

ORDINANCE NO. 13893

AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE,
PART II, CHAPTER 11, ARTICLE XXI, DOWNTOWN
CENTRAL BUSINESS IMPROVEMENT DISTRICT
(DOWNTOWN CBID), SECTION 11-531, ESTIMATED COSTS
AND RATE OF LEVY; SPECIAL ASSESSMENT PROCEDURE
FOR CERTAIN NON-PROFIT ORGANIZATIONS.

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Chattanooga City Code, Part II, Chapter 11, Article XXI, Downtown Central Business Improvement District (Downtown CBID), Section 11-531, Estimated Costs and Rate of Levy; Special Assessment Procedure, be amended by deleting same in its entirety and substituting in lieu thereof as follows:

Sec. 11-531. Estimated Costs and Rate of Levy; Special Assessment Procedure.

A. The estimated cost of the initially proposed improvements, service projects and other permitted uses of special assessment revenues is One Million and No/100 Dollars (\$1,000,000.00).

B. A special assessment shall be collected from all real property within the Downtown CBID in accordance with this Section exclusively for the Downtown CBID, and not for the general tax coffers of the City or County. Notwithstanding the foregoing, or anything contained herein to the contrary, all property owned directly by the City and County or non-profit organizations under T.C.A. § 67-5-212 determined to be exempt by the CBID Board shall be exempt from the special assessment in accordance with Tennessee Code Annotated Section 7-84-523. This Downtown CBID will utilize the special assessments which distinguish between (i) Commercial Property and (ii) Residential Condominiums. Commercial Property shall be assessed under the following formula: \$0.09 per square foot of the greater of (i) lot square footage or (ii) building square footage PLUS \$4.95 per linear foot of Lot Frontage on roadways as these values are listed on the Hamilton County Geographic Information Systems and by the Hamilton County Assessor's Office.

The formula for a Commercial Property is thus: $\$0.09 (A) + \$4.95 (B) = \text{Total BID Assessment}$.

In the first year of the BID, the estimated annual assessments for properties will be as follows:

Total Commercial Property Rate	\$0.09 per square foot of the greater of lot or building square footage PLUS \$4.95 per linear foot of Lot Frontage on roadways
Residential Condominium (Flat Rate; per unit)	\$150.00

C. “Frontage” refers to parcel frontage on all adjoining roadways. All parcel sides that front a street which is serviced by the Downtown CBID are covered, including those located along the exterior boundaries of the Downtown CBID.

D. The Downtown BID assessment for a Commercial Property in a mixed-use building shall be calculated by multiplying \$0.09 by the greater of lot or building square footage. The lot square footage for Commercial Property in a mixed-use building shall be calculated by multiplying the total lot square footage by a fraction, the numerator of which shall be the Commercial Property Owner’s share of the building square footage, and the denominator which shall be the total building square footage. This will be added to the Owner’s Frontage calculation, which shall be calculated by multiplying \$4.95 by the Owner’s share of the Frontage. The Owner’s share of the Frontage is calculated by multiplying the total Frontage by a fraction, the numerator of which shall be the Commercial Property Owner’s building square footage, and the denominator of which shall be the total building square footage. In the event only one Commercial Property Owner borders a roadway in a mixed-use building, that Commercial Property Owner shall be responsible for all Frontage along such roadway.

The formula for a Commercial Property in a mixed-use building is thus:

$\$0.09 (\text{greater of Owner’s share of lot or building square footage}) + \$4.95 (\text{Owner’s share of Frontage}) = \text{BID Property Assessment for Commercial Properties in mixed-use buildings}$.

E. Parking garages shall be assessed based on Frontage and lot size, rather than building size. In the event a parcel is improved by a building and a parking garage, the square footage of the parking garage shall be deducted from the square footage of the building for the purposes of the building’s special assessment.

F. Non-profit organizations that own real property located within the Downtown CBID may seek reductions and/or waivers of the special assessment on a case-by-case basis each year provided that: (i) the Owner is an institutional nonprofit organization registered under Section 501(c)(3) of the US Internal Revenue Code, (ii) the property is exempt from property taxes as a

religious, charitable, scientific, or educational institution under T.C.A. § 67-5-212, and (iii) the Owner demonstrates substantial financial and/or economic hardship to the CBID Board, as determined by the CBID Board in its sole discretion. The CBID Board has determined under this subsection that Saint Paul's Episcopal Church at 305 W. 7th Street and Second Presbyterian Church at 700 Pine Street are permanently approved for this exemption and waiver of the special assessment.

G. The CBID Board may determine annual adjustments in the special assessment rates at its sole discretion consistent with increases in program services and costs; however, in no event shall annual assessments increase by more than five percent (5%) per annum. A change in the rate of levy of such special assessment may be initiated only by a resolution from the CBID Board. Special assessments shall be imposed and collected annually as set forth hereinabove. Changes in the rate or additions to the rate of the special assessment, upon approval by the CBID Board, may be made only on an annual basis and through a public hearing before the City Council in accordance with T.C.A. § 7-84-522(f).

H. Beginning in 2019, special assessments shall be levied against all real property within the Downtown CBID pursuant to a special assessment roll of all Owners within the District as shown in the records of the Assessor of Property for the City Government of Chattanooga and Hamilton County.

I. Notice of the special assessment for the District shall be issued simultaneously with tax notices for regular Hamilton County and City of Chattanooga real property taxes, and revenues from the special assessment shall be collected by the City Treasurer to the extent the Treasurer is empowered by this ordinance to collect this assessment. All collections of assessments by any government official other than the City Treasurer shall be reviewed and approved by subsequent amendments to this Ordinance. The authority of the City Treasurer to collect the assessment will be reviewed in one (1) year for continuance. Additionally, the City will collect no less than a two (2%) percent fee for collections. Also, the City will take zero (0%) percent enforcement actions against non-fee payers.

J. All CBID Board meetings during the term of this Ordinance shall comply with the Open Meeting requirements of Tennessee Code Annotated Section 8-44-107.

K. The CBID shall be subject to audits pursuant to Ordinance Section 2-510 or other applicable ordinances of the City of Chattanooga every year during the term of this Ordinance before the annual City budget is approved.

SECTION 2. BE IT FURTHER ORDAINED, That this Ordinance shall take effect immediately from and after its passage.

Passed on second and final reading: September 6, 2022

CHAIRPERSON

APPROVED:____ DISAPPROVED:____

MAYOR

PAN/mem/v3