

Adel Facts

Abatement, Taxes and Revenue

September 29, 2017

Abatement – Here are the permit numbers, valuations, average permits and average valuations pre-abatement and since abatement

2004 thru 2010	
82 permits	12 permits per year
\$14,368,369.00	\$175,224.01 Average value
2011 thru 5/30/17	
473 permits	72 building permits per year
\$132,890,436.00	\$280,952.30 Average value

As of the 2016 estimated census Adel has outpaced, in % of growth, Clive, Dallas Center, Perry, Urbandale, Van Meter, and WDM. Only Waukee is growing at a faster pace.

Abatement timeline

January 2011 – Adopted 2011 7yrs; 2012 5yrs; 2013 3 yrs (100%). Approx 70 buildable lots in Adel

March 2012 – Adopted 2012 7yrs; 2013 5yrs (100%)

October 2012 – Included east annexation including Behr estates

December 2012 – Adopted 2013, 2014, 2015 and 2016 7yrs (100%) (2011-2012 53 permits; 2004-2005 50 permits)

January 2013 – Included Eagle Vista annexation

June 2014 – Adopted 2017 – 2025 7yrs (100%) (2013 - 47 permits; 2014 - 41 permits = 88 permits)

2015 – May '17 = 332 permits

Building Permit details 2004 – May 2017:

Year	Permits	Valuation	Average Home Value	Total Permits / Value	Average Permits / Value
2004	22	\$3,649,824	\$165,901		
2005	28	\$4,257,465	\$152,052		
2006	12	\$2,242,331	\$186,861		
2007	7	\$1,392,888	\$198,984		
2008	5	\$1,246,118	\$249,224	2004 thru 2010	
2009	3	\$519,125	\$173,042	82 permits	12 permits per year
2010	5	\$1,060,618	\$212,124	\$14,368,369	\$175,224 Average value
2011	26	\$6,100,288	\$234,626		
2012	27	\$7,374,073	\$273,114		
2013	47	\$12,705,050	\$270,320		
2014	41	\$11,768,685	\$287,041		
2015	119	\$33,594,023	\$282,303	2011 thru 5/30/17	
2016	138	\$38,910,606	\$281,961	473 permits	72 building permits per year
2017	75	\$22,437,711	\$299,169	\$132,890,436	\$280,952 Average value

What do values result in (2014 values for '15-'16 tax levy):

Town	2014 % breakdown res/com	Ave home Jan 2014 / Ave home Jan 2016	Levy / thousand	2015 Tax 1cent
Adel	82/18	\$140,000 / \$145,000	\$14.56	\$2,100
Clive	72/27	\$233,000 / \$298,000	\$9.99	\$13,000
Urbandale	75/25	\$207,000 / \$354,000	\$9.82	\$26,000
WDM	60/40	\$182,000 / \$199,000	\$12.00	\$54,000
Waukee	85/15	\$205,000 / \$236,000	\$13.50	\$10,500

Adel's 2016 valuation year \$227,686,246

2011 – May 2017 Adel has added \$132,890,436 in valuation – in less than 6.5 years we have increased valuations by almost 60%. In 2017 the average home value with w/ abated values = \$193,150.

Road Use Tax (RUT)

RUT funding is at approx. \$120 per capita (source of per capita funding – State of Iowa website). On the six years of growth (611 new population x \$120) alone it translates to \$73,320 /yr. or \$733,200 additional RUT revenue Adel will received between 2020 and 2029.

<p>Lost Road Use Tax Funds Because of Slow Growth between 1990 and 2010</p> <p>\$1,394,736</p>				
'50 - '90 average growth	Adel Decade	90 - '00	00 - '10	10 - '20
376.25	16% growth	3,833	4,446	5,113
Actual Population		3,435	3,682	4,293
Population Shortfall		398	764	820 short of 15% growth
Lost RUT Funds		\$477,600	+\$917,136	=\$1,394,736

