

Mayor

David Allison

Council Members

Tom Bailer

Cathy Sherman

Kasey Kinsman

Wendy Ranney

Dave Zastrow

Kristin Carpenter

Ken Jones

City Manager

Samantha Greenwood

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

City Council Work Session
July 3, 2024 @ 6:00 pm
Cordova Center Community Rooms
Agenda

A. Call to order

B. Roll call

Mayor David Allison, Council members Tom Bailer, Cathy Sherman, Kasey Kinsman, Wendy Ranney, Dave Zastrow, Kristin Carpenter, and Ken Jones

C. Work Session topics

1. Economic Development Property Tax Exemptions..... (page 1)
Discussion/development of parameters/criteria and work toward application forms as in ordinance 1217

D. Adjournment

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CORDOVA'S TAX CODE REVISION
Economic Development Exemptions

July 3, 2024, Cordova City Council Work Session

ECONOMIC DEVELOPMENT

This work session reconvenes Council to discuss the scope and substance of revised economic development exemptions. Council previously discussed three broad categories for exemption or deferral:

- New commercial development
- Rehabilitation projects
- Particular housing stock/housing development

Goal of Tonight's Session

We will walk through the three categories outlined to nail down what particular development Council would like to incentivize through economic development exemptions or deferrals. Some basic principles to keep in mind:

- The economic development exemptions and deferrals will be captured in an application form that requires Council approval
- When Council considers economic development exemptions and deferrals it is generally looking to exempt or defer the value of improvements
- Counsel and administration are here to help craft more granular requirements as needed, tonight we need decisions on particular types of development Council wants to incentivize

Changes to the Economic Development Exemption

- In 2022, the State legislature substantially simplified its definition of economic development. Now, “economic development” means:

an action intended to result in an outcome that causes an increase in, or avoids a decrease of, economic activity, gross domestic product, or the tax base. (AS 29.71.800)

- This change provides municipalities significantly more leeway in defining their own economic exemption parameters. However, any ordinance adopted to create an economic development exemption still “must include specific eligibility requirements and require a written application for each exemption or deferral.” AS 29.45.050(m).

Commercial Development

- What types of commercial development (uses) does Council want to incentivize?
- Should exemptions/deferrals be limited to commercial development in certain areas within the municipality?
- Does Council want to maintain flexibility as to whether an exemption or deferral is granted?
- What durations should be considered for exemptions and/or deferrals?

Commercial Rehabilitation

- What properties should qualify for rehabilitation exemptions/deferrals?
 - Contaminated, blighted, or functionally obsolete, need to provide clear definition(s)
 - Location – are there particular districts Council wants to see imposed and rehabilitated
- Duration of deferrals and exemptions
- Redevelopment qualifications (application of new build parameters or is there a lower bar for rehabilitation of blighted property)

Housing Incentives

- Council needs to determine scope; the following parameters should be considered:
 - Duration of exemption or deferral
 - New Construction requirements
 - Rehab requirements (increase to capacity of existing residential and conversion of existing non-residential properties to housing)
 - Affordable housing incentives
 - Rentals v. units for sale

QUESTIONS

Additional questions or recommendations may be directed to the City Manager
or City Clerk or directly to:

jspuhler@bhb.com

Susan Bourgeois

From: Susan Bourgeois <cityclerk@cityofcordova.net>
Sent: Friday, September 22, 2023 10:25 AM
To: Holly Wells; Jessica Spuhler
Cc: Sam Greenwood
Subject: FW: ideas/comments/lists

External Email Address

From: Cathy Sherman <councilseatb@cityofcordova.net>
Sent: Friday, September 22, 2023 10:18 AM
To: Susan Bourgeois <cityclerk@cityofcordova.net>
Subject: Re: ideas/comments/lists

Good Morning Susan,

Thank you for the gentle reminder. I believe I said some of these things during the work session, but I just wanted to get them in writing for the team as well. And it was a very good work session and discussion.

Derelict/Empty Buildings

There are numerous buildings in the community that are currently sitting empty and unused. Some are definite eyesores. Some are unsafe and constantly being broken in to, some are great buildings - just not being used.

