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By Alderperson

:

Council AS A Whole

Seconded by Alderperson

:

**A RESOLUTION TO APPROVE PROPOSED LOCAL LAW NO. 7 OF 2020 AS TO FORM AND
SCHEDULING A PUBLIC HEARING THEREON**

WHEREAS, The City of Rensselaer is desirous of establishing a Local Law to implement Section 485-a of the New York State Real Property Tax Law in the City of Rensselaer thereby creating a Residential-Commercial Urban Exemption upon the conversion of nonresidential real property to mixed-use property, and

WHEREAS, the Common Council has reviewed proposed Local Law No. 7 of the year 2020, and

WHEREAS, such Local Law appears appropriate as to form and it appearing appropriate for a Public Hearing to be scheduled so as to consider public comments on such proposed Local Law,

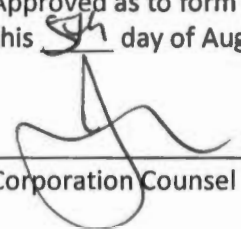
NOW, THEREFORE BE IT RESOLVED, that proposed Local Law No. 7 of the year 2020 is hereby approved as to form, and

BE IT FURTHER RESOLVED, that a Public Hearing will be held at 6:30 p.m. on August 19, 2020, at the City Hall of the City of Rensselaer located at 62 Washington Street, Rensselaer, New York, so as to allow the Common Council to hear Public Comment on proposed Local Law No. 7 of 2020, and

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to issue appropriate Public Notice of the Public Hearing scheduled herein.

James Van Vorst	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
Dave Gardner	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
Bryan Leahey	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
James Casey	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
Eric Endres	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
Margaret Van Dyke	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
John DeFrancesco	<input checked="" type="checkbox"/> Aye	<input type="checkbox"/> No	<input type="checkbox"/> Abstain	<input type="checkbox"/> Absent
Vote Totals	7 Aye	0 No	Abstain	Absent
Result	PASSED			

Approved as to form and sufficiency
this 5th day of August, 2020


Corporation Counsel


Mayor

CITY OF RENSSELAER
DEPARTMENT OF ECONOMIC DEVELOPMENT
2020 LEGISLATIVE IMPACT STATEMENT

From: John J. Bonesteel, Director- Economic Development

RE: Proposed Local Law #7 of 2020, To Establish Article X, Section 155 of the Code of the City of Rensselaer, New York, Adopting a Residential-Commercial Urban Exemption pursuant to Section 485-a of the New York State Real Property Tax Law

Summary/Purpose: The proposed law would provide an exemption from an increase in city real property taxes and special ad valorem levies for non-residential real property upon, and arising from, conversion of any such property to mixed-use property in accordance with Section 485-a of the Real Property Tax Law of the State of New York (RPTL).

The proposed law, if adopted, will exclude from exemption conversions commenced subsequent to the date the proposed law becomes effective. It shall also exclude conversions costing \$10,000 or less and will further exclude, from the term “conversion”, ordinary maintenance and repairs. No exemption under the proposed law will be granted concurrent with or subsequent to any other exemption granted for the same property except where, during the period of such previous exemption, payments in lieu of taxes or other payments are being made to the City in amounts equal to or greater than the payments that would be made following the NYS RPTL 485-a schedule for the appropriate year after the first tax status date following the issuance of a Certificate of Occupancy for conversion of the subject property.

The desired effect of the proposed law is to induce owners of non-residential real estate to convert such properties to mixed-use residential-commercial purposes without imposing an increase in tax or special ad valorem levies arising from the conversions, thereby broadening the City tax base without a loss of revenues collected prior to such conversions.

Fiscal Impact: No fiscal impact will result from passage of the proposed law; all pre-conversion real property taxes and special ad valorem levies will continue to be collected at equalization rates and tax rates in effect pre-conversion and as they may change from time to time. The proposed exemption will apply only to the increase in assessment and the resulting taxes and special ad valorem levies arising from conversions.

As the exemption schedule progresses, tax revenue will escalate after an initial dormant period designed to attract real property investors.

