

CHAPTER 20

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ARTICLE IV, Section 20-60 through 20-71. PARTIAL REAL ESTATE TAX EXEMPTION FOR CERTAIN SUBSTANTIALLY REHABILITATED, RENOVATED OR REPLACED RESIDENTIAL, COMMERCIAL AND MIXED USE STRUCTURES OR IMPROVEMENTS IN THE NAUCK VILLAGE CENTER SPECIAL REVITALIZATION DISTRICT

§ 20 60. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Affordable dwelling unit (ADU): Dwelling units meeting the county's standard definitions and criteria for affordability, as such have been defined by adopted Board policies for non- Metrorail corridors, outstanding at the time of the application, and as certified by the County Manager or his designee.

Base value: The assessed value of the real property as of January 1 of the year in which the rehabilitation, renovation or replacement of the structure begins.

Commercial use: The selling or providing of goods or services to individuals, firms or corporations.

Commercial or residential property: Real property located in zoning districts permitting commercial or residential use, by right or by special exception, according to the Zoning Ordinance of the County of Arlington, Virginia.

Director: Director, Department of Real Estate Assessments for Arlington County.

Exemption: The real estate taxes resulting from the increase, if any, in the assessed value of real property, which increase is determined by the director to be directly attributable to the substantial rehabilitation, renovation or replacement of the structure or improvements on such real property.

Nauck Village Center Special Revitalization District: The Nauck Village Center Special Revitalization District, as such district was established and defined by Arlington County Board action on July 10, 2004 and as set forth in the General Land Use Plan as Note # 21.

Owner: All persons or entities holding title to the real estate, commercial, residential or mixed use structure or structures thereon for which an exemption is requested.

Substantially rehabilitated, renovated or replaced structure:

a. An existing commercial, residential or mixed use structure, no less than twenty (20) years of age, located in the Nauck Village Center Special Revitalization District, which structure has been substantially rehabilitated or renovated so as to increase the assessed value thereof by not less than twenty (20) percent of the base value, which increase shall exceed \$100,000, because of the rehabilitation or renovation; or

b. A replacement commercial, residential or mixed use structure located in the Nauck Village Center Special Revitalization district, which replacement structure replaces an existing structure of no less than twenty (20) years of age, provided that the difference between the assessed value of the replaced commercial or residential use structure is an increase in assessed value of not less than twenty (20) percent of the base value, which increase shall exceed \$100,000, because of the replacement.

§ 20-61. Partial tax exemption for certain substantially rehabilitated, renovated or replaced structures; policy and intent.

It is the purpose of this article to implement the provisions of Article 3, Chapter 32 of Title 58.1 the Code of Virginia to permit the county to allow a partial tax exemption for certain substantially rehabilitated, renovated or replaced residential, commercial or mixed use structures within the Nauck Village Center Special Revitalization District. The exemption will provide an economic incentive for improvement of such real estate and will prevent the deterioration and vacation thereof which is harmful to the health and welfare of the county and its residents. This article provides a procedure for owners within the Nauck Village Center Special Revitalization District to obtain partial real estate tax exemptions for certain substantially rehabilitated, renovated or replaced residential, commercial and mixed use structures.

§ 20-62. Eligibility.

(a) Any owner of real property, located in whole or in part, within the boundaries of the Nauck Village Center Special Revitalization District upon which there exists a structure or improvement, or the vestige of a former structure or improvement, of no less than twenty (20) years of age, proposed to be substantially rehabilitated, renovated or replaced for residential, commercial or mixed use development shall be eligible to apply for an exemption. For the purposes of this section, the term structure or improvement shall be given the broadest possible meaning.

(b) A property shall be eligible for an exemption only if the increase in the assessed value of the structure from the base value attributable to the rehabilitation, renovation or replacement of the structure is twenty (20) percent or more of the base value, and which increase shall exceed \$ 100,000 as determined by the Director

(c) No residential, commercial or mixed-use project or structure shall be eligible for an exemption where prohibited by applicable law.

(d) To qualify for an exemption, the proposed rehabilitation, renovation or replacement shall be consistent with, and in compliance with, all applicable laws. In the Nauck Village Center Special Revitalization District, the exemption shall only apply to properties rehabilitated, renovated or replaced via special exception or site plan process (not "by- right")

§ 20-63. Application procedure and processing fee.

(a) The owner shall file applications for exemptions with the director on forms provided for such purpose. A separate application shall be submitted for each structure or property for which an exemption is requested.

(b) All building or demolition permits shall be acquired prior to the filing of the application and the beginning of the rehabilitation, renovation or replacement.

(c) The director may require the applicant to submit all documentation deemed necessary to establish eligibility for an exemption. All such requested documentation shall be furnished to the director before an application will be considered complete and will be processed.