Examples:

- Two buildings on Main Street - old Ambrosia - Greek restaurant with apartments above); Eyak Preservation Council Bldg. directly beside Ambrosia, again office space below, apartments above.
- The old 1925 High School currently owned by an Anchorage resident - halfway renovated to be higher end apartments. Never finished and now is the constant source of break-ins which means calls to the PD and is inundated with feral cats.
- The Old Gingerbread House, corner of Council and Second. Was last owned by Trident to house seasonal cannery workers. Not only is it a historic building, it could house at least a dozen decent apartments. Sitting empty!
- Harborside Pizza. A brand-new restaurant now sitting empty, unused.

These are just a few, but isn't there something we can do to either encourage owners to make better use of these buildings. Penalize them for sitting empty? Incentivize them to fix up and make them into appropriate uses? Reward property owners for fixing up their buildings?

Property Tax

I was contemplating whether or not we could give say a 10% or 5% discount if people paid their property tax in full by the first deadline? This would increase our revenue a little earlier in the 3rd quarter rather than 4th quarter.

Also, rather than penalize a property owner for making improvements and increasing the value would it be possible to give a 5% discount the first year after the improvements (Substantial improvements - not just putting in a flowerbed).

All my thoughts for now....Cathy Sherman

From: Susan Bourgeois <cityclerk@cityofcordova.net>
Sent: Thursday, September 21, 2023 8:55 AM
To: Mayor & City Council <Mayor&Council@cityofcordova.net>
Cc: Helen Howarth <citymanager@cityofcordova.net>
Subject: ideas/comments/lists

Just a reminder for any of you that have lists/comments/ideas about sales tax/property tax/budget/revenue, please email to me or Helen or both. You are welcome to come in and see me and/or Helen also or set appointments with us to also discuss these or anything else.

The sooner the better – I'll forward anything sales tax/property tax related to Holly and Jes as they work on materials for the next work session on the code re-write. That work session is on Monday October 2 at 5pm – I will need their materials by September 28 to get that packet out.

Reminder to email me and Helen only, do not reply all to this email.

Susan Bourgeois, CMC, City Clerk



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The Cordova Center
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907.424.6248 (o)
907.253.6248 (c)

Susan Bourgeois

From: Susan Bourgeois <cityclerk@cityofcordova.net>
Sent: Friday, September 22, 2023 2:55 PM
To: Jessica Spuhler; Holly Wells
Subject: FW: ideas/comments/lists
Attachments: image001.png

External Email Address

From: Ken Jones <councilseatg@cityofcordova.net>
Sent: Friday, September 22, 2023 2:50 PM
To: Susan Bourgeois <cityclerk@cityofcordova.net>; Helen Howarth <citymanager@cityofcordova.net>
Subject: Re: ideas/comments/lists

Here's what I have so far, just a draft for discussion

Jones - proposed ideas for a property tax incentive program

New residential and multi family construction -

Build a new single family home - 100% off improvement value for 3 years

Build a new duplex or triplex - 100% off improvement value for 3 years

Build a new 4plex - 8 plex 100% off improvement value for 5 years

Build a new 8plex or more - 100% off improvement value for 7 years

Rehab construction -

Restore a vacant or inhabitable building - 100% off additional improvement value for 5 years

Adding living units to an existing building - 100% off additional improvement value for 3 years

Bring a new for profit business onto Main Street - 100% off additional improvement value for 3 years

Land development

Subdivide an existing tract and develop into buildable lots - 100% off additional land value for 5 years

Further Develop a pre-existing and subdivided lot to be buildable - 100% off additional value for 3 years

Pre manufactured homes:

Replace an existing trailer with a new construction pre manufactured trailer - 100% off improvement value for 5 years

Fill an empty/vacant spot in a pre-established trailer home park with a new construction trailer home - 100% of improvement value for 3 years.

- **Kenneth B Jones**

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On Sep 21, 2023, at 8:55 AM, Susan Bourgeois <cityclerk@cityofcordova.net> wrote:

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