

CITY OF DOVER ORDINANCE #2014-01

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

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-111 - Purpose, be amended to read as follows:

In the opinion of city council, the abatement of city real estate taxes for certain qualifying industries and businesses defined herein best promotes the public welfare by providing incentives for them to expand or locate in the city, thereby creating new employment opportunities for the citizens of the city and ultimately strengthening the city's tax base.

BE IT FURTHER ORDAINED:

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, be amended by adding a new Section 102-118 - Revocation of Eligibility, to read as follows:

Sec. 102-118 - Revocation of Eligibility

The beneficiary of the incentives provided by this Article 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.

For the purposes of this section, 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.

BE IT FURTHER ORDAINED:

That Appendix C - Downtown Redevelopment, Article II - Definitions, be amended by deleting it in its entirety and inserting in lieu thereof the following:

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 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 Cecil Street, then proceeding in an easterly direction along the centerline of Cecil Street to the point of beginning, being the point of intersection of the centerline of Cecil and North State Streets.

BE IT FURTHER ORDAINED:

That Appendix C - Downtown Redevelopment, Article III - Eligibility, be amended to read as follows:

Section 1. Development incentive eligibility.

In order to be eligible for development incentives, the owner of an eligible project must agree to contribute ten percent of the total value of the incentives received to the Downtown Dover Partnership for reinvestment in downtown Dover.

Section 2. 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 3. 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.

BE IT FURTHER ORDAINED:

That Appendix E - Commercial and Industrial Building Redevelopment, Article II - Eligibility, be amended to read as follows:

Section 1. Eligible project.

Eligible project shall mean the renovation and establishment of a business in an existing commercial or industrial building or tenant space which:

- (a) Is a minimum of 5,000 square feet of floor 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, industrial, or office use; and
- (d) The establishment of a new business is proposed; and
- (e) Conforms to the intent of this ordinance.

Construction or renovation of accessory buildings as defined in Appendix B - Zoning, Article 12 - Definitions, of the Dover Code of Ordinances shall not be eligible for redevelopment incentives. Construction or renovation which constitutes ordinary replacement or routine maintenance shall not qualify as an eligible project. Construction of new buildings shall not qualify as an eligible project.

Section 2. Redevelopment incentive ineligibility.

An otherwise eligible project shall be ineligible for redevelopment 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 redevelopment incentives is received; or

- (d) Construction or renovation commenced prior to the issuance of a building permit by the city of Dover; or
- (e) The subject property is exempt from City of Dover real estate taxes; or
- (f) The beneficiary of the incentives is delinquent on any of the obligations listed in Section 1-13(b).

For the purposes of this section, 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 3. 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.

For the purposes of this section, 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.

ADOPTED: FEBRUARY 10, 2014

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SYNOPSIS

The proposed ordinance would amend the Downtown Redevelopment incentives, the Commercial and Industrial Building Redevelopment incentives, and the Tax Abatement incentives to require compliance with Section 1-13 - Clean Hands, and provide for revocation of the incentives for beneficiaries who are delinquent on obligations to the City. It would also make tax exempt properties ineligible for the incentives.

(SPONSORS: Hutchison and Koenig)

Actions History

02/10/2014 - Final Reading/Adoption

01/27/2014 - First Reading Held

01/13/2014 - Introduced at Legislative, Finance, and Administration Committee