

## CITY OF DOVER ORDINANCE #2014-14

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

That Appendix D - Downtown Dover Business Improvement District, Article III - Establishment of the Dover Downtown Business Improvement District, Section 3 - Geographic Boundaries, and Section 5 - Management Company of the Dover Code be amended to read as follows:

#### **Section 1. Purpose.**

The creation of the Dover Downtown Business Improvement District is designed to assist in the revitalization of the city's downtown and adjoining commercial district by providing enhanced municipal services via a commercial property surtax. The district is created pursuant to chapter 15, title 22, Delaware Code (22 Del. C. § 1501 et seq.) (hereafter, the "enabling legislation").

#### **Section 2. Establishment.**

The mayor and council hereby create a business improvement district to be known as the "Dover Downtown Business Improvement District" ("DDBID"), which district shall be bounded, governed and administered in accordance with this appendix D.

#### **Section 3. Geographic boundaries.**

The geographic boundaries of the DDBID shall not exceed the boundaries of the downtown redevelopment target area as defined in Appendix C - Downtown Redevelopment.

#### **Section 4. Duration of DDBID.**

The city council shall have the right to dissolve the DDBID or change the designation of the management company at any time.

#### **Section 5. Management company.**

- (a) *Authorized.* The DDBID shall be governed by the Downtown Dover Partnership, a management company specifically authorized by this ordinance and organized under the not-for-profit corporation provisions of the Delaware General Corporation Law (8 Del. C. § 101 et seq.).
- (b) *Certification of incorporation.* The city solicitor, as incorporator of the company, shall prepare and cause, or amend, the certificate of incorporation to be filed with the secretary of State of Delaware, which certificate shall include those requirements set forth in 22 Del. C. § 1504, as amended.
- (c) *Membership of company and board of directors.* The management company shall be a corporation comprised of not less than five members or directors respectively who either own a commercial property within the district, or are the designee of such owner.
- (d) *Company reports.* The management company shall file with the finance department and with the city clerk a monthly financial report and shall also provide an operating report monthly.

The City of Dover shall annually review the performance of the management company and shall prepare for public inspection a report which certifies that the management company is in compliance with its enabling ordinance, its certificate of incorporation and bylaws, and the provisions of this appendix and 22 Del. C. ch. 15 (22 Del. C. § 1501 et seq.); the management company is fiscally sound; and the management company has not discriminated against any person based upon race, sex, national origin, religion, age or disability.

#### **Section 6. Services.**

Except as limited by the enabling legislation, the DDBID may use proceeds of the special assessments to provide for the following services, directly or by contract: promotional events, business training and education; streetscape and store design services and assistance; marketing and advertising; economic development; market analysis and planning studies; security services; sidewalk sanitation; [and] downtown signage and lighting.

#### **Section 7. Assessment base.**

The assessment base through which the annual budget of the DDBID shall be funded shall be the real property assessment value as established by city property tax records for the qualified property in the assessment zone.

#### **Section 8. Properties exempt from assessment.**

- (a) All exclusively residential properties having not more than four rental units shall be exempt from assessment.
- (b) All properties which are (i) exempt from the city's real property tax and (ii) owned by either churches or the federal, state or local government shall be exempt from assessment.
- (c) All assessment appeals shall be taken directly to the management company.

#### **Section 9. Method of assessment.**

- (a) The management company shall assess each assessable property within the district by multiplying the total service and improvement cost as reflected in the adopted budget for each year (less any allocated surplus or estimated revenue from other sources) by the ratio of the amount of such assessable property's assessment base to the total amount of the assessment base for all assessable properties in the district or, if the district is divided into assessment zones, in the respective assessment zone, provided that, in all cases, the assessment base shall be the one designated in the enabling legislation and this appendix by the city to fund the district; and provided, further, that notwithstanding the above, the management company shall have the power to impose an assessment of a minimum amount.
- (b) The management company shall by resolution authorize the payment of such assessments annually.
- (c) All assessments imposed by the management company shall constitute a lien on each

- property so assessed, the nonpayment of which shall be collectible in the same manner as the collection of a property tax delinquency by the city in which the district lies. No action taken to enforce a claim by the management company for the annual payment shall affect the status of any subsequent installment of the same or the next assessment, each of which shall constitute a lien upon the property.
- (d) Each year the city assessor shall provide the management company with a list of the assessed values of all properties located within the DDBID which are subject to assessment hereunder, as well as the:
- (i) Name and address of the owner(s) of each such property; and
  - (ii) The address and parcel number of each such property.
- (e) There shall be three assessment zones in the district as set forth in the attached map. Zones 1, 2 and 3 shall provide 50 percent, 40 percent and ten percent of the budget assessment.
- (f) The annual budget and assessment zones shall be established by the management company and submitted to [the] city council for approval on or before the first council meeting in May each year. The budget shall be based on services and improvements authorized by this ordinance and shall be approved by [the] council on or before the second meeting in June. Once the budget is approved by [the] city council, the city assessor shall supply to the management company the necessary information to determine the assessments and assessment rate. The assessment rate shall be approved and accepted by [the] council on or before the second meeting in June each year. The billing and assessment year shall run from July 1 to June 30. Assessment notices shall be mailed on or before the tenth working day of July each year. Assessments not paid by August 1 shall bear a penalty of 1½ percent per month.

### **Section 10. Limitations on authority.**

The management company shall have all of the powers and authorities described and listed in 22 Del. C. § 1504(b), as amended; provided, however, that it shall be prohibited from incurring capital debt and owning real property with funds acquired through the DDBID revenues.

### **ADOPTED: JUNE 9, 2014**

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### **SYNOPSIS**

The proposed amendment names the Downtown Dover Partnership as the "management company" for the Business Improvement District and removes the requirement that a majority of the management company's Board of Directors be owners or owners' designees of commercial properties within the Business Improvement District.

(SPONSORS: LYNN AND TOWNSHEND)

#### Actions History

06/09/2014 - Final Reading at Council/Adopted

05/27/2014 - First Reading at Council

05/12/2014 - Introduced at the Legislative, Finance, and Administration Committee