

CITY OF YORK, SC
ORDINANCE NO. 2017-596

AN ORDINANCE AMENDING THE CODE OF ORDINANCES FOR THE CITY OF YORK; CHAPTER 40 – TAXATION; ARTICLE II – PROPERTY TAX; BY ADDING SECTION 40-39 - SPECIAL TAX ASSESSMENT FOR REHABILITATED HISTORIC PROPERTIES TO ENHANCE ECONOMIC DEVELOPMENT OPPORTUNITIES WITHIN THE CITY AND ENCOURAGE INVESTMENT IN THE CITY'S HISTORIC DISTRICT

WHEREAS, Section 4-9-195 of the S. C. Code of Laws, 1976, as amended, allows county governments to authorize a Special Property Tax Assessment for Rehabilitated Historic Properties; and

WHEREAS, Section 5-21-140 of the S. C. Code of Laws, 1976, as amended, allows for the same powers and authorities conferred upon county governing bodies by Section 4-9-195 to also be conferred upon municipal governing bodies, mutatis mutandi; and

WHEREAS, the City Council for the City of York wishes to create a special tax assessment for rehabilitated historic properties and establish the eligibility criteria for the special tax assessment, and other matters related thereto,

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of York, in Council assembled, that Chapter 40, Article II of the Code of Ordinances of the City of York be amended by adding section 40-39 as follows:

Sec. 40-39. Special tax assessment created.

A special tax assessment is created for eligible rehabilitated historic properties for a period of ten (10) years equal to the assessed value of the property at the time of Preliminary Certification.

Sec. 2-201. Purpose.

It is the purpose of this Article to:

- (1) Encourage the rehabilitation of historic properties;
- (2) Promote community development and redevelopment;
- (3) Encourage sound community planning; and
- (4) Promote the general health, safety, and welfare of the community.

Sec. 2-202. Eligible Properties.

(a) *Certification.* In order to be eligible for the special tax assessment, properties must receive preliminary and final certification.

(1) *Preliminary Certification.* To receive Preliminary Certification a property must meet the following conditions:

- a. The property must be located within the City's Local Historic District as designated on the City's Official Zoning Map.
- b. A certificate of appropriateness application (COA) for the proposed rehabilitation work must be reviewed and ultimately approved by the City's Board of Architectural Review (BAR). The BAR will review the application through the typical COA process to verify compliance with the standards and guidelines detailed in Section IX- Historical District Overlay of the City of York Zoning Ordinance.
- c. Be a project that commences on or after the date of the adoption of this ordinance.

(2) *Final Certification.* To be eligible for Final Certification, a property must have met the following conditions:

- a. The property has received Preliminary Certification.
- b. The minimum expenditures for rehabilitation as set forth in this article have been incurred and paid.
- c. The City of York Planning Department has reviewed the completed rehabilitation work and determined that all such work is consistent with the plans approved by the BAR during Preliminary Certification.
- d. All application fees have been paid in full by the applicant.
- e. The property has met all other requirements of this article.

Sec. 2-203. Eligible rehabilitation.

(a) *Minimum expenditures for rehabilitation.* To be eligible for the special property tax assessment, the owner or the owner's estate must meet the minimum expenditures for rehabilitation:

(1) The minimum investment shall be thirty percent (30%) of the fair market value of the building which is to be rehabilitated.

(2) For the purpose of this section, fair market value means the appraised value as certified to the city by a real estate appraiser licensed by the State of South Carolina, the sales price as delineated in a bona fide contract of sale within twelve months of the time it is submitted, or the most recent appraised value published by the York County Tax Assessor.

(b) *Expenditures for Rehabilitation* means the actual cost of rehabilitation relating to one or more of the following:

(1) Improvements located on or within the historic building as designated.

(2) Improvements outside of but directly attached to the historic building which are necessary to make the building fully useable (such as vertical circulation) but shall not include rentable/habitable floor space attributable to new construction.

(3) Architectural and engineering services attributable to the design of the improvements.

(4) Costs necessary to maintain the historic character or integrity of the building.

(c) *Scope.* The special tax assessment may apply to the following:

(1) Structure(s) rehabilitated;

(2) Real property on which the building is located.

(d) *Time limits.* Rehabilitations must be completed within two (2) years of the date of Preliminary Certification. If the project is not complete after two (2) years but the minimum expenditures for rehabilitation have been incurred, the property is eligible to receive the special assessment. If the project is not complete after two (2) years the date of Preliminary Certification and the minimum expenditures for rehabilitation have not been incurred, the property is no longer eligible for the special assessment.

Sec. 2-204. Process.

(a) *Fee required.* There is a fee required for the review of rehabilitation work during the Final Certification process. Final Certification of the property will not be given until the fee has been paid in full by the applicant. Fees shall be made payable to the City of York. The amount of the fee shall be as follows:

(1) For owner-occupied, non-income producing properties, the fee shall be one hundred and fifty dollars (\$150.00).

(2) For income-producing or non-owner occupied properties, the fee shall be three hundred dollars (\$300.00).

