

ITEM # 41a9b
DATE 10/14/08

COUNCIL ACTION FORM

SUBJECT: REVISIONS TO DOWNTOWN URBAN REVITALIZATION PLAN AND AREA BOUNDARY

BACKGROUND:

On April 24, 2001, in conjunction with the Downtown Façade Grant program, City Council established the Downtown Urban Revitalization Area and Plan (attached). The Area boundary is the same as the boundary for the Downtown Façade Grant program. Among the criteria for eligibility for tax abatement are the same Design Guidelines as those that apply to the Downtown Façade Grant program.

Four projects have received abatement of increased property value totaling \$220,000. Not all of the façade improvements supported by the grant program result in an increase in property value. Generally, projects that replace display windows and doors that add awnings or that remove coverings over existing brick do not add assessed property value.

If the City Council changes the Design Guidelines and the boundary for the grant program and wants to keep the tax abatement program consistent, it should take several steps to change the Downtown Urban Revitalization Area and Plan. The actions described below as a, b, and c under Alternative #1 are consistent with state law requirements. These requirements include published notice and mailed notice to all property owners within the existing and proposed Urban Revitalization Area.

ALTERNATIVES:

1. The City Council can direct staff to:
 - a. prepare revisions to the Downtown Urban Revitalization Plan consistent with the revisions approved by City Council for the Downtown Façade Grant program, and
 - b. prepare revisions to the Downtown Urban Revitalization Area boundary consistent with the revisions approved by City Council for the Downtown Façade Grant program, and
 - c. set a date of public hearing for November 25, 2008.
2. The City Council can decline to proceed with revisions to the Downtown Urban Revitalization Plan and Area boundary, leaving the criteria for tax abatement as they currently exist.
3. The City Council can direct staff to prepare an ordinance to terminate the Downtown Urban Revitalization Area.
4. The City Council can refer this issue back to staff for further information.

MANAGER'S RECOMMENDED ACTION:

It is clear that tax abatement is a substantial incentive for major façade improvement projects. The City is already receiving property tax revenue from the increased value of projects for which the abatement schedule has ended. It makes sense to maintain consistency between the criteria and boundary for eligibility between the grant program and the tax abatement program.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 and direct staff to:

- a. prepare revisions to the Downtown Urban Revitalization Plan consistent with the revisions approved by City Council for the Downtown Façade Grant program, and
- b. prepare revisions to the Downtown Urban Revitalization Area boundary consistent with the revisions approved by City Council for the Downtown Façade Grant program, and
- c. set a date of public hearing for November 25, 2008.

Staff actions under this alternative will include published and mailed notice by October 24.

