City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MSP-W

DATE: September 20, 2018

SUBJECT: Discussion: Creation of an Urban Revitalization Area to provide Tax Abatement

The Council has been discussing the creation of an Urban Revitalization Area in order to provide Tax Abatement for property improvements. This stems from a request made by Chad Kanne, Matt Wendl, and Adam Schweers in conjunction with the redevelopment of Morrison Apartments to be called Lincoln Highway Suites. In that case, the developer is requesting the City provide a 10-year 100% abatement on the increased value of the renovated building.

At the meeting on August 27th, the Council requested that staff identify a potential area that could be included in an Urban Revitalization Area and to detail the various tax abatement schedules that the City could potentially offer. At the September 10th meeting, staff presented a map of a proposed district that was based, in part, on the Carroll Housing Condition Windshield Survey that was completed by Region XII as part of the 2013 Comprehensive Plan and a suggested Urban Revitalization District that was made by Don Kanne. Attached is that map. At the September 10th meeting, the Council discussed the proposed district and wanted to take time to drive the proposed area before making a decision on a possible district.

What is tax abatement?

Tax abatement provides a temporary reduction in property taxes over a specified period of time on the portion of the assessed value added by new construction, or improvements to an existing structure. To be eligible, the code provides that improvements must increase the value of the property by at least fifteen percent, or ten percent in the case of residential properties. The City can specify a lower minimum improvement level to be eligible for an abatement (not higher); however, this has the potential to become an administrative burden on the County Assessor if a lower minimum improvement threshold is used. The City also needs to identify the specific properties, which must include a minimum of two parcels, that would be part of the Urban Revitalization District. The City also would need to establish an abatement schedule for the various property classifications in the Urban Revitalization Plan.

Potential Abatement Schedules

The following are the maximum abatement schedules that could be offered by a City. The Council has the ability to have a lesser abatement schedule than what is listed.

Multiresidential (3+ living quarters, with 75% of the space for residential purposes):
10 years – 100%

Commercial or Industrial:
10 years - Declining percentage: 80-70-60-50-40-40-30-30-20-20
- OR -
3 years - 100%

Residential in a district that is **NOT** designated as blighted:

