

August 29, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Applications for Tax Abatement
No. 155 – 1415 North 11th Street
No. 156 – 1819 7th Ave North



ACTION: For vote Monday, September 8, 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 property at 1415 North 11th Street sustained a fire on January 6, 2014. The property owners have removed the fire damaged structure and constructed a new home, making it eligible for a phase-in of new taxes on the first \$75,000 of new value for a period of 5 years, under Schedule 1.

The City acquired the property located at 1819 7th Avenue North in April of 2012 through the abandoned buildings process and it was sold on developmental bid in February of 2013. The current owner demolished the existing structure and built a new home, making it eligible for a phase-in of new taxes on 100% of the value added by the improvements for a period of 5 years, 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. 155: 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 \$174,640, the City portion of taxes abated are estimated at \$792 annually or a total of \$3,960.

No. 156: Schedule 5 (improvements to abandoned properties – 100% abatement of new value for a period of 5 years). Based on improvement value of \$80,000, the City

portion of taxes abated are estimated at \$765 annually or a total of \$3,825 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. 155 and 156.

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. 155 | 1415 North 11 th Street |
| Application No. 156 | 1819 7 th Avenue North |

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 155 and 156 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 FOR TAX ABATEMENT
UNDER THE 2013 CONSOLIDATED URBAN REVITALIZATION PLAN
FOR THE CITY OF FORT DODGE, IOWA**

DATE: 8/20/14

Prior Approval for Intended Improvements
 Approval of Completed Improvements

Name of Applicant: James and Jodi Lennon

Address of Property: 1415 North 11th Street, Fort Dodge, IA 50501

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

Is the property considered abandoned? Yes No

Legal Description of Property: 39 FTD WILLIAMS & JACKOWELLS 3RD ADDITION TO
FORT DODGE, IOWA, PARCEL #0718430002.

Address of Applicant (if different from above): same

Daytime Phone Number: 515-574-9609

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 Assessed Value: 86,500
 Addition Estimated Cost: \$199,500
 General Improvements Est. After Value* 174,640

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

Specify: Construction of new home, 54' x 34'6" with 26' x 34'6" garage; full basement

House Fire 1-6-14 Total Loss

Estimated or Actual Date of Completion: 8/1/14

[Signature]
Signature of Applicant

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

CITY COUNCIL ACTION: _____

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. 156

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

DATE: 7/16/13

Prior Approval for Intended Improvements
 Approval of Completed Improvements

Name of Applicant: Donald James Hefley, Jr.

Address of Property: 1819 7th Avenue North

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

Is the property considered abandoned? Yes No

Legal Description of Property: Lot 4, Block 3, Park Addition Extended to the City of Fort Dodge, Iowa

Address of Applicant (if different from above): 2234 8th Avenue South

Daytime Phone Number: 515-571-8570

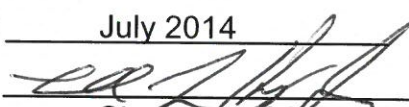
Existing Property Use: Single Family Multi-Family No of Units: 1
 Owner-Occupied Rental
 Commercial Industrial

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

Nature of Improvements: New Construction Assessed Value: \$ 7,560.00
 Addition Estimated Cost: \$80,000.00
 General Improvements Est. After Value* \$80,000.00

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

Specify: 2 bedroom, 1 bathroom, double car garage, 1600 square foot single family home

Estimated or Actual Date of Completion: July 2014

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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