

**ORDINANCE ENACTING SECTION 4-2-31
OF THE
HARRISONBURG CITY CODE**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA:

That Section 4-2-31 be enacted as follows:

Sec. 4-2-31. – Partial exemption for new construction in the retail revitalization zone

- (a) A partial exemption from taxation of commercial and residential real estate located within the city’s retail revitalization zone, as defined below, for all new construction and/or redevelopment shall be allowed.
- (b) The city’s retail revitalization zone is defined as being all parcels of real estate located within the following boundaries:

South Main Street retail revitalization zone - Beginning at the southern city limit and its intersection with Interstate 81; thence following the northwestern side of Interstate 81 to its intersection with the Norfolk Western railroad track; thence following the western side of the Norfolk Western railroad track to Erickson Avenue/Stone Spring Road; thence following the southern side of Erickson Avenue /Stone Spring Road to South Main Street; thence following the rear property lines of all properties that adjoin the western side of South Main Street to Baxter Drive; thence following the rear property lines of all properties that adjoin Baxter Drive to the north to the western city limit; thence following the western city limit to the southern city limit; thence along the southern city limit to the beginning.

East Market Street retail revitalization zone - Beginning at the intersection of Interstate 81 with Reservoir Street; thence following the eastern side of Reservoir Street to its intersection with Lucy Drive; thence following the northern side of Lucy Drive to its intersection with Evelyn Byrd Avenue; thence following the northern side of Evelyn Byrd Avenue to its intersection with East Market Street; thence along the southern side of East Market Street to its intersection with Country Club Road; thence along the southern side of Country Club Road to its intersection with Interstate 81; thence along the eastern side of Interstate 81 to the beginning. In addition, all properties that adjoin East Market Street and are located east of Evelyn Byrd Avenue and west of the eastern city limit are also included in this zone.

- (c) The partial exemption from taxation shall only apply to new construction and/or redevelopment that results in an increased assessed value of at least one million dollars (\$1,000,000.00). In addition, at least seventy five (75) per cent of the total square footage shall be used for retail sales and/or restaurant use. Exceptions to the square footage requirement set forth above can only be granted by Harrisonburg City Council.
- (d) The partial exemption from taxation shall not exceed the difference between the assessed value of the real estate following the completion and issuance of an occupancy permit for the new construction and/or redevelopment and the assessed value of the real estate immediately prior to the issuance of the building permit for the new construction and/or redevelopment.

(e) The partial exemption from taxation of real estate shall commence on July 1 of the year following the completion and issuance of the occupancy permit for construction and shall run with the real estate for the following periods and based on the amount invested in the project:

- \$1,000,000.00 to \$9,999,999.99.....5 years
- \$10,000,000.00 to \$19,999,999.99.....8 years
- \$20,000,000.00 and above.....10 years

(f) Qualified retail businesses shall be exempted from payment of 50% of the business, professional and occupational license taxes and fees imposed by chapter 1 of title 12 of the Harrisonburg City Code for the first one (1) full calendar year following actual occupation by the qualified retail business within the retail revitalization zone.

(g) Definition: *Qualified retail business*. The term "qualified retail business" shall mean a business entity that (1) has been designated as a retail operation by the Harrisonburg Commissioner of the Revenue for the purpose of reporting and paying business, professional and occupational license (BPOL) tax and fees to the City of Harrisonburg, and (2) has been issued an occupancy permit within a facility that meets the requirements to qualify for the retail revitalization zone real estate partial tax exemption as described in subsection (e) above. Existing retailers doing business within the City of Harrisonburg shall not be eligible for this partial BPOL exemption by relocating to a facility within the retail revitalization zone boundaries.

(h) The Harrisonburg Commissioner of the Revenue shall assess a fee of one hundred (\$100.00) dollars for processing an application requesting the exemption provided by this section. No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the commissioner of the revenue or assessing officer has verified that the new construction indicated on the application has been completed and the certificate of occupancy has been issued.

Investments made by an applicant within a thirty-six (36) month period from the date of the original application shall be totaled and applied to the exemption time periods detailed in section (e) above.

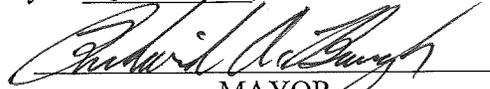
Once this thirty-six (36) month period ends from the date of the original application and the exemption time period is established, the applicant is ineligible to re-apply for this program until the appropriate exemption time period has expired.

(i) Nothing in this section shall be construed as to permit the Harrisonburg Commissioner of Revenue to list upon the City land book any reduced value due to the exemption provided in subsection (e).

- (j) Where the new construction is achieved through demolition or replacement of an existing structure, the exemption provided by this section shall not apply when any structure demolished is a registered Virginia landmark or is determined by the Virginia Department of Historic Resources to contribute to the significance of a registered historic landmark.

This ordinance shall be effective from the date of its passage.

ADOPTED AND APPROVED this 26 day of June, 2012.


MAYOR

ATTESTE:


CITY CLERK