

DRAFT BULLIT POINTS - IN-DEPTH MEETING

MARCH 14, 2013

Historic Districts:

There are two historic districts in Muscatine. The West Hill Historic District, the Downtown Commercial Historic District. The designation could also be extended to future areas declared as historic districts by the City Council.

- Tax abatement incentives for:
 1. Any property owner improving his/her/their assessed property value by at least **10%** provided it has been designated as a contributing building to the historic district. To be eligible, the owner must file an application for review by the Historic Preservation Commission. Following a favorable recommendation by the Commission finding that the property is eligible and the proposed improvements do not compromise the historic character of the structure, the owner can submit an application for a Building Permit that will assist in the determination of the final assessed value of the improvements by the County Assessor. City Council has several options for extending this benefit to eligible properties that range from a sliding scale tax abatement, up to and including a maximum benefit of 100% abatement on the eligible improvements for a period not to exceed 10 years.

Staff Recommendation: 5 years at 100%.

Blighted District:

The City has a large geographical area designated as blighted for the purpose of extending and implementing program(s) designed to encourage and recognize owner investment in improving their property.

- Tax abatement incentives for:
 2. Any property owner improving his/her/their property (assessed) value by at least **15%** if it is located within the blighted district and not otherwise utilizing the historic district abatement program, would be eligible for tax abatement on those improvements provided they obtain zoning approval and construction permits prior to undertaking the improvements.

Staff Recommendation: 3 years at 100%.

- **Program Advantages:**
 1. Promotes neighborhood stabilization
 2. Addresses blighting influences
 3. Recognizes re-investment in these areas
 4. Increase property values
 5. Preserves and expands of tax base
 6. Promotes in-fill opportunities
 7. Ability to tailor abatement schedule to meet City Council Goals

New Construction:

This Program would provide abatement to new residential construction in designated areas as approved by City Council. Area designations could be expanded in the future by the City Council.

- Tax abatement incentives for:

1. Any property owner that constructs a new residential home in an underutilized existing subdivision or as infill in the blighted area designated by the City Council would be eligible for tax abatement under this Program. However, the benefit may only be extended on the first \$75,000.00 of assessed value.

Recommended Exception: New construction or in-fill development within the West Hill Historic District is not eligible under this Program unless the new construction is recommended by the Historic Preservation Commission as providing a significant contribution to the residential character of the District. City Council has several options for extending this benefit to eligible properties that range from a sliding scale tax abatement, up to and including a maximum benefit of 100% abatement on the eligible improvements for a period not to exceed 10 years.

Staff Recommendation: 5 years at 100% for residential buildings having a minimum assessed value of \$200,000.00.

- Program Advantages:

1. Stimulates new construction activity
2. Promotes in-fill
3. Provides more efficient delivery of City services
4. Provides more efficient use of existing infrastructure
5. Promotes neighborhood development
6. Recognizes new investment in these areas
7. Preserves and expands the tax base