

COUNCIL ACTION FORM

SUBJECT: 2013 URBAN REVITALIZATION TAX ABATEMENT REQUESTS

BACKGROUND:

In accordance with Chapter 404 of the *Code of Iowa*, the City Council has established Urban Revitalization Areas (URAs) with Plans specifying standards for types and elements of physical improvements that provide public benefits. When property within one of these URAs is developed, redeveloped, rehabilitated, or remodeled the property owner is eligible for abatement of property taxes on the incremental increase in property value after the improvements are completed. This abatement can extend for three, five or ten years, based on the Plan approved by Council.

Every year, property owners who have improved property within the City's URAs in the previous year may apply for tax exemption on the incremental added value of their properties. The City must determine if the completed improvements meet the standards in the Urban Revitalization Plan for the URA in which the property is located. If the City Council finds the standard is met, this approval is forwarded to the City Assessor who must review the request and determine the value of the abatement.

Property owners of three redevelopment projects are requesting tax exemptions for the 2013 assessment year, which refers to improvements made in 2012. A listing of the project owners, locations, and estimated values is attached. The property owners have reported construction value totaling \$1,677,993 for these projects. The estimates are based on construction cost and may not be the same as the added property value. Under the Urban Revitalization Plan for the East University URA, the owner may elect abatement to be applied over three, five, or ten years, depending as illustrated by the attached abatement schedule. Under the Urban Revitalization Plan for the Downtown URA, abatement is only available over three years. More complete descriptions of the abatement projects are included in the attached copies of project applications.

ALTERNATIVES:

1. The City Council can approve the requests for tax exemption as conforming to the corresponding Urban Revitalization Plan.
2. The City Council can deny these requests for approval of the tax exemptions, only if found not to be in conformance with the revitalization plan.

MANAGER'S RECOMMENDED ACTION:

Staff has examined these projects as of January 2013, and finds that the work completed conforms to the corresponding Urban Revitalization Plans approved by the City Council.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1. This action will approve the requests for tax exemption as conforming to the corresponding Urban Revitalization Plan. This action will allow the requests for tax exemption to be processed by the City Assessor, who will determine the value of the respective tax exemptions.

2013 Tax Abatement Properties

Estimates For Incremental Values

East University Urban Revitalization Area

117 Ash, LLC (Delta Upsilon) 117 Ash Greek House Renovation 3 years	\$ 1,245,993
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Downtown URA

Fifth Street 208, LC 208 5 th Street Façade and Interior Improvements 3 Years	\$ 120,000
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Turnkey Investments, LLC 203 Main Street Façade and Interior Improvements 3 Years	\$ 312,000
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Effective Date: October 10, 2006

Urban Revitalization Program Application Form

(This form must be filled out completely before your application will be accepted.)

1. **Property Address:** 117 ASH AVENUE
2. **Property Identification Number (Geocode):** 09-09-202-055
3. **Legal Description** (attach, if lengthy): PARKER'S ADDITION LOTS 20
#21 PARCEL "M" CFN 15-250
4. **Description of Improvements - Attach if lengthy:** _____
SEE ATTACHED

Improvement costs: \$	<u>1,245,993</u>
Beginning construction date:	<u>AUGUST 2009</u>
Estimated or actual completion date:	<u>DECEMBER 2011</u>
Assessment year for which exemption is being claimed:	<u>2012</u>
Exemption Schedule (3, 5, or 10 years):	<u>3 YEAR</u>

5. **Property Owner:** 117 ASH LLC
Address: P.O. Box 1937 Ames, Iowa 50010
(Street) (City) (State) (Zip)
Telephone: 515-292-9083 515-451-4350 jlarsan@ic
(Home) (Business) (Fax) email adl.com

I (We) certify that I (we) have submitted all the required information to apply for approval of the Urban Revitalization Program and that the information is factual.

Signed by: [Signature] Date: 1/14/13
(Property Owner)

(Note: No other signature may be substituted for the Property Owner's Signature.)

JAMES "JAMI" LARSEN, Manager

**Downtown
Urban Revitalization Program**
Application Form

1. **Property Address:** 208 5th Street Ames 50010
(Building also includes addresses 210 and 214)
2. **Property Identification Number (Geocode)** (if known): _____

3. **Legal Description** (attach, if lengthy): _____

4. **Description of Improvements**(attach, if lengthy): New storefront windows/door for space 210 5th St. New window above 208 entrance. Renovations to 210 including new drywall /paint, wood flooring, light fixtures, HVAC unit.

Improvement costs: <u>\$120,000</u>
Beginning construction date: <u>April 24, 2012</u>
Estimated or actual completion date: <u>November 9, 2012</u>
Assessment year for which exemption is being claimed: _____

5. **Property Owner:** Fifth Street 208, LC (Danand Alex McClanahan)

Address: 208 5th Street Ames IA 50010
(Street) (City) (State) (Zip)

515-290-6600 mcclanahanstudio@gmail.com
(Phone) (Fax) (e-mail)

RECEIVED
JAN 07 2013
CITY OF AMES, IOWA
DEPT. OF PLANNING & HOUSING

Effective Date: August 22, 2011
Received or Filed
JAN - 4 2013
Ames City Assessor's Office

Downtown
Urban Revitalization Program
Application Form

1. **Property Address:** 203 Main Street
2. **Property Identification Number (Geocode)** (if known): 09-02-379-080
3. **Legal Description** (attach, if lengthy): OT E 7' LOT 27 & ALL LOTS
28 & 29 & W 2' LOT 30 BCK 11

4. **Description of Improvements** (attach, if lengthy): complete remodel of
the inside and exterior facade including new plumbing,
electrical and HVAC.

Improvement costs: \$ <u>312,000</u>
Beginning construction date: <u>March 2012</u>
Estimated or actual completion date: <u>Completed September 2012</u>
Assessment year for which exemption is being claimed: <u>2013</u>

5. **Property Owner:** TurnKey Investments LLC

Address: 105 S. 16th St Ames IA 50010
(Street) (City) (State) (Zip)

515-239-8606 515-232-4222 Chuck@hunziker.com
(Phone) (Fax) (e-mail)

Effective Date: August 22, 2011

Designed by: J-Corp

Address: _____
(Street) (City) (State) (Zip)

515-290-3400 (Phone) (Fax) duane@jcorp.biz (e-mail)

I (We) certify that I (we) have submitted to the best of our knowledge all the required information to apply for approval of the Downtown Urban Revitalization Program and that the information is factual.

Signed by:  Date: 1/4/2013
(Property Owner)

_____ Date: _____
(Applicant - if different than Property Owner)