

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 11, 2016
	Agenda Item No.	19
	Roll Call No.	<u>16-0560</u>
	Communication No.	<u>16-175</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Approval of five (5) tax abatement applications for improvements to property completed in 2015 that appear to be timely filed, but were not timely processed by City Staff.

SYNOPSIS:

Recommend approval of five (5) tax abatement applications with an estimated value of \$1,855,000. There were four (4) applications for the construction of new single-family homes with an estimated value of \$1,605,000 and one (1) application for improvements to existing structures with an estimated value of \$250,000.

FISCAL IMPACT:

Amount: Abatement upon property with a claimed value of \$1,855,000.

Funding Source: Taxes will only be generated from the land value while tax abatement is in effect. Taxes on the \$1,855,000 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 five (5) 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 zero (0) applicants chose Schedule 4A with an estimated value of \$0. 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 five (5) applicants chose Schedule 4B with an estimated value of \$1,855,000. 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 2015 Applications:

Schedule	#Applications	Abatement Value
1	208	\$4,087,608.25
2	22	\$8,476,948.48
3	7	\$29,508,627.00
4A	95	\$75,841,375.00
4B	168	\$43,219,189.74
Totals	500	\$161,133,748.47

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: March 21, 2016

Roll Call Number: [16-0451](#)

Action: [Approving](#) four tax abatement applications for the additional value added by improvements completed during 2015. ([Council Communication No. 16-145](#)) Moved by Gatto to adopt, and to request that the Polk County Assessor apply the tax abatement to the valuation existing on January 1, 2016 and the property taxes payable in FY2016/17 as if the applications had been timely processed and delivered to the County Assessor by March 1, 2016. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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.