

COUNCIL ACTION FORM

SUBJECT: 2012 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, if the increase is more than 5%. 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 four redevelopment projects are requesting tax exemptions for the 2012 assessment year, which refers to improvements made in 2011. A listing of the project owners, locations, and estimated values is attached. The property owners have reported construction value totaling \$2,889,125 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 2012, 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 tax exemption.

2012 Tax Abatement Properties

Estimates For Incremental Values

East University Urban Revitalization Area

Alpha Iota Association of Phi Gamma Delta
325 Ash

Greek House Renovation

3 years \$ 500,000

Iowa Beta Alumni Corporation of Sigma Phi Epsilon
228 Gray

Greek House Renovation

10 years \$ 2,075,125

Downtown URA

Merrill Kim Sharp

410 5th Street

Façade and Interior Improvements

3 Years \$ 37,000

Main St. 134 WR, LLC

132-134 Main Street

Façade and Interior Improvements

3 Years \$ 277,000

Urban Revitalization Program

Tax Exemption Schedule

All qualified real estate located in the designated revitalization area is eligible to receive a partial exemption from taxation on the Actual Value added by the improvements as specified by the schedules below. Any qualified real estate may elect one of the three schedules.

The exemption period for ten (10) years. The amount of the partial exemption is equal to a percent of the Actual Value added by the improvements, determined as follows:

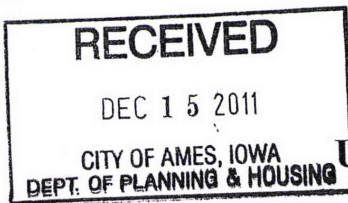
For the first year,	80%
second	70%
third	60%
fourth	50%
fifth	40%
sixth	40%
seventh	30%
eighth	30%
ninth	20%
tenth	20%

The exemption period for five (5) years.

For the first year,	100%
second	80%
third	60%
fourth	40%
fifth	20%

The exemption period for three (3) years. All qualified real estate is eligible to receive a 100% exemption on the Actual Value added by the improvements for each of the three years.

Carefully examine the exemption schedules before making a selection. Once the selection of the schedule is made and the exemption is granted, the owner is not permitted to change the method of exemption.



Effective Date: February 24, 2009

University Area
Urban Revitalization Program
Application Form

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

1. Property Address: 325 ASH AVE, AMES, IA
2. Property Identification Number (Geocode): 09-09-202-155
3. Urban Revitalization Area: UNIVERSITY
4. Legal Description (attach, if lengthy): GRAY & CESSNA SD LOT 6 & S 20' LOT 7 & LITTLE'S SD LOT 4
5. Description of Improvements - Attach if lengthy: RENOVATED 26 STUDY ROOMS, BATHROOMS, HALLS, STAIRWELLS, KITCHEN, NEW WINDOWS, AIR CONDITIONING, ALARM SYSTEM, COMPLETED SPRINKLER SYSTEM, NEW KNUFF ST. PORCH

Improvement costs: \$ 500,000

Beginning construction date: 5/9/11

Estimated or actual completion date: 12/31/11

Assessment year for which exemption is being claimed: 2012

Exemption schedule (3, 5, or 10 years): 3

6. Property Owner: ALPHA IOTA ASSOCIATION OF PHI GAMMA DELTA

Address: 325 ASH AVE AMES IA 50014
(Street) (City) (State) (Zip)

Telephone: 630-800-7573
(Home) (Business) (Fax)

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

Signed by: Whitney S. Lee, TREASURER Date: 12/12/11
(Property Owner)

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

Effective Date: December 28, 2011

University Area Urban Revitalization Program

Application Form

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

1. **Property Address:** 228 Gray Avenue - Ames, IA 50010
2. **Property Identification Number (Geocode):** 09-09-229-100
3. **Urban Revitalization Area:** East University Impacted Urban Revitalization Area
4. **Legal Description** (attach, if lengthy): (Attached)
5. **Description of Improvements - Attach if lengthy:** 5,167 sq.ft. addition plus complete interior remodeling adding new HVAC throughout and alarm monitored all house fire suppression sprinkler system in compliance with Ames code.