(b) *Plan required.* Owners of property seeking approval of rehabilitation work must submit a completed Rehabilitation of Historic Property Application along with a COA application with supporting documentation to the Planning Department prior to beginning work. Any rehabilitation work conducted prior to approval of the application is done so at the risk of the property owner.

(c) *Preliminary Certification.* Upon receipt of the completed application, the Planning Department shall submit the plan to the BAR for review. After the BAR has approved the application, the City Manager or his designee shall notify the owner in writing. Upon receipt of this determination, the property owner may:

(1) If the application is approved, begin rehabilitation;

(2) If the application is not approved, he/she may revise such application in accordance with comments provided by the reviewing authority.

(3) If necessary, utilize the appeal parameters detailed in the City of York Zoning Ordinance.

(d) *Substantive changes.* Once Preliminary Certification is granted to an application, proposed substantive changes must be reviewed by the BAR. Any substantive changes made to the property during rehabilitation that are not approved by the BAR, are conducted at the risk of the property owner and may disqualify the project from eligibility during the Final Certification process.

(e) *Final Certification.* Upon completion of the project, the property must receive Final Certification in order to be eligible for the special assessment. The Planning Department shall review and inspect completed projects to determine if the work is consistent with rehabilitation plan previously approved during the Preliminary Certification process and notify the applicant in writing of the results of the inspection. If the applicant wishes to appeal the City's decision, the appeal must follow the City's appeals process. The City of York may only grant Final Certification if the following conditions have been met:

(1) The completed work meets the standards for rehabilitation as established in this article;

(2) The completed work shall be consistent with the rehabilitation plan approved by the BAR during the Preliminary Certification process, as well as any

amendments which may be subsequently reviewed and approved by the BAR after Preliminary Certification has been granted;

(3) Verification is made that the minimum expenditures have been have been incurred in accordance with the provisions of this article; and

(4) Any fee(s) shall be paid in full.

Upon receiving Final Certification, the property will be assessed for the remainder of the special assessment period on the fair market value of the property at the time the Preliminary Certification was made or the Final Certification was made, whichever occurred earlier.

(f) *Additional work.* For the remainder of the special assessment period after Final Certification, the property owner shall notify the City Manager or his designee of any additional work, other than ordinary maintenance, prior to the work beginning. The BAR shall review a COA for the proposed work and make a decision on the matter. The City Manager or his designee shall notify the applicant in writing of the BAR decision within thirty (30) days of any decision to rescind approval. The property owner may withdraw his/her request and cancel or revise the proposed additional work.

(g) *Notification.* Upon Final Certification of a rehabilitated historic property, the City Manager or his designee shall notify the York County Assessor, Auditor, and Treasurer that such property has been duly certified and is eligible for the special tax assessment.

(h) *Application.* Once the Final Certification has been granted, the owner of the property shall make application to the York County Auditor for the special assessment provided for herein. The special assessment shall remain in effect for the length of the special assessment period, unless the property shall become decertified under the provisions of this section.

(i) *Date effective.* If an application for preliminary or final certification is filed by May first or the Preliminary or Final Certification is approved by August first, the special assessment authorized herein is effective for that year. Otherwise, it is effective beginning with the following year. The special assessment only begins in the current or future tax years as provided for in this section. The special assessment period shall not exceed ten (10) years in length, and in no instance may the special assessment be applied retroactively.

(j) *Previously certified properties.* A property certified to receive the special property tax assessment under the existing law continues to receive the special assessment in effect at the time certification was made.

(k) *Decertification.* Once the property has received Final Certification as a rehabilitated historic property, it remains so certified and must be granted the special assessment until the property becomes disqualified by any one of the following:

(1) Written notice from the owner to the York City Manager and York County Auditor requesting removal of the special assessment;

(2) Rescission of the approval of rehabilitation by the City, at the recommendation of the BAR, because of alterations or renovation by the owner or the owner's estate which causes the property to no longer possess the qualities and features which made it eligible for Final Certification. Notification of any change affecting eligibility must be given immediately to the York County Assessor, Auditor, and Treasurer.

(j) *Sale or Transfer of Ownership.* The sale or transfer of ownership of real property certified and assessed in accordance with this section shall not disqualify the property from receiving the special property tax assessment under this section. Notification of any sale or transfer of ownership must be provided immediately by the property owner to the City Manager, as well as the York County Assessor, Auditor, and Treasurer.

Section III. Severability. If any section, subsection, or clause of this Ordinance shall be deemed to be unconstitutional, or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

Section IV. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION V. Effective Date. This ordinance shall be effective from and after the date of adoption.

SIGNED AND SEALED this 2nd day of January, 2018, having been duly adopted by the City Council for the City of York on the 2nd day of January, 2018.

First Reading: December 5, 2017 CITY OF YORK, S.C.

Second Reading: January 2, 2018 J. Edward Lee
J. Edward Lee, Mayor

ATTEST:

Cynthia J. Wyatt
Cynthia J. Wyatt, Municipal Clerk