

Mayor
John K. Handeland

Manager
Glenn Steckman

Clerk
Bryant Hammond



Nome City Council
Jerald Brown
Scot Henderson
Doug Johnson
Mark Johnson
Adam Martinson
M. Sigvanna Tapqaq

**NOME COMMON COUNCIL
WORK SESSION AGENDA**
TUESDAY, MAY 17, 2022 at 5:30 PM
COUNCIL CHAMBERS IN CITY HALL

102 Division St. ▪ P.O. Box 281 ▪ Nome, Alaska 99762 ▪ Phone (907) 443-6663 ▪ Fax (907) 443-5345

Discussion on Three Ordinances:

- A. O-22-05-01 An Ordinance of the Nome City Council, Nome, Alaska, Amending the Nome Code of Ordinances, Section 17.20.020 to Provide for a Temporary Exemption from Property Tax for Deteriorated Structures Located in a Designated Area of Nome that are Being Substantially Rehabilitated, Renovated, and Replaced
- B. O-22-05-02 An Ordinance Amending Chapter 5.10 of the Nome Code of Ordinances to Exempt Projects Which Qualify for an Economic Development Property Tax Exemption of a Dilapidated Property Tax Exemption from Permit Fees
- C. O-22-05-03 An Ordinance of the Nome City Council, Nome, Alaska, Amending the Nome Code of Ordinances, Section 17.20.020 to Provide for a Partial Temporary Exemption from Property Tax for Economic Development Property Developed for Multi-Unit Housing

1st Reading: May 9, 2022
2nd Reading: May 23, 2022

Presented By:
Council Member Henderson &
City Manager

Action Taken:
Yes ____
No ____
Abstain ____

CITY OF NOME, ALASKA

ORDINANCE NO. O-22-05-01

AN ORDINANCE OF THE NOME CITY COUNCIL, NOME, ALASKA, AMENDING THE NOME CODE OF ORDINANCES, SECTION 17.20.020 TO PROVIDE FOR A TEMPORARY EXEMPTION FROM PROPERTY TAX FOR DETERIORATED STRUCTURES LOCATED IN A DESIGNATED AREA OF NOME THAT ARE BEING SUBSTANTIALLY REHABILITATED, RENOVATED, AND REPLACED.

WHEREAS, there is an increasing need to increase the supply of residential housing in the City;
and

WHEREAS, there are a significant number of dilapidated, deteriorated or abandoned structures in the City which, if repaired, replaced or renovated could increase the supply of residential housing and ;

WHEREAS, it is in the public interest to provide an economic incentive for rehabilitation or renovation of deteriorated structures in the form of a temporary exemption from property taxation and;

WHEREAS, such an exemption is authorized by Alaska Statute section 29.45.050(o) if adopted by ordinance.

THEREFORE, BE IT ORDAINED by the Nome City Council as follows:

Section 1. Classification: This is a Code ordinance.

Section 2. Amendment of NCO § 17.20.020(a). Section 17.20.020(a) of the Code of Ordinances of Nome, Alaska, is hereby amended by adding a new subsection to read as follows:

(11) Restoration or replacement of deteriorated property. The assessed value of a real property is, subject to subsection (a)(11)(a)., exempt from taxation for the duration set out in subsection (a)(11)(c), beginning in the year following approval by the assessor, or the assessor's designee, of an application demonstrating that the eligibility criteria set out in subsection (a)(11)(a) have been met.

a. Eligibility criteria. A property owner qualifying for the exemption set out in subsection (a)(11) shall:

- i. Own real property at least partially comprised of an existing building that:
 - a. is located in the Deteriorated Area of the City; and

b. has been included on a list of deteriorated nuisance structures maintained by the City; and

ii. Have received all building and land use permits necessary to restore the building or to remove and replace the building with a new building to be used as residential housing; and

iii. Submit a qualifying application to the assessor or the assessor's designee prior to beginning work to restore or remove and replace the existing building.

b. Exclusions. Restoration, replacement or construction of the following buildings does not create eligibility for this tax exemption:

- i. Mobile homes,
- ii. Temporary or seasonal use structures.

c. Duration of exemption. The tax exemption granted by subsection shall be for ten years.

d. Taxes due if exemption expires or is revoked. An exemption granted under subsection (a)(11) shall expire and taxes previously exempted by operation of subsection (a)(11) shall become due and payable if:

