

RESOLUTION NO. 203-2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS CREATING A NEW ABILENE NEIGHBORHOOD EMPOWERMENT ZONE NO. 2 AND AMENDING THE ABILENE NEIGHBORHOOD EMPOWERMENT ZONE NO. 1, TO FURTHER ABILENE'S INFILL DEVELOPMENT INCENTIVE PROGRAM

WHEREAS, the City of Abilene (the "City) desires to encourage the investment of private resources in productive business enterprises and single and multi-family housing units in historic and economically distressed areas of the City; and

WHEREAS, the City desires to increase economic development within historic and economically distressed areas of the City; and

WHEREAS, the City has previously adopted Resolution No. 78-2018 setting forth an infill development program, the Abilene Neighborhood Empowerment Zone No. 1 (the "Zone No. 1"), pursuant to Chapter 378 of the Texas Local Government Code ; and

WHEREAS, the Zone No. 1 has resulted in increased commercial investment, but as of yet has not resulted in substantial single-family residential redevelopment within the Zone No. 1 and therefore should be amended and expanded; and

WHEREAS, infill development has been the subject of discussion in many previous planning efforts, including Abilene's 2004 Comprehensive Plan and small area redevelopment plans for various neighborhoods, including those for the Carver and Sears neighborhoods; and,

WHEREAS, infill development and the redevelopment of Abilene's historic and economically distressed neighborhoods has been the single most restated public policy goal of the City of Abilene that has met with little to no success in terms of residential redevelopment; and,

WHEREAS, the City Council has continuously expressed and stated that the renewal and redevelopment of residential infill lots and existing residences in Abilene's historic and economically distressed neighborhoods is and ought to be a matter of public interest and serves a manifest and obvious public purpose of increasing the public health, safety and welfare of the persons in the municipality; and,

WHEREAS, the City now desires to expand the current program to better address residential development; and

WHEREAS, it is necessary and in the best interest of the City to create the Abilene Neighborhood Empowerment Zone No. 2, (the "Zone No. 2") pursuant to Chapter 378 of the Texas Local Government Code; and

WHEREAS, it is necessary and in the best interest of the City to amend and expand the Abilene Neighborhood Empowerment Zone No. 1, (the "Zone No. 1") pursuant to Chapter 378 of the Texas Local Government Code; and

WHEREAS, in addition to the creation of the Zone No. 2, it is necessary and in the best interest of the City to offer certain economic development incentives to promote and encourage new private business development, and the remodeling and new construction of affordable and market rate housing options for the City's historic and economically distressed areas,

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

- PART 1:** That the City designates an area more particularly described and illustrated in "Exhibit A" attached hereto and incorporated herein for designation as the Abilene Neighborhood Empowerment Zone No. 2, and said boundaries shall also describe and create the infill development program boundaries.
- PART 2:** The City Council, as the governing body of the City of Abilene, Texas finds that the creation of the Zone No. 2 will increase economic development within the Zone No. 2, increase the rehabilitation and construction of affordable and market rate housing options within the Zone No. 2, and increase the quality of social services, education or public safety provided to the residents of the Zone No. 2.
- PART 3:** The City Council, as the governing body of the City of Abilene, Texas finds that the creation of the Zone No. 2 benefits and is for the public purpose of increasing the public health, safety and welfare of the persons in the municipality.
- PART 4:** The City Council, as the governing body of the City of Abilene, Texas finds that the creation of the Zone No. 2 satisfies the requirements of Section 312.202 of the Tax Code.
- PART 5:** *Residential and Commercial Incentives.* The City Council as the governing body of the City of Abilene, Texas does hereby create and establish the following economic development incentive program within Zone No. 1 and Zone No. 2 for both residential and commercial developments and authorizes the City Manager or his or her designee to negotiate Chapter 380 Agreements offering the following enumerated incentives, provided that any agreement using the incentives authorized and set forth below must be adopted by an affirmative vote of four or more members of the City Council before it can be effective.

