May 19, 2014

To: Mayor Bemrich and City Council

From: David Fierke, City Manager

Subject: Applications for Tax Abatement

No. 153 – 3033 Soldier Ridge Drive No. 154 – 622 North 21st Street

ACTION: For vote Tuesday, May 27, 2014



Brief History

The City Council adopted an Urban Revitalization Plan, which allows applications for a tax phase-in to be filed for value added to eligible properties within the designated areas. The owners of the above properties have filed applications with the Department of Business Affairs and Community Growth for tax abatement on their properties.

Analysis of Issue

These properties are eligible for a phase-in of new taxes on the value added by the improvements.

The City acquired the property located at 622 North 21st Street in December of 2013 through the abandoned buildings process and it was sold on developmental bid in May of 2014, making it eligible for a phase-in of new taxes on the value added by the improvements under Schedule 5 (abandoned properties).

Budget Impact

The budget impact to the City under the corresponding schedules, using the current rollback and millage rate is estimated as follows:

No. 153: Schedule 1 (construction of new housing – 100% abatement on the first \$75,000 of new value for a period of 5 years). Based on an improvement value of \$276,500, the City portion of taxes abated are estimated at \$835 annually or a total of \$4,176.

No. 154: Schedule 5 (improvements to abandoned properties – 100% abatement of new value for a period of 5 years). Based on improvement value of \$85,000, the City portion of taxes abated are estimated at \$493 annually or a total of \$2,465 over the 5 year period.

Strategic Plan Impact

Policy D.6.6: Incentives may be provided for infill development and the rehabilitation of existing housing already provided with urban services to acknowledge the lower service

and infrastructure costs to the taxpayer. However, development requiring the expansion of services and infrastructure may be required to assist in the cost of such service expansions.

Existing Plan Impact

These projects are consistent with the City's Urban Revitalization Plan.

<u>Subcommittee or Commission Review / Recommendation</u>

None

Staff Conclusions / Recommendations

Staff recommends the approval of Tax Abatement Application Nos. 153 and 154.

Alternatives

The only alternative would be to not approve the applications for tax abatement. However, approval would be consistent with the Urban Revitalization Plan adopted by the City Council.

Implementation and Accountability

If these applications are approved, the City Clerk will forward them to the County Assessor's Office for final processing.

Signed	Approved		
Vickie L. Reech			
Vickie L. Reeck Community Development Mgr.	David Fierke		
Community Development Mgr.	City Manager		

RESOLUTION NO.	R	ES	OL	UTIC	NC	NO.		
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RESOLUTION APPROVING APPLICATIONS FOR TAX ABATEMENT AND FORWARDING TO THE WEBSTER COUNTY ASSESSOR

WHEREAS, pursuant to Section 404 of the Code of Iowa, the City Council of the City of Fort Dodge did on May 6, 2013 pass Ordinance 2179, an Ordinance designating an area of Fort Dodge, Iowa as the 2013 Consolidated Fort Dodge Urban Revitalization Area and adopted an Urban Revitalization Plan for said area; and

WHEREAS, the rehabilitation, redevelopment, economic development and promotion of housing and residential development or a combination thereof, is necessary in the interest of the public welfare of the residents of the City of Fort Dodge; and

WHEREAS, Section 404 of the Code of Iowa provides that an application for tax abatement shall be submitted to the City by February 1st of the year that the improvements are first assessed for taxation unless the City designates by resolution another assessment year; and

WHEREAS, the City has received and reviewed the following applications for Tax Abatement:

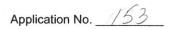
Application No. 153 3033 Soldier Ridge Drive Application No. 154 622 North 21st Street

and finds that said applications appear to be in conformance with the Urban Revitalization Plan.

NOW, THEREFORE, Let It Be Resolved by the City Council of the City of Fort Dodge, Iowa:

- 1. That the attached applications for tax abatement be approved in accordance with the selected Tax Exemption Schedules of the Urban Revitalization Plan and that the appropriate tax exemptions be granted.
- 2. That Tax Abatement Application Numbers 153 and 154 are hereby accepted as of February 1, 2015 and that notification of said tax abatement applications be forwarded to the Webster County Assessor.