- i. By the third December 31 following application approval, a certificate of occupancy or conditional certificate of occupancy under section 5.10.060 of this code, has not been issued for a restored or new building on the real property, constructed in accordance with all applicable building and land use permits; or
- ii. A building or land use permit submitted with the application expires or is revoked and no restoration or replacement permit is obtained, and a copy submitted to the assessor or the assessor's designee within 360 days; or
- iii. A new or renovated building for which the application was granted is not being occupied as a primary residence; or
- iv. The exemption is revoked.

e. Application procedure. Applicants for the tax exemption authorized in subsection (a)(11) shall submit an application no later than February 1st of each assessment year for which the exemption is sought, on a form specified by the assessor or the assessor's designee, containing:

- i. The legal description and parcel number designation of the real property for which the exemption is being sought,
- ii. The assessed value and age of all buildings on the real property, and the estimated value of each separate building when there are multiple buildings,
- iii. A copy of all building and land use permits obtained to restore or remove and replace an existing building on the real property, and
- iv. An agreement and acknowledgement that taxes exempted upon approval of the application will become due and payable if by the third December 31 following approval of the application, a certificate of occupancy or conditional certificate of occupancy, has not been issued for a restored or new building on the real property, constructed in accordance with all applicable building and land use permits, and is not being used as a primary residence.
- v. Such other information as the assessor may require.

f. Revocation of exemption. An exemption granted under this subsection may be revoked if, at any time during the exemption period, the property for which the exemption was granted is no longer being used as a primary residence.

g. Appeal of revocation or expiration. Section 17.20.050 applies to determinations an exemption has expired and to determinations revoking an exemption.

h. Definitions. For purposes of this exemption the Deteriorated Area of the City is that portion of the City of Nome between and bounded by Front Street, _____ Street, _____ Street and _____ Avenue.

Section 3. Effective Date. This ordinance becomes effective January 1, 2023.

APPROVED and **SIGNED** this 23rd day of May, 2022.

John Handeland
Mayor

ATTEST:

Bryant Hammond
City Clerk

Presented By:
Council Member Henderson &
City Manager

Action Taken:
Yes _____
No _____
Abstain _____

CITY OF NOME, ALASKA

ORDINANCE NO. O-22-05-02

AN ORDINANCE AMENDING CHAPTER 5.10 OF THE NOME CODE OF ORDINANCES TO EXEMPT PROJECTS WHICH QUALIFY FOR AN ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTION OR A DILAPIDATED PROPERTY TAX EXEMPTION FROM PERMIT FEES

WHEREAS, there is an increasing need to increase the supply of residential housing in the City; and

WHEREAS, there are a significant number of locations in the City suitable for creation of new residential dwelling units through construction of new buildings or renovation of existing buildings which could increase the supply of residential housing and ;

WHEREAS, it is in the public interest to provide an economic incentive for construction of new structures or renovation of existing structures in the form of a waiver of certain permit fees;

BE IT ORDAINED BY THE NOME COMMON COUNCILS THAT:

Section 1. Amendment of Chapter 5.10. Chapter 5.10 of the Nome Code of Ordinances is hereby amended by adoption of a new Section 5.10.085 to read as follows:

5.10.085 Rebate of Permit Fees.

Upon issuance of a certificate of occupancy for a structure which has been granted an exemption from property tax pursuant to Section 17.20.020(a)(11) or Section 17.20.020(a)(12) the City shall refund all fees previously paid under Section 5.10.080 to the property owner:

Section 2. Effective Date. This ordinance shall be effective January 1, 2023.

APPROVED and SIGNED this 23rd day of May , 2022.

JOHN HANDELAND, Mayor

ATTEST:

BRYANT HAMMOND, Clerk

1st Reading: May 9, 2022
2nd Reading: May 23, 2022

Presented By:
Council Member Henderson &
City Manager

Action Taken:
Yes _____
No _____
Abstain _____

CITY OF NOME, ALASKA

ORDINANCE NO. O-22-05-03

AN ORDINANCE OF THE NOME CITY COUNCIL, NOME, ALASKA, AMENDING THE NOME CODE OF ORDINANCES, SECTION 17.20.020 TO PROVIDE FOR A PARTIAL TEMPORARY EXEMPTION FROM PROPERTY TAX FOR ECONOMIC DEVELOPMENT PROPERTY DEVELOPED FOR MULTI-UNIT RESIDENTIAL HOUSING.