5 years - 100%, up to $75,000 of value added

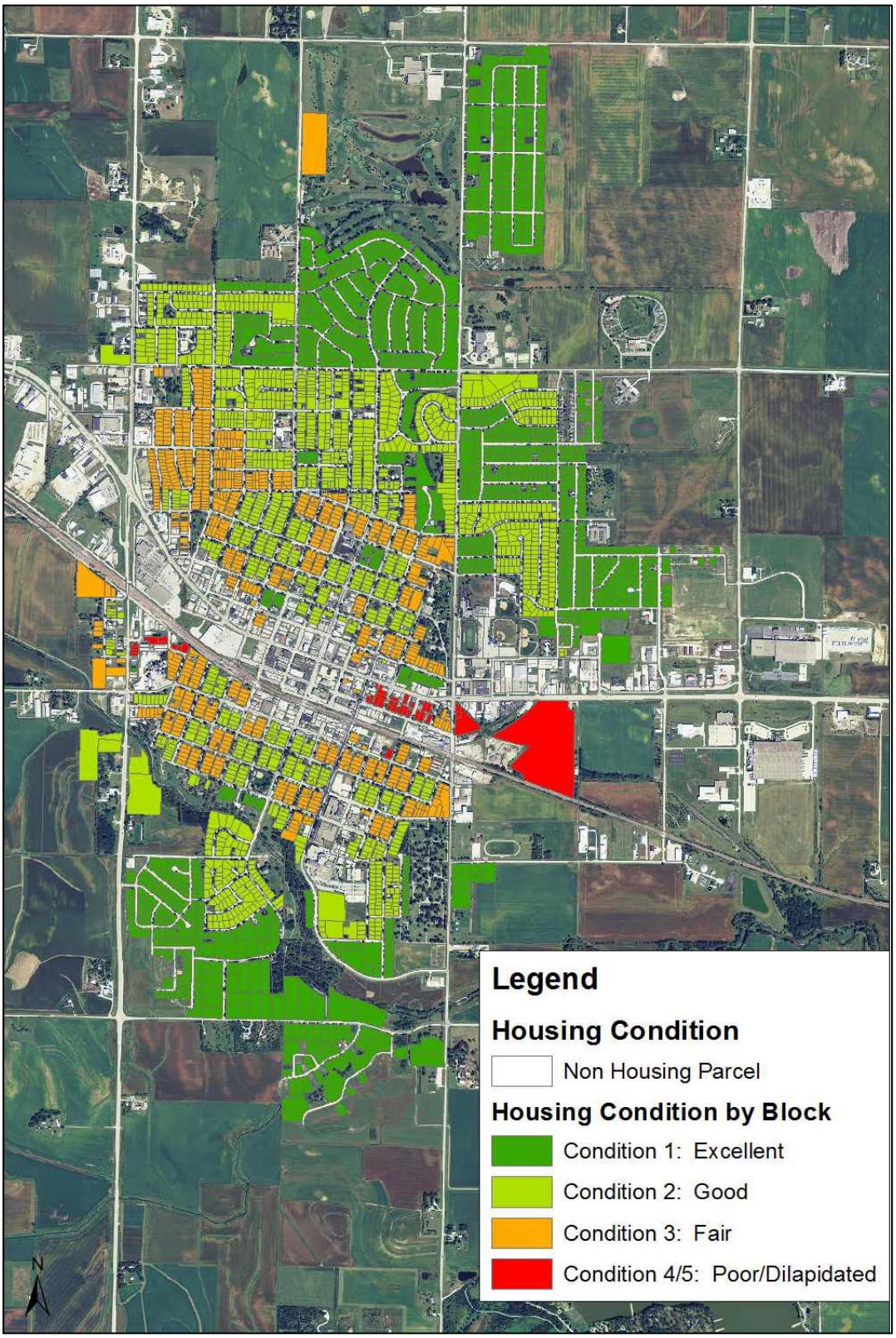
Residential in a district that **IS** designated as blighted:

10 years - 115%, up to $20,000 of value added
- OR -
10 years - Declining percentages: 80-70-60-50-40-40-30-30-20-20
- OR -
3 years – 100%
- OR -
10 years – 100%

The Council can also choose to have different types of abatements in different areas. For example, the Council may choose to offer residential abatements throughout the entire area but target commercial and multiresidential abatements in certain areas. The Council should discuss what kind of abatements they want to target throughout the city.

RECOMMENDATION: Mayor and City Council discuss a potential area for an Urban Renewal District and a potential abatement schedule.

