

CARROLLTON
TEXAS


Creation

- A resolution must be adopted by Council with the following:
 - Determinations set forth in previous slide;
 - Description of boundaries of the zone(s);
 - Finding of public purpose; and
 - Finding of compliance with 312.202 Tax Code.


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Fee Waivers

- A municipality may waive or adopt fees related to building construction, including:
 - Inspection fees;
 - Impact fees; and
 - Permit fees.
- Off-site fees could be waived, if they are assessed as a cost of construction within a specified area.


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Tax Abatements

- A municipality may enter into an agreement to:
 - Refund sales tax of sales in the NEZ for up to 10 years; and
 - Abate property tax, subject to the limits of §312.204.
- Authority to abate sales tax recognized in Tex. Atty. Gen. Op. GA-0137(2004).




Substandard Structures

- Consideration of substandard building process should be provided for in policy.
- Has enforcement action started?
- Is a demolition order pending?
- Has a structure been demolished on the property in the past?
- Are there municipal liens on the property?




Economic Development

- In comparison to ch. 380 of the LGC, ch. 378 is much less flexible.
- The program is usually based on specific needs of an area of a city.
- Grants of money, except for a refund of sales tax, as an incentive is not provided for under ch. 378.




Marketing

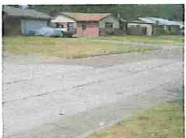

- Increase participation
- Enable residents to comply with program requirements
- Incentivize redevelopment of NEZs



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Case Study

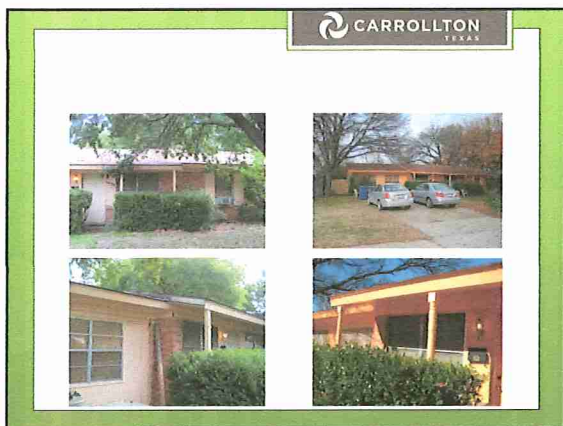
- Carrollton adopted a resolution establishing 5 NEZs in 2013.
- Policy provides for waiver of fees.
- In 2014, 414 permits were issued, without fees, resulting in over \$2.6m investment in NEZs. (\$160m in value issued City-wide.)
- To date in 2015, 371 permits (\$3.7m value) issued in NEZs. (\$182m value City-wide.)

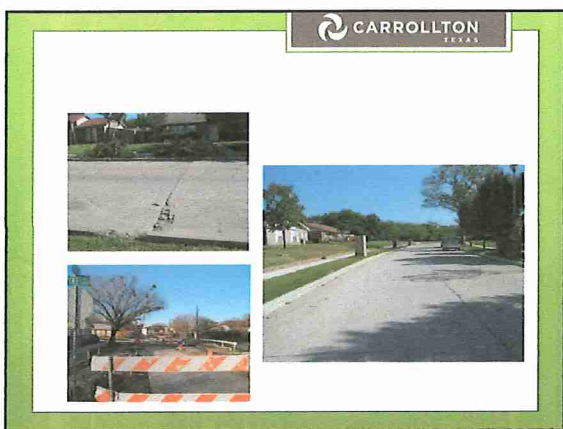

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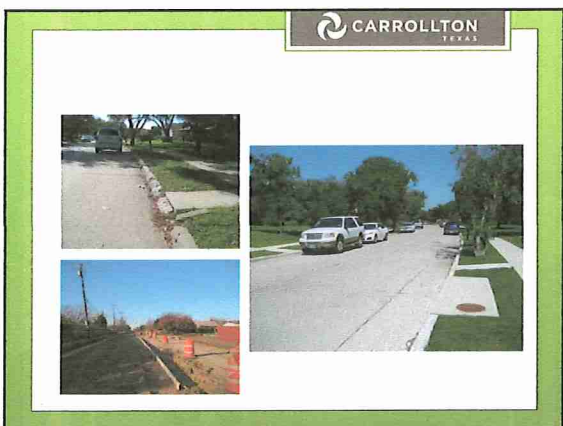





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Application

- A number of other cities have adopted NEZ programs.
- Policies vary in accordance with local needs. Some include:
 - Lien forgiveness;
 - Personal property tax abatement; and
 - Criteria parameters and restrictions.



Questions?


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NEIGHBORHOOD EMPOWERMENT ZONES

Meredith Ladd
City Attorney
TCAA – June 18, 2015
