

**CITY OF FLORENCE, KENTUCKY
ORDINANCE O-23-2023**

AN ORDINANCE OF THE CITY OF FLORENCE, KY ESTABLISHING AN ECONOMIC INCENTIVE AND GRANT PROGRAM TO DEMOLISH ABANDONED AND BLIGHTED REAL ESTATE

WHEREAS, the City of Florence ("City) recognizes the need to address abandoned and blighted real estate within its jurisdiction; and

WHEREAS, the City aims to encourage property owners to demolish such properties for the purposes of redevelopment, which can lead to increased revenue, job creation, decreased blight, and enhanced property tax value; and

WHEREAS, the City seeks to provide an economic incentive and grant program to support eligible property owners in their efforts to demolish abandoned and blighted real estate;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE AS FOLLOWS:

SECTION I: TITLE AND PURPOSE

This ordinance shall be known as the "City of Florence Economic Incentive and Grant Program to Demolish Abandoned and Blighted Real Estate." The purpose of this program is to provide financial assistance to qualified property owners within the City of Florence to facilitate the demolition of abandoned and blighted buildings for the purposes of redevelopment.

SECTION II: DEFINITIONS

The following definitions shall apply unless the context clearly indicates or requires a different meaning.

BLIGHTED OR ABANDONED BUILDING. The primary building on a parcel of real estate that is in a dilapidated, unsafe, and unsightly condition.

DEMOLITION COSTS. All costs incurred to demolish all or part of the Blighted or Abandoned Building, including the cost to clear the site. Cost does not include permit and/or demolition fees or environmental reports.

ELIGIBLE OWNER. Any owner of Real Estate within the City of Florence improving property within the City of Florence.

GRANT. A fund allocation to reimburse the documented cost of demolition, covering the first \$10,000 of demolition cost. Beyond this initial \$10,000 amount, the City will match one-half of the total demolition cost, with a maximum out-of-pocket limit set at \$40,000.00 for the City.

SECTION III: ELIGIBILITY

3.1 No Eligible Owner shall receive a grant established by this chapter without a valid certification by the Economic Development Director that the reimbursement of Demolition Costs for Abandoned or Blighted Property will improve the real estate value of the surrounding real estate.

3.2 An Eligible Owner may qualify for a Grant established in this chapter by submitting a written application for it to the city with all the information required by the city, which shall include, without limitation:

- (1) Information about the ownership of the Real Estate including providing a copy of the Deed;
- (2) Cost estimate for Demolition Costs;
- (3) An explanation for how the demolition meets any of the following factors:
 - a) Directly increase future revenue/job creation in the City of Florence.
 - b) Significantly decrease blight within the City of Florence.
 - c) The demolition will significantly increase the property tax value.

3.3 An application for the Grant established in this chapter shall be reviewed by the Director of Administration - City Administrator, and the Director of Business and Community Development of the city for completeness, accuracy and compliance with this ordinance; but the Director of Business & Community Development shall certify that said Grant will benefit the citizens of Florence and improve the property values of the City of Florence.

3.4 An application shall be submitted with a plan, including purpose of the demolition, use of the property after the demolition, and marketing strategy.

3.5 The Administration Department reserves the right to modify, accept, reject, or amend the eligibility and approval of any and all applications to demolish abandoned and blighted structures in accordance with the program guidelines and objectives. Any modifications or amendments will be communicated to the applicants during the review and approval process.

SECTION IV: INCENTIVE DETAILS

4.1 A property owner with a qualifying property and demolition proposal may be reimbursed for up to 100% of the demolition costs, up to a maximum of \$10,000.

4.2 If the demolition costs exceed \$10,000, the property owner may be reimbursed an additional 50% of the demolition costs, up to a maximum total reimbursement by the City of \$40,000.

i.e. If the total demolition cost is \$60,000.

- a) The first \$10,000 is covered by the City. (The remaining amount to be considered for the matching grant is \$50,000 (\$60,000 - \$10,000).
- b) The City's additional contribution would be 50% of \$50,000, which is \$25,000.

- c) The City's total contribution would be \$35,000 (\$10,000 + \$25,000)
- d) Thus, the applicant's responsibility for the demolition costs would be \$25,000, calculated as the remaining amount (\$60,000 - \$35,000) after the City's contribution of \$35,000 is deducted.

Other examples:

Example 1	Demolition Cost	City's Responsibility	Applicants Responsibility
1	\$10,000	\$10,000	\$0
2	\$60,000	\$35,000	\$25,000
3	\$150,000	\$40,000	\$110,000

SECTION V: APPLICATION REQUIREMENTS

To apply for the economic incentive and grant program, the property owner must submit the following information to the Director of Business & Community Development:

- a) A completed application form;
- b) A copy of the Deed for the property;
- c) A description of the reasons the property should be demolished;
- d) A description of the future plans for the property, including future redevelopment plans and marketing strategy if proposing to sell;
- e) A cost estimate for the proposed demolition (for pre-approval) and a copy of the receipts for demolition costs (for reimbursement).

SECTION VI: COMPLIANCE

The property owner shall comply with all applicable laws, regulations, and permits related to the demolition and redevelopment of the property.

SECTION VII: SEVERABILITY

If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances shall not be affected.

SECTION VIII: EFFECTIVE DATE

This ordinance shall take effect immediately upon its adoption and publication as required by law.

PASSED AND APPROVED ON FIRST READING THIS 25th DAY OF JULY, 2023.

PASSED AND APPROVED ON SECOND READING AND PUBLICATION ORDERED THIS
8th DAY OF AUGUST, 2023.

APPROVED:

/s/ Julie M. Aubuchon
Julie M. Aubuchon, Mayor

ATTEST:

/s/ Melissa Kramer
Melissa Kramer, City Clerk