Tax Abatement

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Tax Abatement

Contact Us

Permit and Development Center

1200 Locust Street, Des Moines, IA 50309

permits@dmgov.org

Hours

MON - FRI 8 a.m. – 5 p.m.

EXCLUDING
CITY HOLIDAYS

Related Links

- Low-Density Residential Tax Abatement
- High-Density Residential Tax Abatement
- Missing Middle Residential Tax Abatement
- Riverpoint West Tax Abatement
- Commercial / Industrial Tax Abatement

- The 7401 SE 14th St property zoning is MX2-V Mixed Use District

- "Commercially and Industrially Zoned Districts" means the following zoning districts located outside of the downtown Des Moines area and Riverpoint West Area (Map 6 attached hereto): Agriculture (A), Downtown (DX), Mixed-Use (MX1, MX2, MX3, RX1, RX2, CX, EX), Industrial (I), Public, Civic, Institutional (P2), and applicable commercial or industrial Legacy Planned Unit Development (PUD), as such districts are shown on the Official Zoning Map incorporated by reference in Section 134-1.10 of the Municipal Code.

Tax Abatement

What is Tax Abatement?

Tax abatement is a temporary reduction in property taxes on the portion of assessed value added by new construction or improvements to an existing structure. The City Council has adopted the tax abatement program to stimulate community revitalization, improve existing housing stock, retain and attract residents and homeowners to the City of Des Moines, and reduce development costs for high-quality commercial and industrial projects.

Tax abatement is available to both homeowners and developers. Properties must be located in the City of Des Moines and have obtained all necessary permits to be eligible for tax abatement. Contact the Permit and Development Center at permits@dmgov.org to inquire about the type of work that requires permits.

New construction, additions, major rehabilitation, and remodeling improvements increase the assessed value. The County Assessor's Office determines the actual increase in value.

Polk County Assessor **Warren County Assessor**

Urban Revitalization Plans

1st Amended Fourth Restated Urban Revitalization Plan

Residential Tax Abatement Schedules

Residential

Schedule	Amount of Project Value Abated Each Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
10-RF, 10-Year 100% (formerly schedule 4A)	100%									
10-RD, 10-Year Declining (formerly schedule 4D)	100%								60%	40%
09-RD, 9-Year Declining	100%						75%	50%	25%	
08-RD, 8-Year Declining	100%					75%	50%	25%		
06-RD, 6-Year Declining (formerly schedule 4E)	100%			75%	50%	25%				
05-RD, 5-Year Declining (formerly schedule 2A)	100%		75%	50%	25%					

Commercial Tax Abatement Schedules

Schedule	Amount of Project Value Abated Each Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
10-CD, 10-Year Declining (formerly schedule 2)	80%	70%	60%	50%	40%	40%	30%	30%	20%	20%
03-CF, 3-Year 100% (formerly schedule 3)	100%									

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What Projects are Eligible for Tax Abatement?

Low-Density Residential (single-family)

Property improvements with structures containing one household or dwelling unit are eligible for tax abatement schedules in this category.

Missing Middle Residential (2 to 12-unit structures)

Improvements to properties with structures containing two to twelve households/dwelling units are eligible for tax abatement schedules in this category. This category includes duplexes, townhouses, and apartments/condos with two (2) to twelve (12) units per structure.

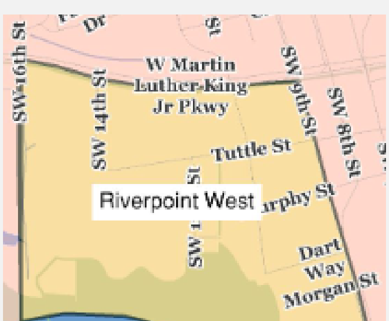
High-Density Residential (13+ unit structures)

Commercial/ Industrial

Improvements to properties with structures that do not meet the definition of low-density, high-density, or missing middle residential, assessed as commercial or industrial, and located in commercial/industrial zoning districts are eligible for tax abatement schedules in this category.

Riverpoint West Area

Improvements to properties located in the Riverpoint West Area are eligible for tax abatement schedules in this category.



High-Density Residential (13+ unit structures)

Improvements to properties with structures containing thirteen (13) or more households/dwelling units are eligible for tax abatement schedules in this category. This category includes condo and apartment buildings with thirteen (13) or more units per structure.

