A total of zero (0) applicants chose Schedule 1 with an estimated value of \$0. 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.

A total of zero (0) applicants chose Schedule 2 with an estimated value of \$0. 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%.

A total of zero (0) applicants chose Schedule 3 with an estimated value of \$0. All qualified real estate is eligible to receive an exemption from taxation on the actual value added by the improvements for three (3) years. This schedule also applies to commercial and industrial property in specific areas.

A total of one (1) applicant chose Schedule 4A with an estimated value of \$180,000. 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 (3) 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.

A total of one (1) applicant chose Schedule 4B with an estimated value of \$150,000. Schedule 4B is for qualified real estate for the remainder of the City for a period of five (5) years. Qualified real estate assessed as residential or commercial and consisting of three (3) 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 2013 Applications:

<u>Schedule</u>	<u># Applications</u>	<u>Abatement Value</u>
1	147	\$2,754,648.34
2	17	\$6,902,474
3	0	\$0
4A	71	\$62,924,342.64
4B	147	\$56,889,570.88
Totals	382	\$130,219,570.86

Previous Years' Data:

<u>Year</u>	<u># Applications</u>	<u>Abatement Value</u>
2012	265	\$74,782,673.99
2011	359	\$116,387,542.42
2010	434	\$131,978,678.99
2009	471	\$146,208,042
2008	855	\$198,152,168
2007	823	\$208,376,038

PREVIOUS COUNCIL ACTION(S):

Date: March 10, 2014

Roll Call Number: [14-0371](#)

Action: [Approving](#) 13 Tax Abatement applications for the additional value added by improvements completed during 2013. ([Council Communication No. 14-102](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 24, 2014

Roll Call Number: [14-0272](#)

Action: [Approving](#) 31 tax abatement applications for the additional value added by improvements completed during 2013. ([Council Communication No. 14-063](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 10, 2014

Roll Call Number: [14-0206](#)

Action: [Approving](#) Tax Abatement Applications for additional value added by improvements completed during 2013 (90 applications). ([Council Communication No. 14-052](#)) 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 for improvements made during 2014.

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