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**STAFF REPORT: CHANGES TO THE DOWNTOWN HISTORIC DISTRICT TAX REBATE PROGRAM (secs. 53-530 to 53-534)**

By: Jeremy Wells  
Date: May 26, 2010

**Background:**

The Downtown Historic District tax rebate program was originally passed in 1999 as a way to reward property owners for consenting to the designation of their buildings. Due to the substantial increase in the number of individually owned properties, such as condos, within contributing buildings since 1999, the administrative overhead associated with the rebate has increased exponentially. In addition, many rebate checks to individual owners are for very small amounts, sometimes as little as \$20 or less. In order to remedy these issues while still keeping the rebate program in place, the Controller's Office and Community Planning and Development is recommending that a single representative be appointed for each of the 42 contributing buildings in the Downtown Historic District. This representative would apply, on a yearly basis, for the property tax rebate. The City would then cut a rebate check to this representative. It is up to the representative (and the managing organization associated with the property) to determine how these funds would be distributed and used.

The Landmark Preservation Commission approved these changes at their meeting on April 20, 2010.

**Outreach activities:**

There have been two meetings with downtown building owners and representatives from the Downtown Denver Partnership, Historic Denver, and the National Trust for Historic Preservation. In the last meeting on April 7, the consensus was to move forward with these recommended changes. In addition, the Downtown Denver Partnership has contacted all the owners of the affected buildings alerting them to the change.

**A summary of the major changes to the ordinance:**

1. Sec. 53-531 (3): The collective owners of a property are required to appoint an authorized representative for each structure; the authorized representative would then make a yearly application for the property tax rebate.
2. Sec. 53-532: The dates for annual certification have been changed to reflect actual practice.
3. Sec. 53-533: Rebates of less than \$100 will not be distributed. (This is not currently expected to impact any of the buildings as the rebate amount would be in excess of \$100 per building.)

**Staff Recommendation:**

The staff recommendation is to approve the changes as presented to secs. 53-530 and 53-534, forwarding it to City Council with a recommendation for approval.

**END**



# DRAFT

Draft of March 9, 2010

## ARTICLE XIV. - DOWNTOWN HISTORIC DISTRICT PROPERTY TAX REBATE INCENTIVE

### **Sec. 53-530. Rebate of property taxes.**

For each qualifying structure in the downtown historic district, the city council may annually appropriate a rebate amount up to or equal to the local portion of real property taxes due in excess of those local property taxes due for tax year 1999 (or the first year the structure qualifies as a qualifying structure, whichever is later) for twenty years from the first tax year in which the structure qualifies for the rebate. After twenty (20) years, and for so long as the structure remains a qualifying structure, such rebate shall continue at the same dollar amount as in the twentieth year, and shall not further increase. The first tax year in which the structure qualifies for the rebate shall be deemed to be the year the structure meets the criteria of section 53-531, whether or not the owner of the structure actually receives a rebate in that or any subsequent year. "Local portion of real property taxes," for the purposes of this article, means the general fund property taxes levied against the land and improvements on a property, excluding those taxes levied by the Denver public schools and any unit of government other than the City and County of Denver. Such rebate shall not affect that portion of property taxes pledged to Denver Urban Renewal Authority (DURA).

### **Sec. 53-531. Qualifying structures.**

To be a qualifying structure, a structure must:

- (1) Be in the downtown historic district;
- (2) Be certified by the landmark preservation commission (LPC) as qualifying based on the following criteria:
  - a. The street elevation of the building must be in good repair;
  - b. The street elevation of the building must be substantially original in appearance; and
  - c. The building systems must be in good repair.Nothing in the above criteria shall be read to require compliance with contemporary building codes; and
- (3) Have an authorized representative appointed for the structure. For the purposes of this section 53-531(3) an "authorized representative" is the person or entity that will make application to the City for a property tax rebate and the entity to which the rebate will be paid. If there is but one owner that owner shall be the authorized representative, if there is more than one owner, then the owners shall decide upon an authorized representative.
- (4) If the owners of such structure have received funds from DURA, the structure shall not be a qualifying structure so long as funds are still being received from DURA or the owners have any outstanding repayment obligations to DURA. Once the structure ceases to receive DURA funding, all repayment

obligations are satisfied, and (1) and (2) above are met, the structure may then be certified as a qualifying structure.

**Sec. 53-532. Annual certification by landmark preservation commission.**

Upon application for a property tax rebate by the authorized representative of a structure in the downtown historic district the LPC shall determine whether the structure meets the criteria of 53-531. To be considered for a rebate, all applications must be turned in to the LPC by September 1 of the year the taxes were due and paid. The LPC shall then compile a list of the qualifying structures and shall certify annually a list of qualifying structures in the downtown historic district.

**Sec. 53-533. Payment from downtown historic district property tax rebate fund.**

The manager of finance, after receiving the list of qualifying structures from the LPC, shall find and determine the eligibility ~~of the owner of each~~ structure property to payment of a rebate under this article, and shall pay to said ~~owner structure's authorized representative,~~ such payment from the funds appropriated to the downtown historic district property tax rebate fund, and no other, by the first day of ~~February~~ September of the succeeding calendar year, provided, however, that:

(1) ~~T~~the property owner authorized representative shall not be considered eligible to receive payment of a rebate except unless the property owner has paid any and all on property taxes ~~due on said property that have been paid; and~~ provided further, that

(2) if an individual rebate payment would amount to less than ten dollars (\$10.00) one hundred dollars (\$100.00), no payment shall be made;

(3) Property taxes paid after the due date for such payment shall not be eligible for a rebate; and

(4) If the taxes on any separate ownership parcel of a qualifying structure are not paid as of the due date, any rebate for the remainder of the qualifying structure shall be made only on the portion of the qualifying structure for which taxes have been paid by the due date.

**Sec. 53-534. Recapture of rebate.**

In the event that a qualifying structure were to be demolished, whether intentionally or by the neglect of the landowner, the total amount of property taxes rebated to the owner or owners of said property by the city would then be owed to the city and must then be repaid to the city by the then current owner or owners. In the event that said taxes are not repaid as provided in this section 53-534, a lien may be assessed against the property. To initiate such a lien, a statement of said lien, including the amount owed, shall be certified by the LPC to the manager of finance, who shall record a notice of such lien with the clerk and recorder. The manager of finance shall assess and charge the same against the property involved, and collect the same due, plus interest thereon, in the manner as are delinquent real property taxes. If the lien remains unsatisfied, the

manager of finance shall sell the property involved in the manner prescribed for sales of property for delinquent property taxes. The lien created thereby shall be superior and prior to all other liens, regardless of their dates or recordation, except liens for general taxes and special assessments. In addition to the remedies set forth herein, an action or other process provided by law may be maintained by the city to recover or collect any amounts, including interest, owing under this provision.