

## CITY OF DOVER ORDINANCE #2015-04

### BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

That Appendix C - Downtown Redevelopment of the Dover Code be amended to read as follows:

#### ARTICLE I. - INTENT

The city council has deemed it to be in the best interests of the residents of the city and in furtherance of their health, safety and welfare to promote the redevelopment of downtown Dover. In order to promote the redevelopment, [the] council has determined that incentives in the forms of tax abatements, impact fee waivers and building permit caps should be offered.

#### ARTICLE II. - DEFINITIONS

The following words, terms and phrases, when used in this ordinance, shall have the meanings ascribed to them in this article, except where the context clearly indicates a different meaning:

##### Section 1. - Beneficiary of the incentives.

The *beneficiary of the incentives* shall include the person or artificial entity that receives the incentive and the owner of one-half or greater interest in an artificial entity that receives the incentive.

##### Section 2. - Downtown Dover Partnership.

The *Downtown Dover Partnership* shall be established for the purpose of fostering redevelopment within the target area.

##### Section 3. - Eligible project.

*Eligible project* shall mean a new construction or renovation which:

- (a) Is located within the target area; and
- (b) The fair market value of the materials to be used in and the labor to be performed on the project exceeds the sum of \$15,000.00; and
- (c) Is for commercial, office, or a residential use; and
- (d) Conforms to the intent of this ordinance.

In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in article 12 of the City of Dover zoning ordinance [appendix B]. Construction or renovation of accessory buildings as defined in article 12 of the City of Dover zoning ordinance [appendix B] shall not be eligible for development incentives. Construction or renovation which constitutes ordinary replacement or routine maintenance shall not qualify as an eligible project.

**Section 4. - Target area.**

*Target area* shall mean that part of the city more particularly described as follows:

Beginning at a point at the intersection of the centerlines of Cecil and North State Streets, then continuing on the centerline of North State Street in a southerly direction to the intersection of the centerline of State Street and an extension of the centerline of Delaware Avenue, then continuing on the centerline and an extension of the centerline of Delaware Avenue in an easterly direction to the point of intersection of an extension of the centerline of Delaware Avenue and the St. Jones River, then following the centerline of the St. Jones River in a southerly direction to the point of intersection of the centerline of the St. Jones River and the southerly property line of lands now or formerly of the Catholic Diocese of Wilmington, being the site of Holy Cross Roman Catholic Church, then proceeding in a westerly direction along said property line to the easterly right-of-way line of South State Street (U.S. Route 13-A), then crossing the right-of-way line of South State Street in a westerly direction and joining the centerline of Hope Street and proceeding in a westerly direction to the centerlines of Hope Street and South Governors Avenue, then proceeding in a southerly direction along the centerline of South Governors Avenue to the point of intersection of the centerlines of South Governors Avenue and Dover Street, then proceeding in a westerly direction along the centerline of Dover Street to the point of intersection of the centerlines of Dover Street and Westview Terrace, then continuing in a northerly direction on the centerline of Westview Terrace to the point of intersection of the centerline of Westview Terrace and New Burton Road, then proceeding in a northeasterly direction on the centerline of New Burton Road to the point of intersection of New Burton Road and West Street, then continuing in a northerly direction along the westerly right-of-way line of West Street to the point of intersection of the westerly side of the right-of-way of West Street and the northerly property line of lands now or formerly of Dover Rent-All, Inc., then continuing in a westerly direction along said property line to the point of intersection of said property line and the lands of Conrail Railroad, then proceeding in a northerly direction along the easterly right-of-way line of Conrail Railroad in a northerly direction to the point of intersection of the centerline of West North Street and then westerly along the centerline of West North Street to Clarence Street and north along the center line of Clarence Street to Slaughter Street, and west along the center line of Slaughter Street to Cherry Street and north along the center line of Cherry Street to the intersection with the center line of Lincoln Street to a point of intersection with an extension of the westerly property line of lands now or of late of Michael Nash, being the site of the former Diamond Ice Company, then proceeding in a northerly direction along the westerly property line of the Nash property and in a line extending to the intersection of the southerly property line of lands now or of late Paul T. and Aiko Moore, and then northwesterly and then northerly along the southern and western property line of the Moore property and extending north to an intersection with the centerline of Lincoln Street, and then easterly along the centerline of Lincoln Street to a point of intersection of an extension of the westerly property line of lands now or formerly of Frank Moore et al., and then northerly along the western property of Frank Moore et al. and extending to a point of intersection with the centerline of Forest Street, then easterly along the centerline of Forest Street to a point of intersection with an extension of the westerly property of the lands now or formerly of the Salvation Army, and then northerly and easterly along the western and north property line of the Salvation Army property to the point of intersection with lands now or of late Conrail Railroad, then northerly along the westerly

property line of Conrail Railroad and extending to a point of intersection with the centerline of West Division Street, and then easterly along the centerline of East Division Street to the intersection of the easterly right-of-way line of Conrail Railroad, and then northerly along the easterly right-of-way line of Conrail Railroad to the intersection of the right-of-way of Conrail Railroad and the northerly property line of lands now or of late of Southern States Cooperative, Inc., then proceeding in an easterly direction a distance of 52.76 feet to the northeasterly corner of the lands now or of late of Southern States Cooperative, Inc., then proceeding in a southerly direction along the easterly property line of lands now or of late of Southern States Cooperative, Inc., to the point of intersection of said property and the centerline of Mary Street, then proceeding in an easterly direction along the centerline of Mary Street to the point of beginning, being the point of intersection of the centerline of Mary Street and North Governors Avenue, south along the centerline of North Governors Avenue to the intersection of North Governors Avenue and Cecil Street, and west along the center line of Cecil Street through the Wesley College Campus to the point of intersection of Cecil Street and North State Street.

