

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 20, 2015
	Agenda Item No. 13 Roll Call No. <u>15-0651</u> Communication No. <u>15-208</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approval of one (1) tax abatement application for improvements to property located at 2005 Ingersoll Avenue, for work completed in 2014 that appears to be timely filed, and to request that the Polk County Assessor apply the tax abatement to the valuation existing as if the application had been timely processed and delivered to the County Assessor by March 1, 2015.

SYNOPSIS:

Recommend approval of one (1) tax abatement application for property located at 2005 Ingersoll Avenue (Ingersoll Square Phase III) with an estimated value of \$6,535,000. There was one (1) application for the construction of a new multi-family residential development with an estimated value of \$6,535,000 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 \$6,535,000.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect on newly constructed buildings. Taxes on the \$6,535,000 improvement valuation 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 one (1) application 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 0 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 \$6,535,000. 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 zero (0) applicants chose Schedule 4B with an estimated value of \$0. 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 2014 Applications:

Schedule	#Applications	Abatement Value
1	145	\$ 2,609,703.99
2	18	\$ 9,715,219.00
3	2	\$ 2,824,798.00
4A	64	\$ 71,302,984.19
<u>4B</u>	<u>154</u>	<u>\$ 74,854,705.12</u>
Totals	383	\$162,307,410.30

Previous Years' Data:

Year	# Applications	Abatement Value
2013	382	\$130,219,570.86
2012	265	\$ 74,782,673.99
2011	359	\$116,387,542.42
2010	434	\$131,978,678.99
2009	471	\$146,208,042.00
2008	855	\$198,152,168.00
2007	823	\$208,376,038.00

PREVIOUS COUNCIL ACTION(S):

Date: March 9, 2015

Roll Call Number: [15-0374](#)

Action: [Approving](#) tax abatement applications for the additional value added by improvements completed during 2014, (22 applications). ([Council Communication No. 15-101](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: February 23, 2015

Roll Call Number: [15-0285](#)

Action: [Approving](#) tax abatement applications for the additional value added by improvements completed during 2014, (65 applications). ([Council Communication No. 15-071](#)) Moved by Coleman to adopt. Motion Carried 7-0.

Date: February 9, 2015

Roll Call Number: [15-0200](#)

Action: [Approving](#) tax abatement applications for the additional value added by improvements completed during 2014, (139 applications). ([Council Communication No. 15-057](#)) Moved by Gatto to adopt. Motion Carried 6-0. Council Member Coleman declares a conflict of interest and abstains from voting.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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