

BID Assessment Method Review Subcommittee

Recommendation clarifying application of current assessment method for buildings under construction or major renovation.

Approved by Subcommittee: October 21, 2009

Background:

1. From BID Operating Plan:

- Use of property as of January 1 controls for purposes of BID assessment.
- “those tax exempt properties within the District which are later determined no longer to be exempt from general property taxes . . . shall automatically become subject to assessment under any current operating plan without necessity to undertake any other act.”

2. City Property Assessment Date: For city assessment purposes, the assessment date is "as of the close of January 1" each year. They assess what is in place as of that date.

3. Certificate of Occupancy: City building inspection will sign off on a Certificate of Occupancy when all inspections have been done and approved. The Certificate of Occupancy may be issued and buildings may be occupied before they are completely finished.

Subcommittee Recommendation

For properties subject to the BID assessment per the BID Operating Plan:

- For new construction and major renovation of existing properties within the District, use the city's January 1 date as a basic guide.

A building under construction or major renovation which does not yet have a Certificate of Occupancy will be subject to the BID assessment as of the first of the calendar year (January 1) after the Certificate of Occupancy is issued.

A property within the District which is granted a Certificate of Occupancy and wants to participate in BID programs can voluntarily pay the BID assessment prior to the Jan. 1 date at which they would automatically become subject to the BID assessment. Such a voluntary BID assessment would be pro-rated to date of Certificate of Occupancy.

- If a property under construction which is outside of and contiguous to the District wishes to become part of the District, it can do so at a mutually-agreed date.
- Existing properties subject to the BID assessment are subject to the assessment while under renovation and maintaining Certificate of Occupancy, even if unoccupied. (If a building maintains a Certificate of Occupancy, it is not considered a major renovation.)
- In case of demolition or when an existing building is removed, the property will not be subject to the BID assessment as of the first of the calendar year (January 1) after the building is demolished or removed.