Adoption of the law will put the City of Rensselaer on par with the cities of Albany, Menands and Cohoes which communities currently offer such exemption in their respective city codes. The results of future competition for mixed-use project attraction with those communities will then become more favorable for the City of Rensselaer than in the past.

Pursuant to the provisions of NYS RPTL Section 485-a, adoption of the law by the City of Rensselaer will set the stage for the passage of identical exemptions by the Rensselaer City School District and by the County of Rensselaer, thereby optimizing the benefit to the community as is the case in the nearby Albany County cities of Albany, Menands and Cohoes.

CITY OF RENSSELAER

LOCAL LAW NO. 7 OF THE YEAR 2020.

A Local Law **To Establish Article X, Section 155, of the Code of the City of Rensselaer, New York, Adopting a Residential-Commercial Urban Exemption pursuant to § 485-a of the New York State Real Property Tax Law**

Be it enacted by the Common Council of the City of Rensselaer as follows:

ARTICLE I. INTENT

This Local Law shall be known as Local Law No. 7 of 2020, and shall establish Article X, of Section 155, of the Code of the City of Rensselaer, New York, adopting a Residential-Commercial Urban Exemption pursuant to § 485-a of the New York State Real Property Tax Law. This Local Law supersedes all previously adopted Local Laws concerning such exemptions. The purpose of this Local Law is to provide an exemption from taxation and special ad valorem levies, non-residential real property, upon conversion to mixed-use property in accordance with § 485-a of the Real Property Tax Law of the State of New York (RPTL).

ARTICLE II. LEGISLATIVE ACTION

The Common Council of the City of Rensselaer, New York, hereby establishes Article X, Section 155, of the Code of the City of Rensselaer, New York, so as to read as follows:

Section 155-46 Legislative Intent.

It is the intent of this article is to afford and provide an exemption from taxation and special ad valorem levies, non-residential real property, upon conversion to mixed-use property in accordance with § 485-a of the Real Property Tax Law of the State of New York (RPTL).

Section 155-47 Definitions.

Except as defined in this article, all terms shall have the meanings set forth in § 485-a of the New York State Real Property Tax Law.

Section 155-48 Exemption Granted.

Nonresidential real property, upon conversion to mixed-use property, shall be exempt from taxation levied by the City of Rensselaer on the increase in assessed value attributable to such conversion to the extent provided hereinafter pursuant to and in accordance with § 485-a of the NYS Real Property Tax Law. The length of said exemption shall be for a period of twelve (12) years after

completion of construction/conversion to mixed-use property and upon approval of an application for said exemption. Such exemption shall be computed with respect to the exemption base. The exemption base shall be determined for each year in which there is an increase in assessed value so attributable from that of the previous year's assessed value. Such exemption shall be computed in accordance with the following table:

Year of Exemption	Percentage of Exemption
1-8	100% of exemption base
9	80% of exemption base
10	60% of exemption base
11	40% of exemption base
12	20% of exemption base

Section 155-49 Exclusions from Exemption

A. No exemption pursuant to this article shall be granted unless:

(1) Such conversion was commenced subsequent to the effective date of this article.

(2) The cost of such conversion exceeds the sum of \$10,000.

(3) At least 25% of the building or structure's square footage shall be devoted to commercial purposes or use. For the purposes of this Article "Commercial Purpose and Use" shall be defined as real property used primarily for the buying, selling, or otherwise providing goods and services directly to the public, including hotel services, retail stores, office space, restaurants, bars, gyms, theaters and cafes.

B. **The term conversion shall not include ordinary maintenance or repairs.**

C. No such exemption shall be granted concurrent with or subsequent to any other real property tax exemption granted to the same improvements to real property, except, where during the period of such previous exemption, payments in lieu of taxes or other payments were made to the City in an amount that would have been equal to or greater than the amount of real property taxes that would have been paid on such improvements had such property been granted an exemption pursuant to this article. In such case, an exemption shall be granted for a number of years equal to the twelve-year exemption granted pursuant to this section less the number of years the property would have been previously exempt from real property taxes.

Section 155-50 Time to file application.