PASSED AND APPROVED this _	day of _	, 2014.
Ayes:		
Nays:		
Other:		
		CITY OF FORT DODGE
	Ву:	Matt Bemrich, Mayor
ATTEST:		
 Jeff Nemmers, City Clerk		





APPLICATION FOR TAX ABATEMENT UNDER THE 2013 CONSOLIDATED URBAN REVITALIZATION PLAN FOR THE CITY OF FORT DODGE, IOWA

DATE: 5/6/14		Prior Approval for Intended Improvements Approval of Completed Improvements
Name of Applicant:	ames E 3	· d
Address of Property:		
Is the property located with		
Is the property considered	abandoned?	☐ Yes ☐ No
Legal Description of Prope	rty: 6 108, 50/d/v /	Ridge Estates, Woodlands
Address of Applicant (if dif		
Daytime Phone Number: <u></u>	515-571-2	026
Existing Property Use:	Single Family Owner-Occupied Commercial	☐ Multi-Family No of Units:
Proposed Property Use:	Single Family Owner-Occupied Commercial	☐ Multi-Family No of Units: ☐ Rental ☐ Industrial
Nature of Improvements:	New Construction Addition General Improvem	Estimated Cost: 500.000
	new 2105 Sf	ie by a minimum of 15% to qualify. 3 B R Hone, 21/2 bath,
Estimated or Actual Date o		Signature of Applicant
Tax Exemption Schedule: (see reverse side)	Schedule 1	
CITY COUNCIL ACTION: Application: (Reason if disapproved) _	Approved [Disapproved
City Clerk		Date
ASSESSOR ACTION: Application: Present Assessed Value \$ Assessor	Approved [☐ Disapproved Assessed Value w/Improvement \$ Date

TAX ABATEMENT SCHEDULES

 Construction of new or improvements to existing residentially assessed facilities (single-family or duplex), <u>citywide</u>

<u>Schedule 1:</u> Exemption from taxation on 100% of the first \$75,000 of actual value added by the improvements for a period of five years.

- Improvements to existing residentially assessed facilities (single-family or duplex) located in the Blighted Subdistrict
- Construction of new or improvements to existing commercially assessed residential facilities (3 units or more), <u>citywide</u>
- Construction of new or improvements to existing eligible industrial properties located in the Industrial Subdistrict
- Construction of new or improvements to existing commercial properties located in the Downtown Subdistrict

<u>Schedule 2:</u> Exemption from taxation for a period of three years on 100% of the actual value added by the improvement.

OR

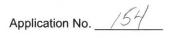
Schedule 3: Exemption from taxation for a period of ten years as follows: For the 1st year, an exemption from taxation on 80% of the actual value added. For the 2nd year, an exemption from taxation on 70% of the actual value added. For the 3rd year, an exemption from taxation on 60% of the actual value added. For the 4th year, an exemption from taxation on 50% of the actual value added. For the 5th year, an exemption from taxation on 40% of the actual value added. For the 6th year, an exemption from taxation on 40% of the actual value added. For the 7th year, an exemption from taxation on 30% of the actual value added. For the 8th year, an exemption from taxation on 20% of the actual value added. For the 9th year, an exemption from taxation on 20% of the actual value added. For the 10th year, an exemption from taxation on 20% of the actual value added.

- New construction of single or multi-family housing in the Blighted Subdistrict
 <u>Schedule 4:</u> Exemption from taxation for a period of seven years on 100% of the
 actual value added by the improvement.
- Abandoned properties (as defined in Section 657A.1 of the lowa Code): residential, commercial or industrial, new construction or improvements, citywide

<u>Schedule 5:</u> Exemption from taxation for a period of five years on 100% of the actual value added by the improvement.

OR

Schedule 6: Exemption from taxation for a period of fifteen years as follows: For the 1st year, an exemption from taxation on 80% of the actual value added. For the 2nd year, an exemption from taxation on 75% of the actual value added. For the 3rd year, an exemption from taxation on 70% of the actual value added. For the 4th year, an exemption from taxation on 65% of the actual value added. For the 5th year, an exemption from taxation on 60% of the actual value added. For the 6th year, an exemption from taxation on 55% of the actual value added. For the 7th year, an exemption from taxation on 50% of the actual value added. For the 8th year, an exemption from taxation on 45% of the actual value added. For the 9^{th} year, an exemption from taxation on 40% of the actual value added. For the 10th year, an exemption from taxation on 35% of the actual value added. For the 11th year, an exemption from taxation on 30% of the actual value added. For the 12th year, an exemption from taxation on 25% of the actual value added. For the 13th year, an exemption from taxation on 20% of the actual value added. For the 14th year, an exemption from taxation on 20% of the actual value added. For the 15th year, an exemption from taxation on 20% of the actual value added.





