

Agenda Item:

COUNCIL COMMUNICATION
City Manager's Office

GENERAL INFORMATION—

Agenda Date: 1/12/04
04-009

Communication No.:

Agenda Item Type: Resolution

Roll Call No:

Submitted by: Richard Clark, Deputy City Manager

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SUBJECT—

Set date of hearing on Model Cities South Tax Abatement Area.

SYNOPSIS—

On the January 12, 2004 Council Agenda is a roll call to set the date of hearing for January 26, 2004 on an ordinance that proposes expanding the Model Cities South Urban Revitalization Area (tax abatement) to include privately owned commercial property located on the south side of Laurel St. to I-235 between 2nd and 6th Avenues and on Ascension Ave. to I-235 between 9th and 13th Street. The proposed ordinance also corrects discrepancies between the legal description and official map contained in the current Model Cities South Ordinance.

FISCAL IMPACT—

The City will not expend any funds. It is anticipated the ordinance will provide an incentive for private redevelopment of property that is currently vacant or under-utilized.

RECOMMENDATION—

Approval

BACKGROUND—

The City has provided commercial tax abatement for most of the area located on the north side of I-235 to University Avenue between 2nd Ave. and MLK Parkway. There are several locations within this area that have not been previously included for commercial tax abatement that are

now proposed for inclusion into the Model Cities South Urban Revitalization Area. The major area to be added is directly south of the Mercy Hospital campus (on the south side of Laurel St. between 2nd and 6th Avenues). The primary reason for extending tax abatement to this area are:

For health care facilities making decisions to expand or relocate, tax abatement provides a competitive property tax rate when comparing the competing suburban locations. There is excellent job creation potential relating to health care facilities. There may also be synergistic opportunities with other major institutional uses in the area (United Way and DMACC) for related new development.

The ability to increase the tax base (through replacement of current under-utilized/vacant property or removal from tax-exempt status) is excellent. For example, the new development at 303 Laurel St. is a 75,000 sq. ft. facility with a new taxable value of at least \$4 million; this project will not qualify for tax abatement because it is already under construction.

The other areas to be added, basically for cleanup of discrepancies between the legal description and map in the current Model Cities South tax abatement ordinance are: Several blocks between 8th—9th St. from I-235 to Enos St.; several blocks between 6-7th St. from I-235 to University Ave.; and several blocks between 9th—13th St., generally south of Ascension Street.