Figure 4-7: Carroll Housing Condition Windshield Survey



CARROLL COUNTY APPRAISAL

Don Kanne
Certified Residential Appraiser

512 N Court St
Carroll, IA 51401
P: 712-792-2776
F: 712-792-2746
ccappraisal@westianet.net

www.carrollcountyappraisals.com

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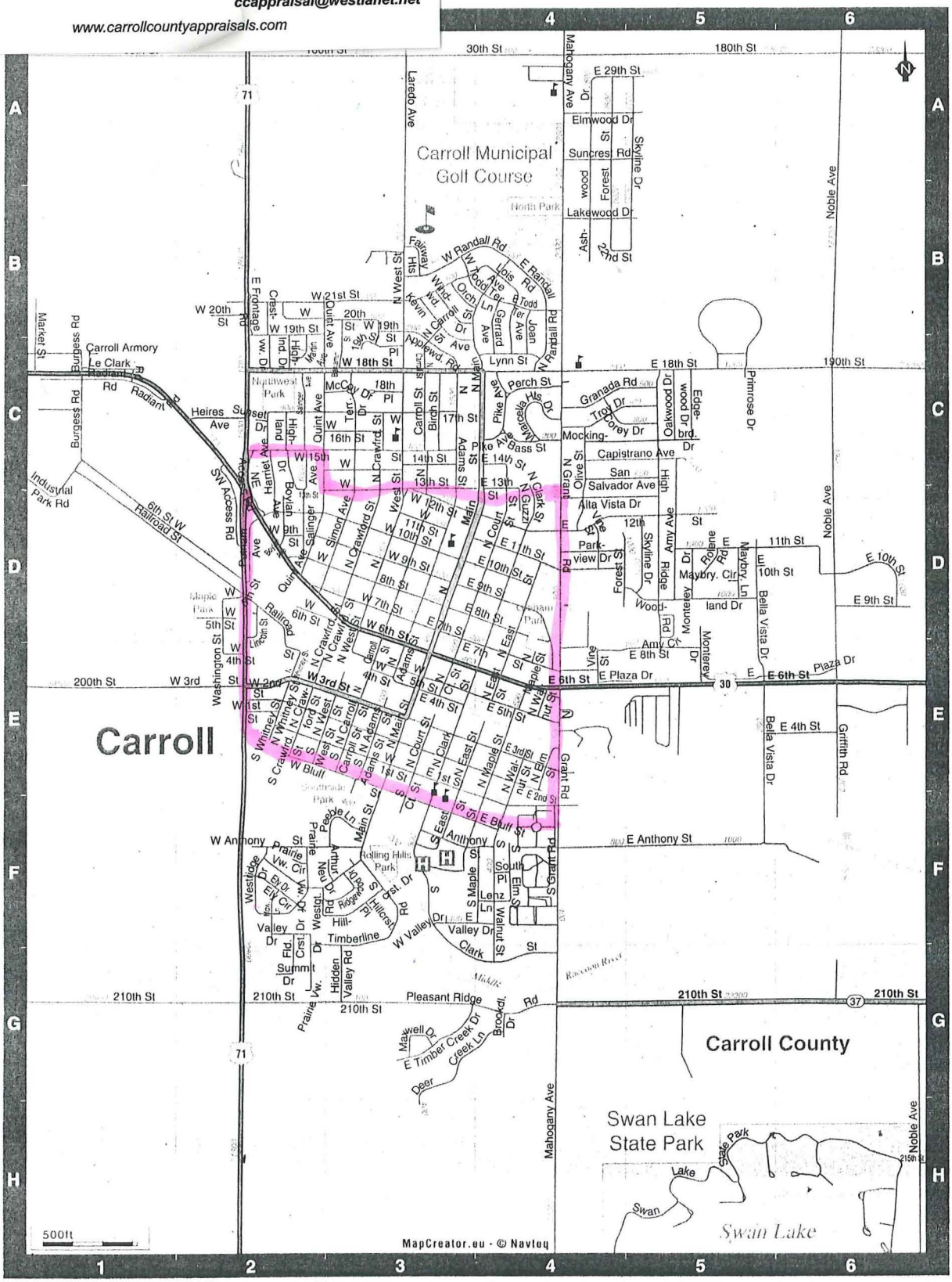
Carroll street map



Map data provided by Navteq. To request a map change, please go to mapreporter.navteq.com.

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or Email customer
or Fax 515 725-73

