

**March 2, 2015**

**To: Mayor Bemrich and City Council**  
**From: David Fierke, City Manager**  
**Subject: Applications for Tax Abatement**  
**No. 159 – 2518 27<sup>th</sup> Avenue North**  
**No. 160 – 134 Avenue E**



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**ACTION: For vote Monday, March 9, 2015**

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**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. 159:** 2518 27<sup>th</sup> Avenue North – new construction

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. 160:** 134 Avenue E – general property improvements

This property was purchased through a foreclosure and 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. 159:** Schedule 1 (construction of new single-family home – 100% abatement on the first \$75,000 of new value for a period of 5 years). Based on an improvement value of \$271,980, the first \$75,000 of which is eligible for phase in, the City portion of taxes abated are estimated at \$856 annually or a total of \$4,280.

**No. 160:** Schedule 5 (improvements to abandoned properties – 100% abatement of new value for a period of 5 years). Based on improvement value of \$50,282, the City portion of taxes abated are estimated at \$573 annually or a total of \$2,865 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. 159 and 160.

**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



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Vickie L. Reeck  
Community Development Mgr.

Approved



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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, Iowa; and,

WHEREAS, Section 404 of the Code of Iowa provides that an application for tax abatement shall be submitted to the City by February 1<sup>st</sup> 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. 159	2518 27 <sup>th</sup> Avenue North
Application No. 160	134 Avenue E

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 159 and 160 are hereby accepted as of February 1, 2016 and that notification of said tax abatement applications be forwarded to the Webster County Assessor.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Other: \_\_\_\_\_

CITY OF FORT DODGE, IOWA

By: \_\_\_\_\_  
Matt Bemrich, Mayor

ATTEST:

\_\_\_\_\_  
Jeff Nemmers, City Clerk



Application No. 159

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

DATE: 2/26/15

- Prior Approval for Intended Improvements
- Approval of Completed Improvements

Name of Applicant: William and Linda Mericle

Address of Property: 2518 27<sup>th</sup> Avenue North, Fort Dodge

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

Is the property considered abandoned?  Yes  No

Legal Description of Property: Lot 34, Woodlands Addition to Fort Dodge, Webster County, Iowa.

Address of Applicant (if different from above): same

Daytime Phone Number: (515) 571-0521

Existing Property Use:

<input checked="" type="checkbox"/> Single Family	<input type="checkbox"/> Multi-Family	No of Units: <u>1</u>
<input checked="" type="checkbox"/> Owner-Occupied	<input type="checkbox"/> Rental	
<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	

Proposed Property Use:

<input checked="" type="checkbox"/> Single Family	<input type="checkbox"/> Multi-Family	No of Units: <u>1</u>
<input checked="" type="checkbox"/> Owner-Occupied	<input type="checkbox"/> Rental	
<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	

Nature of Improvements:  New Construction      Assessed Value: \$16,540  
 Addition      Estimated Cost: \$300,000  
 General Improvements      Est. After Value: \$271,980

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

Specify: Construct new single family home; 47'3" x 44' + 25' x 60' attached garage.

Estimated or Actual Date of Completion: December, 2014

[Signature]  
Signature of Applicant

Tax Exemption Schedule: (see reverse side)

<input checked="" type="checkbox"/> Schedule 1	<input type="checkbox"/> Schedule 2	<input type="checkbox"/> Schedule 3
<input type="checkbox"/> Schedule 4	<input type="checkbox"/> Schedule 5	<input type="checkbox"/> Schedule 6

