

March 16, 2015

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Applications for Tax Abatement
No. 161 – 2nd Ave S & 4th Street
No. 162 – 2520 Hickory Circle



ACTION: For vote Monday, March 23, 2015

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. 161: 2nd Avenue South & 4th Street – new construction

This property is eligible for a phase-in of new taxes on the added value on a sliding scale for a period of 10 years, under Schedule 3.

No. 162: 2520 Hickory Circle – addition

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.

Budget Impact

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

No. 161: Schedule 3 (construction of new commercial building in downtown – phase-in of new taxes on the added value on a sliding scale for a period of 10 years). Based on an investment of \$1,230,000, the improvement value is expected to be \$506,000, the City portion of taxes abated are estimated at \$39,920 over the 10 year period.

No. 162: Schedule 1 (construction of addition to single-family home - 100% abatement on the first \$75,000 of new value for a period of 5 years). Based on investment of \$73,320, the improvement has increased the value by \$38,800, the City portion of taxes abated are estimated at \$392 annually or a total of \$1,961 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. 161 and 162

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, 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 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. 161 | 2 nd Avenue South & 4 th Street
(Fort Dodge Family Credit Union) |
| Application No. 162 | 2520 Hickory Circle |

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 161 and 162 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. 162

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

DATE: 3/16/15

- Prior Approval for Intended Improvements
- Approval of Completed Improvements

Name of Applicant: Steve and Shelly Sanford

Address of Property: 2520 Hickory Circle, 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: Lot 71, Woodlands Addition to Fort Dodge, Iowa.

Address of Applicant (if different from above): same

Daytime Phone Number: (515) 571-570-5559

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:

<input type="checkbox"/> New Construction	Assessed Value:	<u>\$ 205,540</u>
<input checked="" type="checkbox"/> Addition	Estimated Cost:	<u>\$ 73,320</u>
<input type="checkbox"/> General Improvements	Est. After Value	<u>\$ 244,340</u>

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

Specify: Construct 26' x 28.5' addition on rear of house

Estimated or Actual Date of Completion: December, 2014

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

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. 161

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

DATE: 3/15/15

- Prior Approval for Intended Improvements
- Approval of Completed Improvements

Name of Applicant: Fort Dodge Family Credit Union

Address of Property: 2nd Avenue South and 4th 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: Lots 3, 4 and 5, Block 28, Original Town of Fort Dodge, Iowa.

Address of Applicant (if different from above): 215 Central Avenue, Fort Dodge

Daytime Phone Number: (515) 573-1160

Existing Property Use:

<input type="checkbox"/> Single Family	<input type="checkbox"/> Multi-Family	No of Units: <u>0</u>
<input type="checkbox"/> Owner-Occupied	<input type="checkbox"/> Rental	
<input checked="" type="checkbox"/> Commercial (vacant lot)	<input type="checkbox"/> Industrial	

Proposed Property Use:

<input 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 checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	

Nature of Improvements:

<input checked="" type="checkbox"/> New Construction	Assessed Value:	<u>Exempt</u>
<input type="checkbox"/> Addition	Estimated Cost:	<u>\$1,230,000</u>
<input type="checkbox"/> General Improvements	Est. After Value	<u>\$ 506,000</u>

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

Specify: Construct new 70' x 64'3" building for the Fort Dodge Family Credit Union.

Estimated or Actual Date of Completion: December, 2015

Nedie Pongel
Signature of Applicant

Tax Exemption Schedule: (see reverse side)

<input type="checkbox"/> Schedule 1	<input type="checkbox"/> Schedule 2	<input checked="" type="checkbox"/> Schedule 3
<input type="checkbox"/> Schedule 4	<input type="checkbox"/> Schedule 5	<input type="checkbox"/> 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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For the 1st year, an exemption from taxation on 80% of the actual value added.
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For the 9th year, an exemption from taxation on 40% of the actual value added.
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