



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 28, 2015
DATE: April 13, 2015

SUMMARY:

Authorizing the appropriate City officials to execute a 12 Year Multifamily Housing Property Tax Exemption Agreement with North Prospect Properties, LLC for the development of 4 multifamily market-rate and affordable rental units at 636 North Prospect Street in the Sixth Avenue Mixed Use Center.

STRATEGIC POLICY PRIORITY:

This project will foster neighborhood, community, and economic development vitality and sustainability by providing 4 market rate and affordable housing units within a designated mixed use center.

BACKGROUND:

North Prospect Properties, LLC is proposing to develop 4 new market rate and affordable rental units in the Sixth Avenue 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 12 year multi-family housing property tax exemption. North Prospect Properties, 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 12 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 \$240. The City’s portion of the tax to be exempted for the proposed structure is estimated at \$1,900 annually. The project will generate higher revenues for the City at the end of the twelve year agreement.