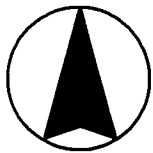
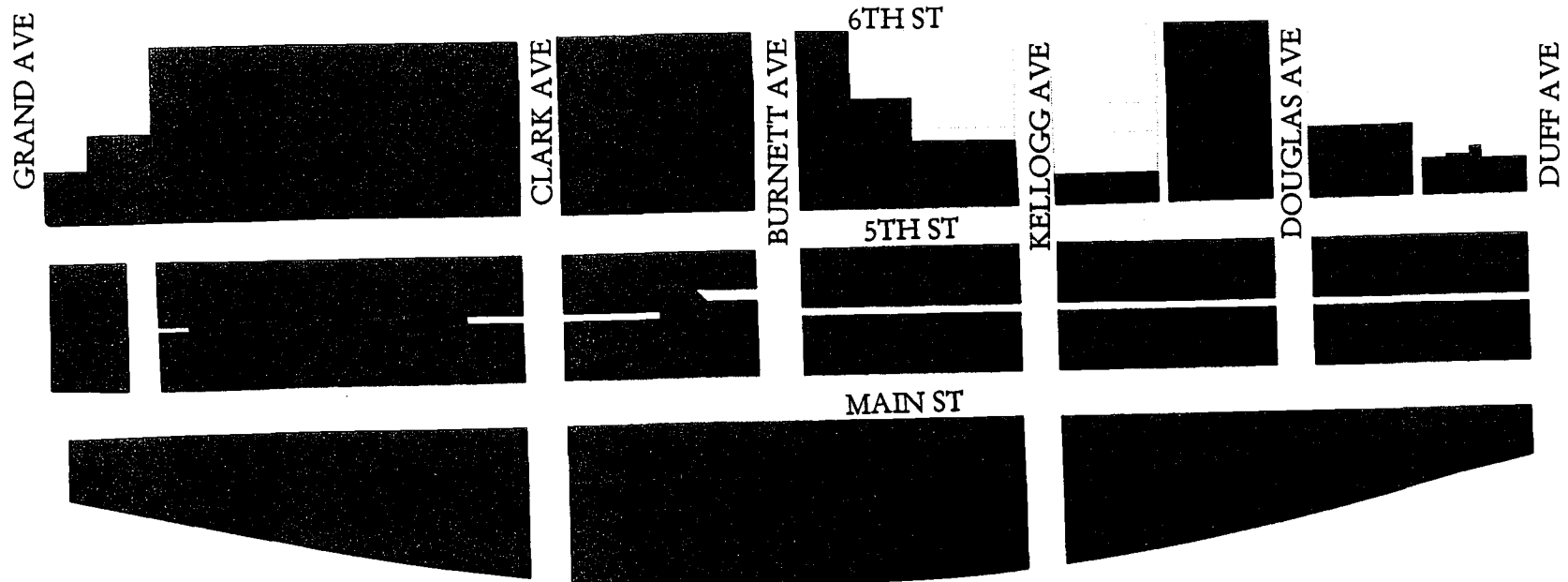
URBAN REVITALIZATION Downtown

1. Property Address: See Attachment A.
2. Legal Description: See Attachment B (Two pages, graphics and description).
3. Assessed Valuation: Land: See Attachment A. Buildings: See Attachment A.
4. Owners: Name: See Attachment A. Address: See Attachment A.
5. Zoning District and Classification: See Attachment A.
6. City Services: No enhancements are planned.
7. Applicability of Revitalization: Revitalization shall be applicable only to that subset of eligible property within the above legal description that qualifies under the Urban Revitalization Downtown Criteria Matrix. See Attachment C.
8. Duration: There is no end date.
9. Relocation: The plan does not require the displacement of any persons, and there will be no relocation benefits provided.
10. Percent Increase in Value Required: The value-added requirement is a five (5) percent increase in actual value.
11. Federal, State, or Private Grant/Loan Programs for Residential Improvements: There are no grants or loans.
12. Existing Land Use: (A)** See Attachment A.
13. Geocode: See Attachment A.
14. Tax Exemption Schedule: The exemption period is for three (3) years. All qualified real estate is eligible to receive a 100% exemption of the Actual Value added by the improvements. The overall improvement value to the property will need to be at least 105% of the current assessed value to qualify for the program.

** (c-10, r-70, etc.) refer to the City Assessor's land use codes.



Downtown Urban Revitalization Area



Map Prepared: March 7, 2001
By the Department of Planning and Housing

**URBAN REVITALIZATION
DOWNTOWN
CRITERIA MATRIX**

REQUIRED

Downtown District

- Properties must be located within the designated Downtown Urban Revitalization Area.

Utilizing the Design Guidelines for Façade Improvements approved by Council Resolution #01-090 on March 6, 2001

- Properties must follow the Downtown Design Guidelines for façade improvements;

AND

- Utilizing the services of a designer approved by City staff, implement a façade improvement project that meets 100% of the façade improvements that are called for by the Design Guidelines for Façade Improvements. That façade improvement project shall include one or more of the following treatments from the Design Guidelines for Façade Improvements:

- Streetscape
- Upper façades
- Upper windows
- Storefronts
- Transoms
- Display windows
- Kickplates
- Entrances
- Signs
- Awnings and canopies
- New Construction

If 1st floor is vacant, then the front half of the 1st floor is required to have a retail use. If the 1st floor is not vacant, and has a permitted use, then it is eligible. Furthermore, no residential structures are eligible.

The improvements must be maintained for the life of the tax abatement schedule applied for.