APPLICATION FOR TAX ABATEMENT UNDER THE 2013 CONSOLIDATED URBAN REVITALIZATION PLAN FOR THE CITY OF FORT DODGE, IOWA

DATE: 5/12-14		Prior Approval for Approval of Compl		
Name of Applicant: Mite	ch Halvers	en		
Address of Property: (025	2 N 215+ St.			
ls the property located withi] Yes [□ No
Is the property considered a	bandoned?	<u> </u>	Yes [□ No
Legal Description of Proper Lot 9 except to the Fact Dodge	ty: ne West 150 webster Co.	of Leighton	Lawn O	Addition
Address of Applicant (if diffe	erent from above): _	2147 186th S	1.	
Daytime Phone Number:	515 576-36	84 Cell: 57	1-4459	
Existing Property Use:	Single Family Owner-Occupied Commercial	☐ Multi-Family ☐ Rental ☐ Industrial	No of U	nits:
Proposed Property Use: [[Single Family Owner-Occupied Commercial	☐ Multi-Family ☐ Rental ☐ Industrial	No of U	nits:
Nature of Improvements: [☐ New Constructio☐ Addition☐ General Improve	Estimate		60,000 - 70,0 \$80,000 - \$85,00
*Improvements must increa	se the assessed va	lue by a minimum of 15	5% to qualify	
Specify: <u>New degrall</u> Caleunits, sidely, sa				
Estimated or Actual Date of	Completion: <u>05</u>	Jon-15 Signature of Applicant	کسور	
Tax Exemption Schedule: (see reverse side)	☐ Schedule ☐ Schedule		=	edule 3 edule 6
CITY COUNCIL ACTION: Application: [Reason if disapproved)	Approved	Disapproved		
City Clerk		Date		
ASSESSOR ACTION: Application: Present Assessed Value \$_ Assessor	Approved	☐ Disapproved Assessed Value w/Imp Date	provement \$_	

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- Construction of new or improvements to existing eligible industrial properties located in the Industrial Subdistrict
- Construction of new or improvements to existing commercial properties located in the Downtown Subdistrict

Schedule 2: Exemption from taxation for a period of three years on 100% of the actual value added by the improvement.

OR

Schedule 3: Exemption from taxation for a period of ten years as follows: For the 1st year, an exemption from taxation on 80% of the actual value added. For the 2nd year, an exemption from taxation on 60% of the actual value added. For the 3rd year, an exemption from taxation on 50% of the actual value added. For the 5th year, an exemption from taxation on 40% of the actual value added. For the 6th year, an exemption from taxation on 40% of the actual value added. For the 7th year, an exemption from taxation on 30% of the actual value added. For the 8th year, an exemption from taxation on 30% of the actual value added. For the 9th year, an exemption from taxation on 20% of the actual value added. For the 9th year, an exemption from taxation on 20% of the actual value added. For the 10th year, an exemption from taxation on 20% of the actual value added.

- New construction of single or multi-family housing in the Blighted Subdistrict
 Schedule 4: Exemption from taxation for a period of seven years on 100% of the actual value added by the improvement.
- Abandoned properties (as defined in Section 657A.1 of the Iowa Code): residential, commercial or industrial, new construction or improvements, <u>citywide</u>

Schedule 5: Exemption from taxation for a period of five years on 100% of the actual value added by the improvement.

OR

Schedule 6: Exemption from taxation for a period of fifteen years as follows: For the 1st year, an exemption from taxation on 80% of the actual value added. For the 2nd year, an exemption from taxation on 75% of the actual value added. For the 3rd year, an exemption from taxation on 70% of the actual value added. For the 4th year, an exemption from taxation on 65% of the actual value added. For the 5th year, an exemption from taxation on 55% of the actual value added. For the 6th year, an exemption from taxation on 55% of the actual value added. For the 8th year, an exemption from taxation on 45% of the actual value added. For the 9th year, an exemption from taxation on 40% of the actual value added. For the 10th year, an exemption from taxation on 35% of the actual value added. For the 11th year, an exemption from taxation on 30% of the actual value added. For the 12th year, an exemption from taxation on 25% of the actual value added. For the 13th year, an exemption from taxation on 20% of the actual value added. For the 13th year, an exemption from taxation on 20% of the actual value added. For the 13th year, an exemption from taxation on 20% of the actual value added. For the 15th year, an exemption from taxation on 20% of the actual value added. For the 15th year, an exemption from taxation on 20% of the actual value added.