



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– April 7, 2015
DATE: March 20, 2015

SUMMARY:

Authorizing the appropriate City officials to execute an 8-Year Multifamily Housing Property Tax Exemption Agreement with 252 Metropolitan, LLC for the development of 139 multifamily market-rate rental units at 252 Broadway in the Downtown Mixed Use Center.

STRATEGIC POLICY PRIORITY:

This project will foster neighborhood, community, and economic development vitality and sustainability by providing 139 market rate housing units within a designated mixed use center.

BACKGROUND:

252 Metropolitan, LLC is proposing to develop 139 new market rate rental units in the Downtown mixed use Center as described in Exhibit “A” to the Resolution. The Community and Economic Development Department has determined that the proposed project qualifies for the 8-year multi-family housing property tax exemption. 252 Metropolitan, 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 \$895. The City’s portion of the tax to be exempted for the proposed structure is estimated at \$84,000 annually. The project will generate higher revenues for the City at the end of the eight year agreement.