

**Ordinance No. 522**

**An Ordinance to enact a City Property Tax abatement on the increase in property taxes caused by an increase in assessed property values resulting from certain improvements made to properties within the Downtown Development District.**

**WHEREAS**, under the Downtown Development Districts Act, 22 *Del.C.* §§ 1901 *et seq.* (the “Act”), the State of Delaware may designate districts within Delaware’s cities, towns, and unincorporated areas that will qualify for significant development incentives and other State benefits; and

**WHEREAS**, a portion of the City of New Castle (the “City”) was designated as a Downtown Development District (“DDD”) on August 19th, 2019; and

**WHEREAS**, as a condition of said designation, the City committed to enacting various “local incentives” to help achieve the purposes set forth in the Act; and

**WHEREAS**, one of the local incentives included in the City’s application to receive the DDD designation involved abating property tax increases caused by an increase in assessed value resulting from certain improvements made to properties within the DDD;

**NOW THEREFORE, BE IT ORDAINED THAT:**

**SECTION 1:**

Chapter 221 Article V, Section 221-16 is hereby added to the City Code and shall state as follows:

§221.16. Downtown Development District Tax Abatement.

The City shall abate any increase in property taxes resulting from an increase in the assessed value due to improvements made to a property provided that:

- The improvements are greater than \$25,000.
- The \$25,000 shall be based on “eligible expenses” as defined in the Delaware State Housing Authority Guidelines.
- The improvements meet the definition of a Qualified Real Property Investment as defined in 22 *Del.C.* §§ 1901 *et seq.*
- The property is within the DDD boundary as depicted in the DDD Plan adopted by Resolution 2018-26 on October 9, 2018, and as may be amended from time to time.
- The owner/applicant must not be delinquent on any obligations to the City.
- The improvements are completed in accordance with all City requirements.

The abatement shall be for a 5-year period beginning the first tax year following completion of the improvements as certified by the City.

The abatement program described herein shall remain valid for only as long as the City's DDD program remains certified by the State of Delaware.

**SECTION 2.** This Ordinance shall become effective immediately upon passage.

**First Reading: October 8, 2019**

**Second Reading: \_\_\_\_\_, 2019**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Linda Ratchford, President of Council

I hereby certify that the foregoing Ordinance was duly approved by the Council of the Mayor and Council of New Castle upon the dates above set forth and signed by the President of Council.

\_\_\_\_\_  
Brian G. Whitaker, City Clerk

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

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Michael J. Quaranta, Mayor