Any exemption pursuant to this article shall be granted only upon application by the owner thereof on the form prescribed by the New York State Board of Real Property Tax Services. The application shall be filed with the Assessor of the City of Rensselaer on or before the taxable status date of March 1 and within one year from the date of completion of such construction, alteration, installation or improvement to be eligible for an exemption to be entered on the assessment roll prepared on the basis of said taxable status date.

Section 155-51 Application Review

A. The Assessor of the City of Rensselaer shall review applications to determine whether applicant is entitled to an exemption pursuant to this section. If approved, such real property shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the assessment roll prepared after the taxable status date referred to herein. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

B. In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

ARTICLE III. EFFECTIVE DATE

This Law shall take effect upon its filing with the Office of the Secretary of State.

1. (Final adoption by local legislative body only.)

I hereby certify that the local law annexed hereto, designated as Local Law No. 7 of 2020 of the City of Rensselaer was duly passed by the Common Council on _____, 2020, in accordance with the applicable provisions of law.

2. (Passage by local legislative body with approval, no disapproval or repassage after disapproval by Elective Chief Executive Officer*.)

I hereby certify that the local law annexed hereto, designated as Local Law No. 7 of 2020 of the City of Rensselaer was duly passed by the Common Council on _____, 2020, and was (approved)(not approved) (repassed after disapproval) by the Elective Chief Executive Officer*, Mayor Michael Stammel, and was deemed duly adopted on _____, 2020.

3. (Final adoption by referendum.)

I hereby certify that the local law annexed hereto, designated as Local Law No. ____ of 2020 of the _____ was duly passed by the _____ on _____, 2020, and was (approved)(not approved)(repassed after disapproval) by the Elective Chief Executive Officer*, _____ on _____, 2020. Such Local Law was submitted to the people by reason of a (mandatory)(permissive) referendum, and received the affirmative vote of a majority of the qualified electors voting thereon at the (general)(special)(annual) election held on _____, 2020, in accordance with the applicable provisions of law.

4. (Subject to permissive referendum and final adoption because no valid petition was filed requesting referendum.)

I hereby certify that the local law annexed hereto, designated as Local Law No. ____ of 2020 of the _____ was duly passed by the _____ on _____, 2020, and was (approved)(not approved)(repassed after disapproval) by the Elective Chief Officer*, _____, on _____, 2020. Such local law was subject to permissive referendum and no valid petition requesting such referendum was filed as of _____, 2020, in accordance with the applicable provisions of law.

5. (City local law concerning Charter revision proposed by petition.)

I hereby certify that the local law annexed hereto, designated as Local Law No. _____ of 2020 of the City of _____ having been submitted to referendum pursuant to the provisions of section (36)(37) of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of such city voting thereon at the (special)(general) election held on _____, 2020, became operative.

* Elective Chief Officer means or includes the chief executive officer of a county elected on a county-wide basis or, if there be none, the chairperson of the county legislative body, the mayor of a city or village, or the supervisor of a town where such officer is vested with the power to approve or veto local laws or ordinances.

6. (County local law concerning adoption of Charter.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 2020 of the County of _____ State of New York, having been submitted to the electors at the General Election of November _____, 2020, pursuant to subdivisions 5 and 7 of section 33 of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of the cities of said county as a unit and a majority of the qualified electors of the towns of said county considered as a unit voting at said general election, became operative.

(If any other authorized form of final adoption has been followed, please provide an appropriate certification.)

I further certify that I have compared the preceding local law with the original on file in this office and that the same is a correct transcript therefrom and of the whole of such original local law, and was finally adopted in the manner indicated in paragraph 1, above.

Clerk of the County Legislative Body, City, Town or Village
Clerk or officer designated by local legislative body

CITY CLERK

(Seal)

Date: _____

(Certification to be executed by County Attorney, Corporation Counsel, Town Attorney, Village Attorney or other authorized attorney of locality.)

State of New York
County of Rensselaer

I, the undersigned, hereby certify that the foregoing Local Law contains the correct text and that all proper proceedings have been had or taken for the enactment of the Local Law annexed hereto.

Corporation Counsel

Title

CITY OF: RENSSELAER

Date: _____

DRAFT