(d) A processing fee of two hundred fifty dollars (\$250) shall be paid by the owner to the county with each application.

(e) The exemption shall not automatically attach to any structure or property. Exemptions shall be granted only after the requirements of this article have been satisfied as determined by the director.

(f) For the duration, as specified in section 20-66 below, of any granted exemption, the exemption and rights thereto may be transferred to any successor in interest to the original applicant owner of property, and may be subdivided and allocated amongst multiple properties, if the property is subdivided or resubdivided.

§ 20-64. Inspections; notification to director.

(a) Upon receipt of a completed application for an exemption and prior to commencement of the proposed rehabilitation, renovation or replacement, the

director or his designee shall physically inspect the structure for which an exemption is requested.

(b) An owner shall notify the director in writing within thirty (30) days after the rehabilitation, renovation or replacement of the structure is complete.

(c) During the period of time between the receipt of a completed application and completion of the rehabilitation, renovation or replacement, the structure shall be subject to taxation upon the full- assessed value thereof.

(d) No structure shall be eligible for an exemption if the director or his designee have been denied access to any portion thereof, either before, during or after the rehabilitation, renovation or replacement for which an exemption is requested, provided that the access is for the purposes of assessing the structure and determining whether the requirements of this article have been met.

§ 20-65. Commencement of exemption; land books.

(a) The exemption shall commence on January 1 of the year following completion of the rehabilitation, renovation or replacement of the structure, inspection thereof by the director or his designee, verification by the director or his designee that the rehabilitation, renovation or replacement described in the application has been fully completed, and a determination by the director that the requirements of this article have been met.

(b) Nothing in this article shall be construed to permit the director to list upon the land books any reduced assessed value due to the exemption created by this article.

§ 20-66. Amount of exemption; duration.

(a) The exemption shall be equal to the real property taxes otherwise attributable to the increase in the assessed value of the real property, subsequent to the base value, which is attributable to the rehabilitation, renovation, or replacement activity on the site.

(b) Unless otherwise provided in this article, the exemption shall run with the real estate, in a fixed amount, until December 31, 2012.

(c) Residential or mixed use properties which provide at least twenty (20) percent of the total housing units as affordable rental housing units will be granted an exemption commencing January 1 of the year following the rehabilitation or replacement, which shall run with the real estate in the same amount for ten (10) years, and for a period of five (5) additional years during which the partial exemption shall be reduced at a rate of twenty (20) percent a year from the original basis, provided the structure continues to provide the affordable housing

units (pursuant to County guidelines for the periods set forth in said guidelines applicable at the time of the exemption application). To qualify for the exemption, at least sixty (60) percent of the total marketable floor area of the property shall be residential. In the event any property granted such exemption is subdivided, a proportionate partial exemption (pursuant to the methodology of Section 20-66 (e) below) shall continue for the duration described herein for those properties that meet the conditions of this Section 20-66 (c). Any partial exemption of a property that ceases to meet the conditions of this Section 20-66 (c) shall be discontinued as of the later of (i) December 31 of the year of such cessation occurs, or (ii) December 31, 2012. (The later case shall apply only in the event the property is otherwise entitled to exemption under the basic eligibility rules as set forth in Section 20-62 above).

(d) In no event shall an exemption be permitted for any given year if the assessed value of the structure falls below the base value.

(e) In the event, property for which an exemption has been granted pursuant to this article is subdivided or resubdivided, including declaration of condominiums, the base value and the exemption shall be allocated by the director to the parcels created by the subdivision or resubdivision. The director shall allocate the base value and the exemption based on the ratio of the building areas of the created parcels to the building area of the property for which the exemption was granted.

§ 20-67. Commercial, residential or mixed use of structure required.

The exemption shall be available to an owner and shall continue only so long as the substantially rehabilitated, renovated or replaced structure meets the definition of commercial, residential or mixed use.

§ 20-68. Vacant Land.

No improvements made upon vacant land shall be eligible for an exemption under this article.

§ 20-69. Rules and regulations.

The director may prescribe rules and regulations, consistent with this article, deemed necessary for the effective administration hereof. A copy of any such rules and regulations shall be available upon request in the office of the director.

§ 20-67. Other laws and ordinances.

Nothing in this article shall be construed to relieve an owner or any other person or entity from complying with all other applicable laws and ordinances related to the development, use, rehabilitation or taxation of real estate.

§ 20-71. Applicability to rehabilitation, renovation or replacement commencing before enactment of article.

An owner may apply for an exemption if a building permit for the proposed rehabilitation, renovation or replacement of the commercial use structure is issued on or after the date of enactment of this article.