<b>CITY COUNCIL ACTION:</b>	
Application: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	(Reason if disapproved) _____
City Clerk _____	Date _____
<b>ASSESSOR ACTION:</b>	
Application: <input type="checkbox"/> Approved <input type="checkbox"/> 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 1<sup>st</sup> year, an exemption from taxation on 80% of the actual value added.  
For the 2<sup>nd</sup> year, an exemption from taxation on 70% of the actual value added.  
For the 3<sup>rd</sup> year, an exemption from taxation on 60% of the actual value added.  
For the 4<sup>th</sup> year, an exemption from taxation on 50% of the actual value added.  
For the 5<sup>th</sup> year, an exemption from taxation on 40% of the actual value added.  
For the 6<sup>th</sup> year, an exemption from taxation on 40% of the actual value added.  
For the 7<sup>th</sup> year, an exemption from taxation on 30% of the actual value added.  
For the 8<sup>th</sup> year, an exemption from taxation on 30% of the actual value added.  
For the 9<sup>th</sup> year, an exemption from taxation on 20% of the actual value added.  
For the 10<sup>th</sup> 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 1<sup>st</sup> year, an exemption from taxation on 80% of the actual value added.  
For the 2<sup>nd</sup> year, an exemption from taxation on 75% of the actual value added.  
For the 3<sup>rd</sup> year, an exemption from taxation on 70% of the actual value added.  
For the 4<sup>th</sup> year, an exemption from taxation on 65% of the actual value added.  
For the 5<sup>th</sup> year, an exemption from taxation on 60% of the actual value added.  
For the 6<sup>th</sup> year, an exemption from taxation on 55% of the actual value added.  
For the 7<sup>th</sup> year, an exemption from taxation on 50% of the actual value added.  
For the 8<sup>th</sup> year, an exemption from taxation on 45% of the actual value added.  
For the 9<sup>th</sup> year, an exemption from taxation on 40% of the actual value added.  
For the 10<sup>th</sup> year, an exemption from taxation on 35% of the actual value added.  
For the 11<sup>th</sup> year, an exemption from taxation on 30% of the actual value added.  
For the 12<sup>th</sup> year, an exemption from taxation on 25% of the actual value added.  
For the 13<sup>th</sup> year, an exemption from taxation on 20% of the actual value added.  
For the 14<sup>th</sup> year, an exemption from taxation on 20% of the actual value added.  
For the 15<sup>th</sup> year, an exemption from taxation on 20% of the actual value added.



Application No. 160

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

DATE: 2-13-15

- Prior Approval for Intended Improvements
- Approval of Completed Improvements

Name of Applicant: Joshua and Laura Westall

Address of Property: 134 Avenue E

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 14, West Fort Dodge, Iowa

Address of Applicant (if different from above): n/a

Daytime Phone Number: (515) 573-0379

Existing Property Use:

<input checked="" type="checkbox"/> Single Family	<input type="checkbox"/> Multi-Family	No of Units: <u>1</u>
<input type="checkbox"/> Owner-Occupied	<input type="checkbox"/> Rental	
<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	

Proposed Property Use:

<input checked="" type="checkbox"/> Single Family	<input type="checkbox"/> Multi-Family	No of Units: <u>1</u>
<input checked="" type="checkbox"/> Owner-Occupied	<input type="checkbox"/> Rental	
<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	

Nature of Improvements:

<input type="checkbox"/> New Construction	Assessed Value: <u>\$30,458<sup>00</sup></u>
<input type="checkbox"/> Addition	Estimated Cost: <u>\$25,000<sup>00</sup></u>
<input checked="" type="checkbox"/> General Improvements	Est. After Value* <u>\$80,740</u>

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

Specify: Get rehab, new kitchen, bath, floor, new furnace + AC

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

Joshua Westall  
Signature of Applicant

Tax Exemption Schedule: (see reverse side)

<input type="checkbox"/> Schedule 1	<input type="checkbox"/> Schedule 2	<input type="checkbox"/> Schedule 3
<input type="checkbox"/> Schedule 4	<input checked="" type="checkbox"/> Schedule 5	<input type="checkbox"/> Schedule 6

<b>CITY COUNCIL ACTION:</b>	
Application:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved
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City Clerk _____ Date _____	
<b>ASSESSOR ACTION:</b>	
Application:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved
Present Assessed Value \$ _____	Assessed Value w/Improvement \$ _____
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