



Legislation Text

File #: 21-024, **Version:** 3

ACTION REQUESTED:

Communication from Council Member Kelly with a Request to ADOPT an ORDINANCE DESIGNATING AN AREA OF URBAN DECAY and ADOPTING A TAX ABATEMENT for Said Area.

BACKGROUND:

On September 22, 2020, the City Council provided direction to staff to establish an Urban Decay Tax Abatement Area. As part of the process to establish the tax abatement area, the existing Joint Review Board (JRB) was convened to review the proposal. The JRB convened on October 22, 2020. At the meeting, Councilman Kelly presented the proposal, as well as the ordinance to establish the Urban Decay Tax Abatement Area. As part of this meeting, each body represented on the JRB was asked to provide a designee for the Urban Decay Tax Abatement Board. Upon discussion, the JRB moved to defer discussion to the next meeting. The intention of the deferral was to allow each representative an opportunity review the ordinance and provide any findings. On November 5, 2020, the JRB was reconvened. A motion was made and approved to have the Joint Review Board act as the Urban Decay Tax Abatement Board. Additional discussion was held regarding the ordinance. School District 150 representatives expressed concerns that they needed more input from their board. A motion was made to recommend approval of the ordinance to establish the Urban Decay Tax Abatement Area and the Joint Review Board/Urban Decay Tax Abatement Board approved unanimously with the School District 150 representative abstaining from the vote.

It has now been at least 45 days since the JRB convened to discuss their findings and voted to approve the Urban Decay Tax Abatement Area and all requisite notices have been issued to the other taxing districts. With the approval of this Ordinance, the Council may now order the County Clerk to abate, for a period not to exceed 10 years, the property taxes on each parcel within the designated urban Decay area on newly constructed single-family or duplex residential dwellings. The tax abatement schedule is as follows:

Year 1 through 6	100 percent abatement
Year 7	80 percent abatement
Year 8	60 percent abatement
Year 9	40 percent abatement
Year 10	20 percent abatement

The abatement shall extend to all owners of the property within the abatement period and will only apply if the property owner resides on the property.

In conjunction with the abatement, increases in revenue to the assessed value of land in the area will be segregated into a special rebate fund. The fund will be distributed to the property owners within the abatement area who availed themselves of the abatement program and who apply for an income tax liability rebate with the City. The rebate will be calculated using the total state income tax liability of all qualified applicants, with resulting percentages applies to an applicants' share to determine the total rebate.

FINANCIAL IMPACT: Undetermined at this time; dependent upon new construction.

NEIGHBORHOOD CONCERNS: Adoption of this ordinance could provide improvements to said area.

IMPACT IF APPROVED: The area of urban decay will be established with the tax abatement program for said area implemented.

IMPACT IF DENIED: N/A

ALTERNATIVES: N/A

EEO CERTIFICATION NUMBER: N/A

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Grow Peoria

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reinvest in neighborhoods.

DEPARTMENT: City Manager's Office