

**To: HONORABLE MAYOR AND CITY COUNCIL.**

**FROM: Dave Maroney, Director of Economic Development.**

**SUBJECT: *Keith Meyers Property Tax Abatement Request.***

**DATE: November 16, 2018.**

**BACKGROUND.**

Keith and Tamara Meyers have acquired the former Scofield Drug property and now propose to redevelop the main level of the building to professional office space. This phase of the project estimates renovation costs of \$150,000. A summary of preliminary details relating to their request for property tax abatement follows:

1. If approved, property tax abatement will be levied against the “new” Taxable Market Value (TMV) that results from the improvements. For discussion purposes, I have estimated that the annual property tax abatement for the “City-only” tax would be in the neighborhood of: (a) \$1,150 annually if \$90,000 of “new” TMV results; or (b) \$1,535 annually if \$120,000 of “new” TMV results. Based upon several “assumptions”, the projected property tax abatement amount represents in the neighborhood of 20% - 25% of the annual debt service payment due the EDA for their \$75,000 loan to this project.

2. The EDA has reviewed and discussed the request for property tax abatement. Specifically relating to this project, the members recommend that the City Council consider an eight (8) year term for property tax abatement (the Meyers had proposed fifteen (15) years).

**REQUESTED ACTION.**

The Council is asked to authorize Staff to initiate the process and prepare documentation for consideration of property tax abatement as requested by Keith and Tamara Meyers limited to a maximum term of eight (8) years.