WHEREAS, there is an increasing need to increase the supply of residential housing in the City; and

WHEREAS, there are a significant number of locations in the City suitable for creation of new residential dwelling units through construction of new buildings or renovation of existing buildings which could increase the supply of residential housing and ;

WHEREAS, it is in the public interest to provide an economic incentive for construction of new structures or renovation of existing structures in the form of a partial exemption from property taxation and;

WHEREAS, the construction of multi-unit residential housing structures containing more than six dwelling units would be a significant capital investment that expands the tax base of the City and will generate significant property tax revenue after the exemption expires and;

WHEREAS, such an exemption is authorized by Alaska Statute section 29.45.050(m) if adopted by ordinance.

THEREFORE, BE IT ORDAINED by the Nome City Council as follows:

Section 1. Classification: This is a Code ordinance.

Section 2. Amendment of NCO § 17.20.020(a). Section 17.20.020(a) of the Code of Ordinances of Nome, Alaska, is hereby amended by adding a new subsection to read as follows:

(12) Economic development property. The assessed value of Economic Development Property is, subject to subsection (a)(12)(a)-(d)., partially exempt from taxation for the duration set out in subsection (a)(12)(c), beginning in the year following approval by the assessor, or the assessor's designee, of an application demonstrating that the eligibility criteria set out in subsection (a)(12)(a) have been met.

- a. Eligibility criteria. A property owner qualifying for the exemption set out in subsection (a)(12) shall:
 - i. Have received all building and land use permits necessary to construct Economic Development

Property; and

ii. Submit a qualifying application to the assessor or the assessor's designee prior to beginning work to construct a new building or renovate an existing building.

b. Exclusions. Restoration, or construction of temporary or seasonal use structures does not create eligibility for this tax exemption.

c. Duration of exemption. The tax exemption granted by this subsection shall be for fifteen years.

d. Amount of exemption. An exemption under this section only exempts that portion of the amount of real property tax that exceeds the amount levied on other real property for the City's required local contribution to the Nome Public School District under AS 14.17.410 (b)(2).

e. Taxes due if exemption expires or is revoked. An exemption granted under this subsection shall expire and taxes previously exempted shall become due and payable if:

i. By the third December 31 following application approval, a certificate of occupancy or conditional certificate of occupancy under section 5.10.060 of this code, has not been issued for a restored or new building on the real property, constructed in accordance with all applicable building and land use permits and consisting of at least six residential dwelling units; or

ii. A building or land use permit submitted with the application expires or is revoked and no restoration or replacement permit is obtained and a copy submitted to the assessor or the assessor's designee within 360 days; or

iii. All units in a new or renovated building for which the application was granted are not being occupied as a primary residence; or

iv. The exemption is revoked.

f. Application procedure. Applicants for the tax exemption authorized in subsection (a)(12) shall apply no later than February 1st of each assessment year for which the exemption is sought, on a form specified by the assessor or the assessor's designee, containing:

i. The legal description and parcel number designation of the real property for which the exemption is being sought,

ii. The assessed value and age of all buildings on the real property, and the estimated value of each separate building when there are multiple buildings,

iii. A copy of all building and land use permits obtained to renovate an existing building or construct a new building on the real property, and

iv. A copy of all current leases of dwelling units on the property, and

v. An agreement and acknowledgement that taxes exempted upon approval of the application will become due and payable if by the third December 31 following approval of the application, a certificate of occupancy or conditional certificate of occupancy, has not been issued for a restored or new building on the real property, constructed in accordance with all applicable building and land use permits, containing at least six residential units all of which are being used as a primary residence.

vi. Such other information as the assessor may require.

f. Revocation of exemption. An exemption granted under this subsection may be revoked if, at any time during the exemption period, all dwelling units on the property for which the exemption was granted are no longer being used as a primary residence.

g. Appeal of revocation or expiration. Section 17.20.050 applies to determinations an exemption has expired and to determinations revoking an exemption.

h. Definitions. For purposes of this exemption “Economic Development Property” means real or personal property, including developed property conveyed under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act), for which a building permit has been issued for construction of one or more multi-unit residential structures containing a total of at least six dwelling units which demonstrates that the total cost to complete the project will exceed the current assessed value of the property by at least fifty percent (50%).

Section 3. Effective Date. This ordinance becomes effective January 1, 2023 unless earlier repealed by Nome voters by referendum.

Section 4. Notice of Eligibility for Repeal by Referendum. Notwithstanding any other provision of law this ordinance is subject to repeal either before or after its effective date by a referendum approved by a majority of those voting on whether to repeal this ordinance.

APPROVED and SIGNED this 23rd day of May, 2022.

John K. Handeland
Mayor

ATTEST:

Bryant Hammond
City Clerk