



TO: T.C. Broadnax, City Manager
FROM: Debbie Bingham, Economic Development Specialist, Community and Economic Development
 Ricardo Noguera, Director, Community and Economic Development
COPY: City Council and City Clerk
SUBJECT: Request for resolution– August 30, 2016
DATE: August 8, 2016

SUMMARY:

Authorizing the appropriate City officials to execute an 8 Year Multifamily Housing Property Tax Exemption Agreement with Point Ruston Baker Building, LLC for the development of 178 multifamily market-rate units at 4851-4961 Main Street in the Point Ruston Mixed Use Center.

STRATEGIC POLICY PRIORITY:

This project will foster neighborhood, community, and economic development vitality and sustainability by providing 178 market rate housing units within a designated mixed use center.

BACKGROUND:

Point Ruston Baker Building, LLC is proposing to develop 94 new market rate rental units and 84 new market rate for-sale condominium units in the Point Ruston Use Center as described in Exhibit “A” to the Resolution. The housing will consist of 178 total units as described in the chart below.

Number of units	Type of Unit	Size	Expected Rental Rate
52	One bedroom, one bath	502-837 SQFT	\$950-1800
42	Two bedroom, two bath	800-1079 SQFT	\$1450-2500
73	Two bedroom, two bath	1171-1742 SQFT	FOR SALE
11	Three bedroom, two bath	1445-1964 SQFT	FOR SALE

The project will also include 283 stalls of parking and 14,485 SQFT of commercial space. The Community and Economic Development Department has determined that the proposed project qualifies for the 8 year multi-family housing property tax exemption. Point Ruston Baker Building, LLC will enter into an agreement prepared by the City to develop the site as described in the plans on file with the City.

ISSUE:

This action would approve the tax exemption through the attached proposed agreement.

ALTERNATIVES:

If the resolution is not adopted, the tax exemption will not be granted and the developer has stated that the exemption is necessary to make the project feasible.

RECOMMENDATION:

Staff has reviewed the application and has determined that the proposed project qualifies for the 8 Year Multifamily Housing Property Tax Exemption. Staff recommends the Council approve the resolution.



FISCAL IMPACT:

The value of the land would continue to be taxed. The City's portion of the current tax for land is approximately \$16,700 annually. The City's portion of the tax to be exempted for the proposed structure is estimated at \$190,000 annually. The project will generate higher revenues for the City at the end of the eight year agreement.