Local Option Sales Tax

LOST Revenues Local Option Sales Tax Source: State of Iowa website		Recon = Nov after the fiscal year (FY) ends (June 30) when actual revenues are finalized, adjustments are made to accurately reflect the actual LOST collected.
FY 17	\$ 494,532.39	No recon available
FY 16	\$ 434,127.72	No recon available
FY15	\$ 438,986.21	Recon \$36,605.34
FY 14	\$ 423,342.32	Recon \$45,357.45
FY 13	\$ 395,663.21	Recon \$17,608.41
FY12	\$ 455,517.52	includes \$193,197.80 reconciliation (18 months' worth)
FY 11	\$ 175,261.67	six months (Jan - Jun) and no reconciliation
	\$ 2,817,431.04	

First estimate was \$350,000 annual based on \$35 million in sales. FY 2017 when reconciled will be over \$500,000, or \$50 million in sales – and almost 43% increase in economic activity for Adel.

Perspective: our taxable valuation for 2016 is \$121,554,233. In order to raise \$500,000 we would increase our levy by \$4.16 almost 30%.

Adel Property Taxes Collected

Property Tax and Tax Revenue History 2004 - 2017				
Year Payable	Total City of Adel Taxes Levied **	Annual % tax revenue		
2017/2018	\$1,753,239.00	5.05%	5.05%	1.35% average annual revenue increase '13 - '17
2016/2017	\$1,668,933.00	0.43%	0.43%	\$28,015.00 Average increase year over year
2015/2016	\$1,661,811.00	1.89%	1.89%	
2014/2015	\$1,630,912.00	-1.13%	-1.13%	
2013/2014	\$1,649,564.00	0.51%	0.51%	
2012/2013	\$1,641,179.00	4.71%	4.71%	4.67% average annual revenue increase '05 - '12
2011/2012	\$1,567,397.00	3.05%	3.05%	\$62,602.75 Average increase year over year
2010/2011	\$1,521,006.00	4.34%	4.34%	
2009/2010	\$1,457,672.00	3.37%	3.37%	
2008/2009	\$1,410,176.00	3.06%	3.06%	
2007/2008	\$1,368,273.00	7.87%	7.87%	
2006/2007	\$1,268,461.00	5.46%	5.46%	
2005/2006	\$1,202,799.00	5.48%	5.48%	
2004/2005	\$1,140,357.00	3.39%	Overall Average revenue increase for the 13 years 2004 - 2017	
2003/2004				

** Source of city taxes levied is on the individual tax statement, lower right hand corner.

One Time Fees Paid by Homeowners Who Build

Year	Permit Fees	Total Sewer Fees	Total Water Fees	Total Fees
2011	\$21,798	\$5,200	\$6,500	\$33,498
2012	\$22,552	\$5,800	\$7,250	\$35,602
2013	\$37,212	\$23,500	\$23,500	\$84,212
2014	\$34,638	\$20,500	\$20,500	\$75,638
2015	\$94,657	\$59,500	\$59,500	\$213,657
2016	\$109,278	\$69,000	\$69,000	\$247,278
<u>2017</u>	<u>\$96,395</u>	<u>\$87,500</u>	<u>\$25,500</u>	<u>\$209,395</u>
TOTALS	\$416,530	\$271,000	\$211,750	\$899,280
AVERAGES/year	\$69,421.67	\$45,166.67	\$35,291.67	\$149,880.00

After covering the direct (e.g., engineering) and indirect (e.g., staff) costs, the remaining permit fees reduce the general fund levy. The water and sewer fees reduce the debt service levy. The result is lower taxes for existing taxpayers as demonstrated in the Property Tax and Tax Revenue History table above.

The average fees paid by a homeowner is \$1,625

From the Dallas County Assessor Adjustments to Property Values

2017 – CITY WIDE REVALUATION	'18 – '19 taxes
2016 – PERCENTAGE INCREASE	'17 – '18 taxes
2009 – PERCENTAGE DECREASE	'10 – '11 taxes
2007 – CITY WIDE REVALUATION	'08 – '09 taxes
2005 – PERCENTAGE INCREASE	'06 – '07 taxes
2001 – PERCENTAGE INCREASE	'02 – '03 taxes
1999 – PERCENTAGE INCREASE	'00 – '01 taxes