

Commercial and Industrial Tax Abatement

Tax abatement allows a temporary exemption from taxation on a portion of the assessed value added by new construction and/or improvements to an existing structure. All commercially or industrially zoned areas in Des Moines are designated to receive commercial and industrial tax abatement. Check with the Permit & Development Center to see applicable standards that may apply to your project. In addition, there are design standards that must be met in order to qualify for commercial and industrial tax abatement. The abatement is for renovation, additions, or new construction, and must increase the assessed value of the property by at least 15%.

Please note that while an improvement may be eligible for tax abatement, tax abatement can only be received if it is applied for at the correct time. To receive the full benefit, the tax abatement application must be filed by February 1 after the calendar year when the new construction / improvement is made. For 2012 new construction / improvements, the application must be filed by February 1, 2013. We strongly recommend consulting with the City's Permit and Development Center regarding tax abatement when you apply for your building permit.

Properties can use either of the following schedules:

<u>3yr. / 100% Schedule</u>	<u>10yr. / Declining Abatement</u>
Year 1 100% abated	Year 1 80% abated
Year 2 100% abated	Year 2 70% abated
Year 3 100% abated	Year 3 60% abated
	Year 4 50% abated
	Year 5 & 6 40% abated
	Year 7 & 8 30% abated
	Year 9 & 10 20% abated

<u>Property Tax Abatement Schedules Information</u>				
Choose a Schedule	Use	Must increase building assessment by: <u>Commercial</u> : at least 15%	How much of improvement's value is abated?	Improvement must qualify with applicable zoning, building <i>and</i> fire codes. Commercial and industrial uses must meet applicable design standards. Where?
2 (new construction, major improvements and renovation)	Residential, Commercial and/or Industrial	No limit	1 st year - 80% 2 nd year - 70% 3 rd year - 60% 4 th year - 50% 5 th & 6 th year - 40% 7 th & 8 th year - 30% 9 th & 10 th year -20%	<u>Commercial and Industrial</u> : Must be in a specified tax abatement area.
3 (new construction, major improvements and renovation)	Commercial Industrial	No limit	100% for 3 years	<u>Commercial and Industrial</u> : Must be in a specified tax abatement area.

Commercial Construction and Sustainability Design Standards

OVERVIEW

Tax abatement is offered as an incentive to construct high quality projects in Des Moines' commercial and industrial areas, that are comparable with the requirements of our metropolitan counterparts, and over time will improve the character of the commercial and industrial areas throughout the City.

Except where otherwise noted, **if the improvements to multiple-family residential property or to commercial or industrial property include a new building, a building addition over 50% of the existing building area, or renovations to a building that have an estimated cost for building permit purposes that exceeds 50% of the assessed value of the existing building, then the property must also conform with the design standards** set forth in this appendix to qualify for a partial exemption from taxation under the Restated Plan. Eligible projects not complying with the applicable standards will not receive tax abatement.

It is intended that these eligibility standards for tax abatement will be phased in as development regulations in the future.

Compliance with the standards will be reviewed by the Community Development Director or the Director's designee for recommendation to the City Council. An application for tax abatement must be approved by the City Council before it may be forwarded to the Polk or Warren County Assessor to allow the abatement.

DEVELOPMENT STANDARDS

1. Landscaping

Landscaping must be provided in compliance with the City of Des Moines Landscape Standards for the C-2 District. This requirement does not relieve higher levels of landscaping that may be required by other measures.

2. Sidewalks

- a) Public sidewalk must be installed along all perimeter streets in conformance with the approved site plan.
- b) Pedestrian sidewalk access must be provided between the public right-of-way and the primary building entry(s) in accordance with the approved site plan.
- c) All required sidewalks must be in good repair and not contain any defects as defined in Section 102-43 of the Des Moines Municipal Code.

3. Screening

- a) Trash containers shall be fully enclosed with 100% opaque walls and gate(s) constructed of masonry, steel panels, or other durable materials approved by the Community Development Director. Wood, vinyl or chain link are not durable materials for the purposes of this requirement.
- b) Outside storage of materials or equipment must be enclosed by opaque wood or masonry fence. No stored materials may be stacked higher than the perimeter fence.
- c) Roof-mounted utilities must be screened on all sides by an architectural screen wall with a height equal to the height of the equipment, and constructed with an exterior finish and color matching the primary building exterior. Roof-mounted utilities may also be screened by a parapet wall or by setback from the edge of the building equal to five times the height of the equipment, or any combination of the above.
- d) Wall-mounted utilities must be screened on all sides by an architectural screen wall or painted to match the adjoining building finish.
- e) Ground-mounted and wall-mounted utilities and meters shall be screened, or not visible from public streets.

4. Building Materials

- a) Minimum of 75% of the surface area (exclusive of windows and doors) of facades fronting and perpendicular to a public street must be glass, brick, concrete panels, architectural concrete block (such as split-face or burnished block), architectural metal panels or stone.

- b) All buildings shall have window and door openings comprising at least 20% of the surface area of each facade fronting public streets. However, those portions of such a facade adjoining areas of a building devoted to processing, manufacturing or storage uses associated with an industrial use of the building need only have window and door openings comprising at least 20% of the area of first floor such facade, up to a maximum elevation of 14 feet.
 - c) No building elevation should have exterior insulation and finish system (EIFS) within 5' of the finished grade.
 - d) As an alternative to conforming with the requirements set forth above in this paragraph 4, all facades fronting and perpendicular to a public street must be constructed of materials and with a design approved by the Community Development Director as being consistent with the overall intent and purpose of these Commercial Construction and Sustainability Design Standards, and providing an equivalent level of quality and durability.
5. Underground Utilities
All utility service lines to the property shall be underground, unless otherwise allowed by an approved site plan.
6. Signage
Free standing signs must be monument signs or directory signs (no pole-mounted signage). A monument sign is defined as a sign that is permanently attached to a structure that is built on grade (affixed to the ground).
7. Site Custodial
 - a) All obsolete unneeded curb cuts, drive approaches, signs, sign poles, sign bases, concrete and paving islands shall be removed.
 - b) Drive approaches shall be in good repair, properly sized and located.
8. Sustainability
The development must provide a minimum of four (4) of the following sustainable features:
 - a) Bike racks for public use that provide a minimum of 10% of the automobile parking provided.
 - b) Permeable pavement for a minimum of 30% of the paved area.
 - c) Green roof on 50% of the rooftop area.
 - d) Rain garden(s) that absorb 25% of runoff from impervious surfaces during a 1 ¼ "rain event over 24 hours.
 - e) Exceed applicable energy code by 15%.
 - f) 50% increase in required landscaping.
 - g) 90% of exterior building elevations constructed from renewable materials.
 - h) Primary entry within ¼ mile of a DART transit stop.
 - i) Redevelopment of a previously-developed site.
 - j) Renovation of an existing building.
9. Historic and Cultural Resources
If the project includes a site with a historic building that is on the National Register of Historic Places or deemed eligible for the Register of Historic Places, the building must be retained if feasible, considering the condition of the property.