



Agenda Item:

056

## **COUNCIL COMMUNICATION**

### **City Manager's Office**

#### **GENERAL INFORMATION**

Agenda Date: 2/9/04  
054

Communication No.: 04-

Agenda Item Type: Ordinance

Roll Call No.:

Submitted by: Richard Clark, Deputy City Manager

#### **SUBJECT—**

Open/Close Hearing and First Reading of 14<sup>th</sup> Amendment to the Restated Urban Revitalization Plan

#### **SYNOPSIS—**

Open/close hearing and first reading of an ordinance that expands the Model Cities South Urban Revitalization Area (tax abatement) to include privately-owned commercial property located on the south side of Laurel St. to I-235 between 2nd and 6th Avenues and on Ascension Ave. to I-235 between 9th and 13th Street. The ordinance also corrects discrepancies between the legal description and official map contained in the current Model Cities South ordinance.

#### **FISCAL IMPACT—**

The City will not expend any funds. It is anticipated the ordinance will provide an incentive for private redevelopment of property that is currently vacant or under-utilized.

#### **RECOMMENDATION—**

Approval

## **BACKGROUND—**

The City has provided commercial tax abatement for most of the area located on the north side of I-235 to University Avenue between 2nd Ave. and MLK Parkway. There are several locations within this area that have not been previously included for commercial tax abatement that are now proposed for inclusion into the Model Cities South Urban Revitalization Area. The major area to be added is directly south of the Mercy Hospital campus (on the south side of Laurel St. between 2nd and 6th Avenues).

Primary reasons for extending tax abatement to this area are:

- Tax abatement provides a competitive property tax rate for health care facilities making decisions to expand or relocate when comparing the competing suburban locations.
- There is excellent job creation potential relating to health care facilities. There may also be synergistic opportunities with other major institutional uses in the area (United Way and DMACC) for related new development.
- The ability to increase the tax base (through replacement of current under-utilised/vacant property or removal from tax-exempt status) is excellent. For example, the new development at 303 Laurel St. is a 75,000 sq. ft. facility with a new taxable value of at least \$4 million. (This project will *not* qualify for tax abatement because it is already under construction.)

The Council previously set the date of hearing on this ordinance at its January 12, 2004 meeting. The Plan and Zoning Commission unanimously recommended approval of this amendment at its January 15, 2004 meeting.