

November 3, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Applications for Tax Abatement
No. 157 – 1196 Colonial Drive
No. 158 – 622 North 21st Street



ACTION: For vote Monday, November 10, 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.

No. 157: 1196 Colonial Drive – general property improvements

This property is eligible for a phase-in of new taxes on the first \$75,000 of added value for a period of 5 years, under Schedule 1.

No. 158: 622 North 21st Street – general property improvements

The City acquired this property through the abandoned buildings process and it was sold on developmental bid. This property is 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. 157: Schedule 1 (improvements to existing residential – 100% abatement on the first \$75,000 of new value for a period of 5 years). Based on an improvement value of \$75,000, the City portion of taxes abated are estimated at \$792 annually or a total of \$3,960.

No. 158: Schedule 5 (improvements to abandoned properties – 100% abatement of new value for a period of 5 years). Based on improvement value of \$73,220, the City

portion of taxes abated are estimated at \$760 annually or a total of \$3,800 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. 157 and 158.

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. 157	1196 Colonial Drive
Application No. 158	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 157 and 158 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 URBAN REVITALIZATION PLAN FOR FORT DODGE, IOWA

DATE: 9.29.14

- Prior Approval for Intended Improvements
Approval of Completed Improvements

Name of Applicant: Morgan Fitzgerald

Address of Property: 1196 Colonial Drive

Legal Description of Property: S. 255' of Lot 16, Fox Bnair Addition to the City of Fort Dodge, Iowa

Address of Applicant (if different from above): 1196 Colonial Drive

Phone Number (to be reached during day): 712-210-3446

Existing Property Use: Residential Commercial Industrial

Proposed Property Use: Residential Commercial Industrial
Rental Owner-Occupied

Nature of Improvements: New Construction Addition General Improvements
Estimated Cost: \$75,000
New Decks(3), landscaping + new paint

Specify: property has had an extensive remodel including all new flooring, new quartz kitchen counters + splash, tiled fireplace, updated bathrooms, new interior doors, ext. door + some windows.

Estimated or Actual Date of Completion: September 15, 2014

Tax Exemption Schedule Selected: Schedule 1 Schedule 2

Signature of Applicant

CITY COUNCIL ACTION: Application: Approved Disapproved
ASSESSOR ACTION: Application: Approved Disapproved
Present Assessed Value \$ Assessed Value w/Improvement \$

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. 158

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

DATE: October 23, 2014

Prior Approval for Intended Improvements
 Approval of Completed Improvements

Name of Applicant: Mitch Halvorson

Address of Property: 622 North 21st Street, Fort Dodge, IA

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', Leighton Lawn Addition to Fort Dodge, Iowa

Address of Applicant (if different from above): 2147 180th Street, Fort Dodge, IA

Daytime Phone Number: 515-576-3684

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: \$16,780
 Addition Estimated Cost: \$50,000
 General Improvements Est. After Value* \$90,000

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

Specify: Gut rehab, plumbing, electrical, roofing, etc.

Estimated or Actual Date of Completion: March, 2015

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: Approved Disapproved
(Reason if disapproved) _____

City Clerk _____ Date _____

ASSESSOR ACTION:

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

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