*High Priority Target Area* shall mean that part of the city more particularly described as bounded by the street center lines as follows:

From the intersection of the centerlines of North Governors Avenue and Mary Street south go the intersection of the centerlines of North Governors Avenue and Fulton Street, east to the intersections of the center lines of Fulton Street and North State Street, south to the northern intersection of the center lines of South State Street and The Green, and along the centerline of The Green east of South State Street to the south intersection of the center lines of South State Street and The Green, south to the intersection of the center lines of South State Street and West Water Street and west to the intersection of the center lines of West Water Street and South Queen Street, south along the center line of South Queen Street 541.11 feet and then west to the center line of South West Street, and north to the intersection of the center lines of West North Street and South West Street, and west to the intersection of the center lines of West North Street and Clarence Street and north to the intersection of the center lines of Clarence Street and Slaughter Street, and west along the center line of Slaughter Street to Cherry Street and north along the center line of Cherry Street to the intersection with the center line of Lincoln Street, and east along the center line of Lincoln Street to the intersection of the center lines of Forest Street and South West Street, and north along the center line of South West Street to the intersection of the center lines of West Street and West Division Street, and west to the east property line of the Norfolk Southern railroad track, and north along this property line to the intersection with the center line of Mary Street, and west to the intersection of the center lines of Mary Street and North Governors Avenue.

### **ARTICLE III. - ELIGIBILITY**

#### **Section 1. - Development incentive ineligibility.**

An otherwise eligible project shall be ineligible for development incentives if:

- (a) An application for a building permit for the project was filed prior to the effective date of this ordinance; or
- (b) Construction or renovation commenced prior to the effective date of this ordinance; or
- (c) Issuance of the certificate of occupancy and/or the completion and finalization of the building permit occurs before the application for development incentives is received; or
- (d) The subject property is exempt from City of Dover real estate taxes; or
- (e) The beneficiary of the incentives is delinquent on any of the obligations listed in section 1-13(b).

### **Section 2. - Revocation of eligibility.**

The beneficiary of the incentives provided by this Appendix must remain current on all obligations due the city. If, at any time after the incentives have been granted, the beneficiary of the incentives becomes delinquent on any of the obligations listed in section 1-13(b), the city manager shall revoke the eligibility for any portion of the incentives not yet received by the beneficiary. Notice shall be given to such beneficiary in writing.

## **ARTICLE IV. - DEVELOPMENT INCENTIVES**

Eligible projects within the Target Area shall be eligible for the following development incentives:

### **Section 1. - Waiver of permit fees.**

Fees for building, plumbing, mechanical, and fire protection permits shall be waived for eligible projects.

### **Section 2. - Waiver of impact fee.**

Eligible projects shall qualify for city impact fee waiver of the cost of such fees.

### **Section 3. - Abatement of property taxes on the value of improvement.**

Eligible projects shall receive property tax waivers for a period not to exceed ten years so that improvements to the properties made in accordance with the intent of this ordinance will not be taxed for a period of time not to exceed ten years from the date of the making of the improvements. The said ten-year period will commence with the date of issuance of a building permit.

Eligible projects within the High Priority Target Area shall also be eligible for the following incentives:

- For properties which have transferred on or after March 1, 2015, the property owner shall be eligible for a rebate of the buyer's portion of the real estate transfer tax upon issuance of a certificate of occupancy, provided that a certificate of occupancy is issued for improvements to the property within five years of the payment of the real estate transfer tax.

- Businesses that open within or relocate to the high priority target area on or after March 1, 2015, shall be eligible for a waiver of all city business license fees associated with the business for a period of three years. Eligible businesses are still required to obtain the required city business licenses.

## **ARTICLE V. - ADMINISTRATION**

The city manager and his staff shall develop the administrative procedures necessary to implement this ordinance. The city manager and his staff shall promulgate reasonable standards to be used in determining whether an eligible project shall receive development incentives and, if so, which incentives shall be granted. Administrative staff shall review applications for development incentives and grant incentives to eligible projects. Applicants shall be notified of the action taken on their applications by mail.

## **ARTICLE VI. - APPEALS**

Applicants denied development incentives shall have the right to appeal the decision to the city council within 30 days from the date of mailing of the formal notification. Such appeal shall be in writing, signed by the owner of the property in question, and filed with the city clerk.

## **ARTICLE VII. - SEVERABILITY AND EFFECTIVE DATE**

### **Section 1. - Severability.**

Should any section or provision of this ordinance be declared to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the ordinance as a whole or any part thereof other than the parts so declared to be unconstitutional or invalid.

### **Section 2. - Effective date.**

This ordinance shall be effective as of January 1, 1991.

**ADOPTED: FEBRUARY 23, 2015**

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### **SYNOPSIS**

The proposed ordinance modifies the boundary of the Downtown Redevelopment Target Area to ensure that the Downtown Development District falls within the larger target area, and it creates a High Priority Target Area that comprises the Downtown Development District boundary. It removes the 10% donation of the value of redevelopment incentives to the Downtown Dover Partnership, expands the impact fee waiver to remove the applicability to only multi-story mixed use buildings, and it adds two new incentives for the High Priority Target Area: rebate of the buyer's portion of transfer taxes when a Certificate of Occupancy is granted for property improvements, and waiver of City business license fees for new businesses in the area for a period of three years. The proposed ordinance implements the incentives agreed to in the City's Downtown Development District application.

(SPONSORS: ANDERSON, BONAR, SLAVIN, AND TOWNSHEND)

Actions History

- 02/23/2015 - Scheduled for Final Reading at City Council
- 02/09/2015 - Introduced at Legislative, Finance, and Administration Committee and First Reading at City Council
- 01/26/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee - Meeting Cancelled Due to Inclement Weather