

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.

Subcommittee or Commission Review / Recommendation

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



Vickie L. Reeck
Community Development Mgr.

Approved

David Fierke
City Manager

RESOLUTION NO. _____

**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 21 st 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

By: _____
Matt Bemrich, Mayor

ATTEST:

Jeff Nemmers, City Clerk

Application No. 1153

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

DATE: 5/8/14 ☐ Prior Approval for Intended Improvements
☒ Approval of Completed ImprovementsName of Applicant: James E Bird
Address of Property: 3033 Soldier Ridge DrIs the property located within a designated "Blighted" area? ☐ Yes ☒ NoIs the property considered abandoned? ☐ Yes ☒ NoLegal Description of Property: Lot # 108, Soldier Ridge Estates, Woodlands

Address of Applicant (if different from above): _____

Daytime Phone Number: 515-571-2026Existing Property Use: ☒ Single Family ☐ Multi-Family No of Units: 1
☒ Owner-Occupied ☐ Rental
☐ Commercial ☐ IndustrialProposed Property Use: ☒ Single Family ☐ Multi-Family No of Units: 1
☒ Owner-Occupied ☐ Rental
☐ Commercial ☐ IndustrialNature of Improvements: ☒ New Construction Assessed Value: 27,890
☐ Addition Estimated Cost: 500,000
☐ General Improvements Est. After Value* 304,390

*Improvements must increase the assessed value by a minimum of 15% to qualify.

Specify: Construct new 2105 sq. 3 BR Home, 2 1/2 bath,
attached double car garageEstimated or Actual Date of Completion: 5-31-14Signature of Applicant James E BirdTax Exemption Schedule: ☒ Schedule 1 ☐ Schedule 2 ☐ Schedule 3
(see reverse side) ☐ Schedule 4 ☐ Schedule 5 ☐ Schedule 6**CITY COUNCIL ACTION:**Application: ☐ Approved ☐ Disapproved
(Reason if disapproved) _____

City Clerk _____ Date _____

ASSESSOR ACTION:Application: ☐ Approved ☐ Disapproved
Present Assessed Value \$ _____ Assessed Value w/Improvement \$ _____
Assessor _____ Date _____

TAX ABATEMENT SCHEDULES

- **Construction of new or improvements to existing residentially assessed facilities (single-family or duplex), citywide**

Schedule 1: 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), citywide**
- **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 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 30% 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, citywide**

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 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 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 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 No. 154

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 Intended Improvements
☐ Approval of Completed Improvements

Name of Applicant: Mitch Halverson

Address of Property: 622 N 21st St.

Is the property located within a designated "Blighted" area? ☐ Yes ☐ No

Is the property considered abandoned? ☒ Yes ☐ No

Legal Description of Property: Lot 9 except the West 150' of Leighton Lawn Addition to Fort Dodge, Webster County, Iowa

Address of Applicant (if different from above): 2147 180th St.

Daytime Phone Number: 515 576-3684 Cell: 571-4459

Existing Property Use: ☒ Single Family ☐ Multi-Family No of Units: 1
☐ Owner-Occupied ☐ Rental
☐ Commercial ☐ Industrial

Proposed Property Use: ☒ Single Family ☐ Multi-Family No of Units: 1
☐ Owner-Occupied ☐ Rental
☐ Commercial ☐ Industrial

Nature of Improvements: ☐ New Construction ☐ Addition ☒ General Improvements
Assessed Value: _____
Estimated Cost: \$60,000 - \$70,000
Est. After Value*: \$80,000 - \$85,000

*Improvements must increase the assessed value by a minimum of 15% to qualify.

Specify: New drywall, insulation, plumbing, electrical, floor cabinets, siding, roofing

Estimated or Actual Date of Completion: 05/07-15

Mitch Halverson
Signature of Applicant

Tax Exemption Schedule: ☐ Schedule 1 ☐ Schedule 2 ☐ Schedule 3
(see reverse side) ☐ Schedule 4 ☒ Schedule 5 ☐ Schedule 6

CITY COUNCIL ACTION:	
Application:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved
(Reason if disapproved) _____	
City Clerk _____	Date _____
ASSESSOR ACTION:	
Application:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved
Present Assessed Value \$ _____	Assessed Value w/Improvement \$ _____
Assessor _____	Date _____

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