

Briefing on a Historic Preservation Tax Exemption Request 325 N. St. Paul - Republic Tower

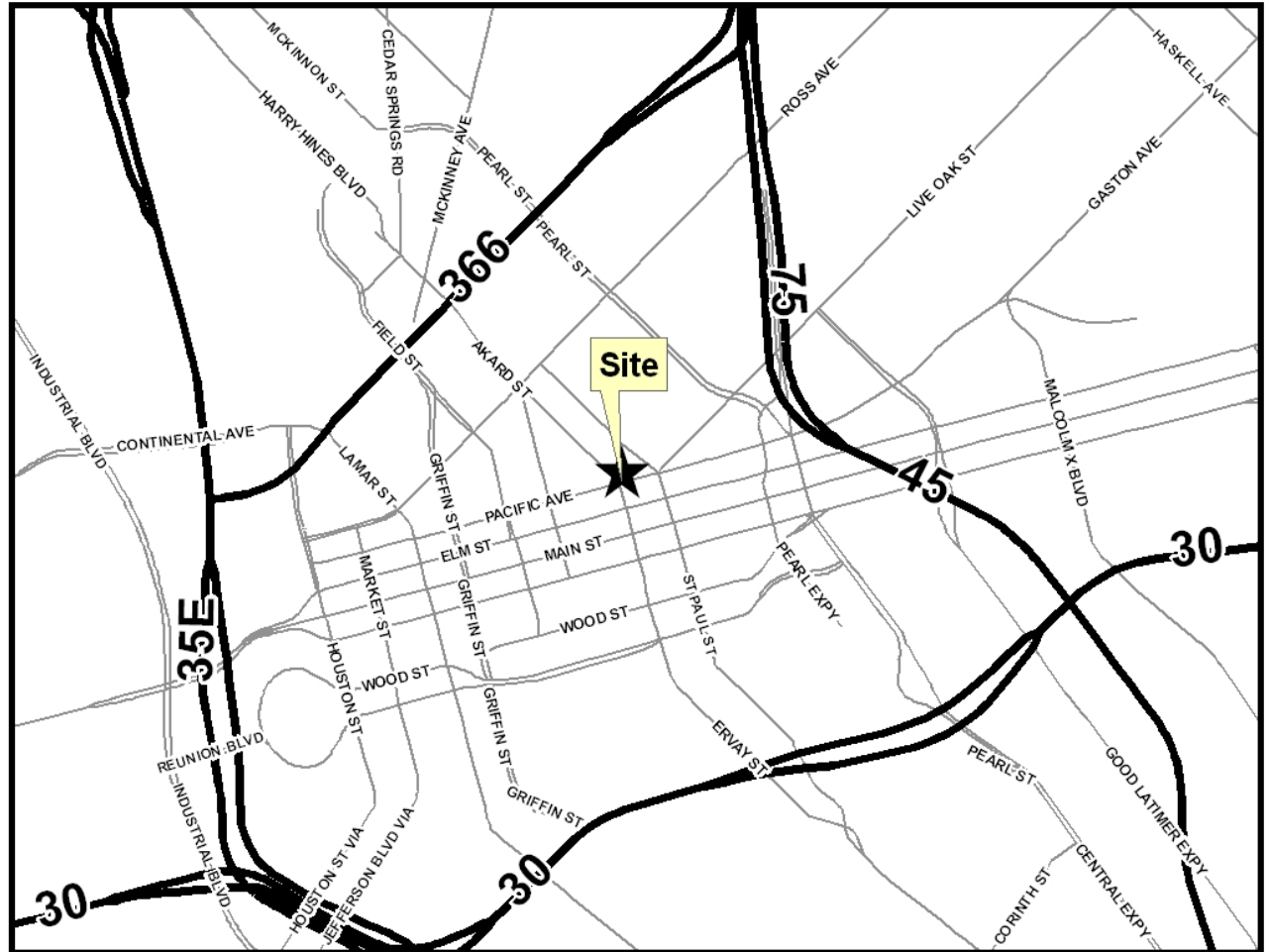
**September 18, 2007
Economic Development Committee**



Purpose

The purpose of this briefing item is to review an extension of the required completion date for a Historic Development Program tax exemption. This exemption is on the added value of the structure (land not included) for nine years, for the Republic Tower Building located at 325 N. St. Paul Street

Location







Background

- This is Republic Tower, Historic Overlay District No. 117.
- Prior to this project being undertaken, the building was vacant.
- The applicant has redeveloped the historic building into residential apartments.

Historic Development Program

- By Resolution No. 033387, approved on December 8, 2003, the City Council authorized a Historic Development Program tax abatement for 325 N. St. Paul, Republic Center, Tower 1.
- The abatement was for nine years on the added value of the structure (land not included).

Historic Development Program

- The resolution stated that the restoration must be complete and a certificate of occupancy be obtained within three years after the date the certificate of eligibility was approved. Given that criteria, the deadline was November 3, 2006.
- The project is now complete, but the paperwork to complete the exemption was submitted after the November 3, 2006 deadline, therefore an extension is now being requested.
- Section 51A-11.103.(f)(2) of the Historic Development Program allows the completion date deadline to be extended.

Values

Improvements value (2002):	\$3,128,810
Land value (2007 – land is excluded from the abatement):	\$3,134,520
Minimum required expenditures:	\$2,342,858
Total estimated expenditures:	\$46,000,000

Values

- This is an abatement on the added value of the structure (land excluded) for nine years

Estimated annual abatement:	\$334,512
Estimated total abatement:	\$3,010,608
Number of years in which the city will recapture forgone revenue after the abatement has ended	1.07
Estimated 2007 taxes paid on pre-rehab value (2002 improvement value and 2007 land value)	\$45,511

Landmark Commission

- This application was approved by the Landmark Commission in June of 2007.

Staff Recommendation

- Approval of the extension of the required deadlines for completion of rehabilitation and receipt of a certificate of occupancy to November 3, 2007 for the property located at 325 N. St. Paul.