Improvement costs: \$ \$2,075,125 improvements to structure

Beginning construction date: July 1, 2010

Estimated or actual completion date: July 29, 2011

Assessment year for which exemption is being claimed: 2012 (January 1, 2012)

Exemption schedule (3, 5, or 10 years): 10 years

6. **Property Owner:** Iowa Beta Alumni Corporation of Sigma Phi Epsilon
- Address: 228 Gray Avenue Ames Iowa 50010
- (Street) (City) (State) (Zip)
- Telephone: 515-231-7144 515-382-2191 515-382-3826
- (Home) (Business) (Fax)

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

Signed by: Ray Schwichtenberg, Pres. Date: 1/26/2012

(Property Owner) Ray Schwichtenberg, President

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

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JAN 27 2012
CITY OF AMES, IOWA
PT. OF PLANNING & HOUSING

Legal Description Attachment

228 Gray Avenue - Ames, IA 50010

Parcel "D" of Lot Five (5) in Block Five (5) of College Heights Addition to the City of Ames, Story County, Iowa, and the S ½ of Lot Eight (8), and all of Lots Nine (9), Ten (10) and Eleven (11) in Block Two (2) of College Heights Second Addition to the City of Ames, Story County, Iowa, as shown on the "Plat of Survey" filed in the office of the Recorder of Story County, Iowa, on February 24, 2010, as Inst. No. 10-01598, Slide 371, Page 2,

Downtown Urban Revitalization Program Application Form

1. Property Address: 410 Fifth Street
2. Property Identification Number (Geocode) (if known): 09-02-354-020
3. Legal Description (attach, if lengthy): Lots 7 & 8 Blairs Addition
+ 1/2 20' Lot 6 Block 18

4. Description of Improvements (attach, if lengthy):
 INT: Brynmah - doors - carpet - wood floors 13, rev
 EXT: windows new monument sign, sign base, landscaping, stone way, paint, roof in felt 25,0

Improvement costs: \$ <u>\$27,000</u>
Beginning construction date: <u>2009</u>
Estimated or actual completion date: <u>2011</u>
Assessment year for which exemption is being claimed: <u>2011</u>

5. Property Owner: MERRILL KIM SHARP KIM & JANA SHARP
 Address: 1503 TOP O' HOLLOW ROAD ARIZONA 85000
 (Street) (City) (State) (Zip)
515 / 232-1245 232-8878 mks8@me.com
 (Phone) (Fax) (e-mail)

Effective Date: August 22, 2011

Designed by: _____

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

(Phone) (Fax) (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: _____

(Property Owner)

Date: _____

3/February 2012

Date: _____

(Applicant - if different than Property Owner)

Downtown Urban Revitalization Program *Application Form*

1. **Property Address:** 134 Main Street (includes 132 Main Street)
2. **Property Identification Number (Geocode)** (if known): 09-02-381-125
3. **Legal Description** (attach, if lengthy): Lot 5 in block 13 in the Original
Town of Ames, Iowa

4. **Description of Improvements** (attach, if lengthy): Rebuild and restore building front
facade, repair 1/2 of back facade and replace wall on 1/2 of back
facade; Structural repairs and improvements, updating of building
electrical, plumbing and HVAC. Interior improvements and modifications
for new tavern tenant replacing original tavern tenant.

Improvement costs: \$ <u>277,000</u>
Beginning construction date: <u>August 2010</u>
Estimated or actual completion date: <u>September 9, 2011</u>
Assessment year for which exemption is being claimed: <u>2012</u>

5. **Property Owner:** Main St 134 WR, LLC

Address: <u>8350 Hickman Rd,</u>	Ste 201	Clive
(Street)	(City)	(State)
<u>515-251-7332</u>	<u>515-251-4656</u>	<u>david.keller@4eca.com</u>
(Phone)	(Fax)	(e-mail)

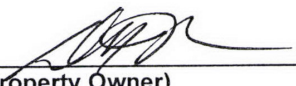
Effective Date: August 22, 2011

Designed by: Roseland Mackey Harris Architects PC

Address: 1615 Golden Aspen Dr Ste 10 Ames IA 50010
(Street) (City) (State) (Zip)

515-292-6075 515-292-6370 jharris@rmharchitects.com
(Phone) (Fax) (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:  Manager Date: 1/31/2012
(Property Owner)

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