

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 21, 2015
	Agenda Item No.	12
	Roll Call No.	[]
	Communication No.	<u>15-649</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Approval of 50 tax abatement applications for improvements to property completed in 2015.

SYNOPSIS:

Recommend approval of 50 tax abatement applications with an estimated value of \$8,435,625.59. There were 20 applications for the construction of new single-family homes, apartments, and new businesses with an estimated value of \$7,222,874.74 and 30 applications for improvements to existing structures with an estimated value of \$1,212,750.85.

FISCAL IMPACT:

Amount: Abatement upon property with a claimed value of \$8,435,625.59.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect on newly constructed buildings. Taxes on the \$8,435,625.59 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 50 applications submitted for approval by this roll call:

A total of 17 applicants chose Schedule 1 with an estimated value of \$279,799.85. 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 three (3) applicants chose Schedule 2 with an estimated value of \$286,054. 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 one (1) applicant chose Schedule 3 with an estimated value of \$77,281. 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 11 applicants chose Schedule 4A with an estimated value of \$2,528,867. 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 18 applicants chose Schedule 4B with an estimated value of \$5,263,623.74. 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 2015 Applications

Schedule	#Applications	Abatement Value
1	62	\$ 1,065,556.25
2	10	\$ 3,757,389.00
3	1	\$ 286,054.00
4A	74	\$14,759,867.00
4B	78	\$20,176,416.74
Totals	225	\$40,045,282.99

Previous Years' Data

Year	#Applications	Abatement Value
2014	382	\$155,772,410.30
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

PREVIOUS COUNCIL ACTION(S):

Date: November 9, 2015

Roll Call Number: [15-1855](#)

Action: [Approving](#) 128 Tax Abatement Applications for the additional value added by improvements completed during 2015. ([Council Communication No. 15-582](#)) Moved by Gatto to adopt. Motion Carried 6-1. Absent: Coleman.

Date: October 26, 2015

Roll Call Number: [15-1816](#), [15-1817](#), and [15-1818](#)

Action: On adoption of the Third Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area (Tax Abatement Program amendments). ([Council Communication No. 15-579](#)) Moved by Coleman to adopt. Motion Carried 7-0.

- (A) Approving amendment to the Third Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, regarding the phase-out of the Second Restated Urban Revitalization Plan. Moved by Hensley to continue to the November 9, 2015 Council Meeting. Motion FAILED 3-4. Nays: Coleman, Gatto, Gray and Moore.
- (B) Approving amendment to the Third Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, regarding the schedules allowed for improvements to single and two-family dwellings. Moved by Coleman to adopt; refer to the City Manager for review and recommendation regarding possible incentives to encourage high-quality homes on the undeveloped land in the Northeast and Southeast areas of the City; and also to refer to the City Manager for review and recommendation regarding the design guidelines and definitions to emphasize quality rather than specific materials or products. Motion Carried 7-0.

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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of additional tax abatement applications for improvements made during 2015.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.