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Western Iowa Net
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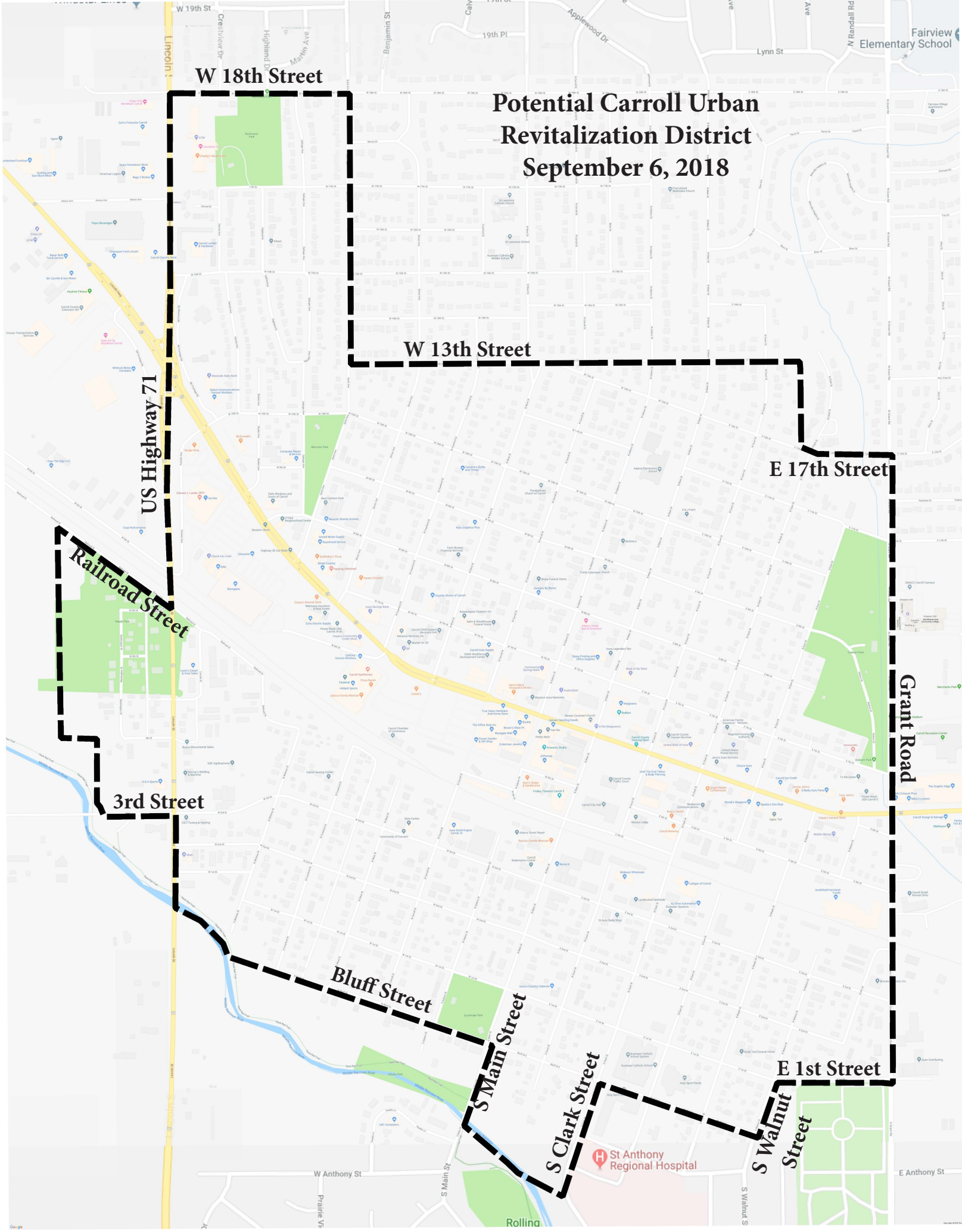
Services for Large B
Web Address: www

Matrix BUSIN
433 Las Colinas Blvd
Irving, TX 75039
Customer Service
Web Address: www

Potential Carroll Urban Revitalization District
September 6, 2018
W 18th Street
W 13th Street
E 17th Street
Railroad Street
US Highway 71
Grant Road
3rd Street
Bluff Street
S Main Street
S Clark Street
S Walnut Street
E 1st Street
Super 8 by Wyndham Carroll
Carrollton Inn
Northwest Park
St Lawrence Catholic Church
First United Methodist Church
Days Inn by Wyndham Carroll
Maple Park
Southside Park
Kuemper Catholic School
Urbany Park
St Anthony Regional Hospital
Rolling Hills Park
Carroll City Cemetery
Lincoln St
W Anthony St
E Anthony St
SouthGate Rd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September 6, 2018
W 18th Street
W 13th Street
E 17th Street
Grant Road
E 1st Street
S Walnut Street
S Clark Street
S Main Street
Bluff Street
3rd Street
Railroad Street
US Highway 71
Lincoln St
W 19th St
Crestview Dr
Highland Dr
Martin Ave
Benjamin St
19th Pl
Applewood Dr
Lynn St
N Randall Rd
Fairview Elementary School
St Anthony Regional Hospital
W Anthony St
E Anthony St
S Main St
S Walnut St
Prairie Vi
Rolling