

**AN ORDINANCE TO AMEND CHAPTER 44 OF THE CITY CODE BY AMENDING SECTION 44-68 THEREOF REGARDING THE VACANT BUILDINGS REHABILITATION TAX INCENTIVE PROGRAM**

#4649

Sponsor:

Council  
Member  
Freel

WHEREAS, the City of Wilmington has enacted a vacant buildings rehabilitation tax incentive program (the "Program"), which is set forth in Section 44-68 of the City Code; and

WHEREAS, the City has determined that certain amendments to the Program are necessary and appropriate to promote rehabilitation and occupancy of residential vacant buildings; and

WHEREAS, City Council deems it necessary and appropriate to amend Section 44-68 of the City Code to make such revisions to the Program.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:**

**SECTION 1.** Chapter 44 of the City Code is hereby amended by amending Section 44-68 thereof by deleting the stricken language and adding the underlined language to read as follows:

**Sec. 44-68. - Vacant residential buildings property rehabilitation tax incentive program.**

(a) *Eligibility and abatement.* Any currently registered vacant residential property within the municipal boundaries of the city shall be eligible for a five-year abatement for ten years of 85 percent for rental properties and, for owner occupied homes, of 100 percent of that part of the property tax that results from the increase in assessed valuation of the real property attributable to the improvements thereon following completion of the rehabilitation and occupancy. of one hundred percent of city real estate taxes provided that the following conditions are satisfied:

(1) Qualified improvements are made to a building located on the vacant property which result in an increase in the assessed value of the building over the building's prior assessment before the qualified improvements were made. For purposes of this section, a qualified improvement shall be defined as an improvement to an existing structure that results in an increase in the assessment above the base assessment prior to the making of the improvement;

- (2) The building located on the vacant property is brought into compliance with the city's current building code and a certificate of occupancy regarding the building is issued by the department of licenses and inspections;
- (3) The qualified improvements are for uses that are permitted as a matter of right for the vacant property's zoning classification pursuant to chapter 48 of the city code; and
- (4) The building on the vacant property is occupied upon completion of the rehabilitation and remains continuously occupied for a period of no less than five years.

(b) *Verification.* No tax abatement shall be approved pursuant to the provisions of this section unless documentation of the actual rehabilitation and occupancy has been provided to the director of finance or his designee in the administration of this tax incentive program. Documentation shall include, but not be limited to, receipts, building construction contracts, deed, lease and utility bills.

(c) *Procedures.* The finance department shall be authorized to promulgate such rules, regulations, procedures and forms to implement and administer the vacant residential property buildings rehabilitation tax incentive program as it may deem necessary, subject to agreement by the department of licenses and inspections and the department of real estate and housing.

(d) *Effect of Change in Ownership.* A tax abatement granted pursuant to this section resides with the property for the duration of the abatement regardless of ownership.

**SECTION 2.** This Ordinance shall be effective upon its passage by City Council and approval by the Mayor.

First Reading ..... April 18, 2019  
 Second Reading ..... April 18, 2019  
 Third Reading .....

Passed by City Council,

\_\_\_\_\_  
 President of City Council

ATTEST: \_\_\_\_\_  
 City Clerk

Approved this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

**SYNOPSIS:** This Ordinance amends Section 44-68 of the City Code regarding the City's vacant residential buildings rehabilitation tax incentive program to provide that a registered, vacant residential property will qualify for a five-year abatement of one hundred percent of City real estate taxes if it meets the following criteria: (1) qualified improvements must be made to a building located on the property which result in an increase in the assessed value of the building over the building's prior assessment before the qualified improvements were made; (2) the building located on the property must be brought into compliance with the City's current building code and a certificate of occupancy regarding the building must be issued by the Department of Licenses and Inspections; (3) the qualified improvements to the property are for uses that are permitted as a matter of right for the property's zoning classification pursuant to chapter 48 of the city code; and (4) the building on the property must be occupied upon completion of the rehabilitation and must remain continuously occupied for a period of no less than five years. The aforementioned tax abatement resides with the property for the duration of the abatement regardless of ownership.

**FISCAL IMPACT STATEMENT:** A significant portion of properties affected by this Ordinance are significantly delinquent on real estate taxes and therefore the Ordinance's abatement in taxes will not result in a decrease of tax revenue for the City during the abatement period. It is anticipated that projects approved under the Ordinance will result in additional permitting revenues and additional wage taxes for the City.

W0105250