Commercial / Industrial Tax Abatement

Commercial / Industrial Tax Abatement

Required Energy Efficiency & Sustainability Features:

New commercial/industrial buildings, additions that exceed 50% of the existing building's floor area, and renovations to existing buildings that exceed 50% of the assessed building value must include at least 4 of the following to be eligible for tax abatement. (For projects located in the Riverpoint West Area, see the Riverpoint West Area Tax Abatement Page)

- Permeable pavement for a minimum of 30% of the paved area.
- Stormwater best management practices shall be implemented by methods of capture, infiltration, evapotranspiration, or re-use to retain 50% of the runoff volume from impervious surfaces on-site during a 1-year rainfall event.
- 90% of exterior building elevations are constructed from renewable materials.
- Primary entry within ¼ mile of a DART transit stop.
- Redevelopment of a previously-developed site.
- Renovation of an existing building.
- Wind or solar (photovoltaic, PV) electric generation systems, in accordance with Municipal Code Sections 135-2.22.4.E-H, are reasonably estimated to annually provide at least 20% of the electric power consumed by the development.
- Ground source (geothermal) heat pumps are used as the primary source of heating and cooling.
- Provision of a minimum level 2 electric vehicle charging station in accordance with
- Municipal Code Section 135-2.22.4.B.
- Other energy efficiency and sustainability measures proposed by the property owner and granted written approval by the Development Services Director for tax exemption purposes pursuant to this Plan.

When site plans are submitted for Commercial & Industrial projects, a completed Commercial Tax Abatement Acknowledgment Form must be included in the submittal package.

Frequently Asked Questions

What is Commercial/Industrial Property?

- Properties with structures that do not meet the definition of low-density, high-density, or missing middle residential, that are assessed as commercial or industrial and located in commercial or industrial zoning districts.
- "Commercially and Industrially Zoned Districts" means the following zoning districts located outside of the downtown Des Moines area and Riverpoint West Area (Map 6 attached hereto): Agriculture (A), Downtown (DX), Mixed-Use (MX1, MX2, MX3, RX1, RX2, CX, EX), Industrial (I), Public, Civic, Institutional (P2), and applicable commercial or industrial Legacy Planned Unit Development (PUD), as such districts are shown on the Official Zoning Map incorporated by reference in Section 134-1.10 of the Municipal Code.

MX2

What Projects are Eligible for Abatement?

Improvements to properties with structures that contain high-density residential structures are eligible for tax abatement schedules in this category. Common projects in this category include:

- New commercial/industrial buildings.
- Renovations to existing buildings and their accessory structures.
- New accessory structures.

To be eligible for abatement, projects must:

1. Be assessed as commercial or industrial property and;
2. Be located outside the Downtown Area and;
3. Be located in commercially or industrially zoned districts and;
4. Include Energy Efficiency and Sustainability elements when required and;
5. Comply with all City requirements and;
6. Increase the property's assessed value by at least 5% and;
7. Permits must be issued for work that requires permits.
8. Commercial properties that seek tax abatement must enter into a written assessment agreement with the City and County. This agreement will specify a minimum actual value until a specified termination date for the duration of the tax abatement period. The assessment agreement shall be presented to the appropriate assessor, who will review the plans and specifications for the improvements to be made to the property and if the minimum actual value contained in the assessment agreement appears to be reasonable. The actual value determined by the assessor shall not be less than the minimum actual value contained in the assessment agreement. For questions about the minimum assessment agreement requirement, email OED@dmgov.org.
    - This minimum assessment agreement shall be filed in the office of the county recorder of the county where the property is located. Following confirmation of commercial abatement eligibility, the Office of Economic Development will assist with processing and recording the minimum assessment agreement.
    - To get started on this Minimum Assessment document, download a template with form fields to complete.

For questions about Commercial/Industrial Tax Abatement email SitePlan@dmgov.org.

Commercial / Industrial Tax Abatement

For questions about Commercial/Industrial Tax Abatement email SitePlan@dmgov.org.

What Schedules are Available?

Location	Schedule (Applicant's Choice)
Outside Downtown Area	03-CF: 3-Year 100% **or** 10-CD: 10-Year Declining

- For projects located in the Riverpoint West Area, see the Riverpoint West Area Tax Abatement Page.

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