



Legislation Details (With Text)

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On agenda: 2/21/2023 **Final action:** 2/21/2023
Title: Conduct the public hearing and direct staff to prepare ordinances approving the Block 59 Business District Plan and setting an associated Business District tax of one percent

Sponsors:

Indexes:

Code sections:

Attachments: 1. Revised Draft Block 59 Business District Plan dated January 26, 2023, 2. Appendix A to the Revised Draft Business District Plan, 3. Appendix B to the Revised Draft Block 59 Business District Plan, 4. Certificate of Newspaper Publication

Date	Ver.	Action By	Action	Result
2/21/2023	1	City Council	closed	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Conduct the public hearing and direct staff to prepare ordinances approving the Block 59 Business District Plan and setting an associated Business District tax of one percent

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: William J. Novack, Director/City Engineer

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Brixmor Properties ("Brixmor") owns both the Westridge Court and Heritage Square shopping centers and has been assessing major changes to the sites. They plan to remove many of the existing buildings and re-orient the site with a central public green space surrounded by outlots along Route 59 and Aurora Avenue. This will require complete removal and relocation of the infrastructure that serves these centers.

On September 20, 2022 the City Council adopted a resolution expressing the City's intent to consider the designation of a Business District, impose a Business District tax, and induce development interest for the Westridge Court and Heritage Square properties.

On December 20, 2022 the City Council passed an ordinance scheduling a public hearing on January 17, 2023 to consider the establishment of the Block 59 Business District. Because there was not enough support to establish a Business District over the entire Westridge Court center, the City Council directed Brixmor to return with a plan that removed the two northern parcels of the

Westridge Court center.

The revised draft Business District plan removing the northern parcels was presented at the February 7, 2023 meeting. The City Council supported the changes and passed an ordinance scheduling a public hearing for the revised Business District for February 21, 2023.

As required by state statute, the Notice of The Public Hearing was published in the newspaper. Attached is the certificate from the Tribune Media Group confirming the notice was published on February 8, 2023 and February 10, 2023. Also attached is a copy of the revised draft Business District plan.

DISCUSSION:

Brixmor seeks to collect \$13.4 million net present value dollars through the Business District. With the removal of the northern portion of Westridge Court, Brixmor believes they can still collect all that they seek, however it will take between 20-23 years and the total collected will exceed \$20 million.

Brixmor has also committed to not seeking any reimbursement of proceeds collected until after all the following have been satisfied:

1. All the existing buildings to be demolished have been removed and all the new infrastructure (building pads, parking lots and required utilities) and community improvements have been installed and approved by the City.
2. The proposed public green space has been installed and completed.
3. The first Certificate of Occupancy has been obtained.

Additionally, as requested by the City Council, Brixmor has committed to paying for half of the traffic signal installation at the Jefferson Avenue entrance. Details of all commitments, including the traffic signal, will be included in the Redevelopment Agreement for the project.

At the February 21 public hearing the City Council will hear comments, and after deliberation, determine if proceeding with establishing this revised Business District is appropriate. If approval is supported, then the City Council shall direct staff to draft ordinances establishing the Business District and approve the 1% sales tax.

The ordinances must be approved between 20-90 days following the closure of the public hearing. Staff will work with Brixmor on a Redevelopment Agreement that will include all the details and reimbursement restrictions.

The earliest both the ordinances and the Redevelopment Agreement could be on an agenda is March 21. If approved at that meeting, the state will start collecting the Business District taxes on July 1, 2023.

FISCAL IMPACT:

There will be no direct costs to the City, only the staff time necessary to administer and disburse the proceeds generated by the Business District.