1. The City may enter into agreements for a period of not more than ten (10) years, for the purpose of benefiting the zones, refunds of municipal sales tax on sales made within the zones; and
2. The City may enter into agreements abating municipal property taxes on property within the Zones subject to the duration limits of Section 312.204 of the Tax Code; and
3. The City may set baseline performance standards, such as the Energy Star Program as developed by the Department of Energy, to encourage the use of alternative building materials that address concerns relating to the environment or to the building costs, maintenance, or energy consumption; and
4. The City may participate in up to 50% of the cost of water or sewer line extensions necessary to serve property being developed within the Zones; and

PART 6: *Residential Incentives.* The City Council as the governing body of the City of Abilene, Texas does hereby create and establish the following economic development incentive program within Zone No. 1 and Zone No. 2 for residential developments and authorizes the City Manager or his or her designee to negotiate the following enumerated incentives, provided that unless otherwise stated below, any agreement using the incentives authorized and set forth below must be adopted by an affirmative vote of four or more members of the City Council before it can be effective.

1. The City Manager may authorize the following economic incentives to promote and encourage residential development within Zone No. 1 and Zone No. 2 for projects with a new value of \$50,000 or greater. Unless otherwise required below, the City Manager may approve the following incentives without further action or approval required by the City Council:
 - a. One (1) City provided roll-off container for construction related debris and up to two (2) corresponding pickup and disposal charges for the roll-off container.
 - b. Upon final inspection of the improvements, the City will install, repair or replace sidewalks for the property if required and as determined by the City.

- c. Subject to Council approval on a per project basis, the City Manager is authorized to negotiate Chapter 380 Agreements within the Zone that will provide an economic incentive of ten times the amount of the increased city related tax liability created by the (1) new residential construction, or (2) renovation or rehabilitation of an existing residential improvement up to a maximum one-time economic incentive of \$5,000.

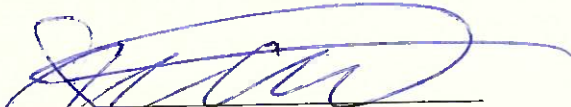
For example, an owner occupied, single family residential property having an assessed value of \$50,000 is improved either through new construction or the renovation or rehabilitation of an existing improvement. The following tax year after the improvements are completed, the assessed value for the property increases to \$150,000, thus creating \$100,000 in new taxable value. The increased city related tax liability for this new taxable value equals \$787.70 ($\$100,000 / 100 \times \$0.7877 = \787.70), where \$0.7877 represents the City's then current ad-valorem tax rate. Then, in this case, the property is eligible for a one-time economic incentive payment of \$5,000.00 since the tenfold value is greater than \$5,000.00 ($\$787.70 \times 10 = \$7,877.00$).

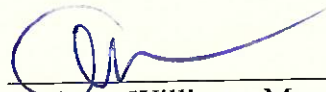
Any economic incentive payment pursuant to this provision is made on a first come, first served basis and is ultimately dependent upon approval by the City Council and the appropriation of revenue for the payment of the incentive. No project has a right or entitlement to receive this economic incentive by the establishment of this program.

- PART 7:** The City Manager may, without further action or approval of the City Council, waive or reduce development related fees charged by the City within Zone No. 1 and Zone No. 2. For the purposes of this resolution, development related fees include but are not limited to permit fees, zoning fees, platting fees, utility tap fees, and impact fees.
- PART 8:** The economic incentives authorized in Zone No. 1 by Resolution No. 78-2018 in Part 5 and Part 6 of said resolution are hereby repealed and replaced with the provisions of Part 5 and Part 6 of this resolution as adopted herein.
- PART 10:** That this Resolution takes effect immediately upon its adoption.

ADOPTED this 2nd day of December, 2021.

ATTEST:


Shawna Atkinson, City Secretary


Anthony Williams, Mayor



APPROVED:

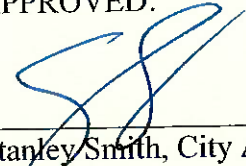

Stanley Smith, City Attorney

EXHIBIT A, Page 1 of 2

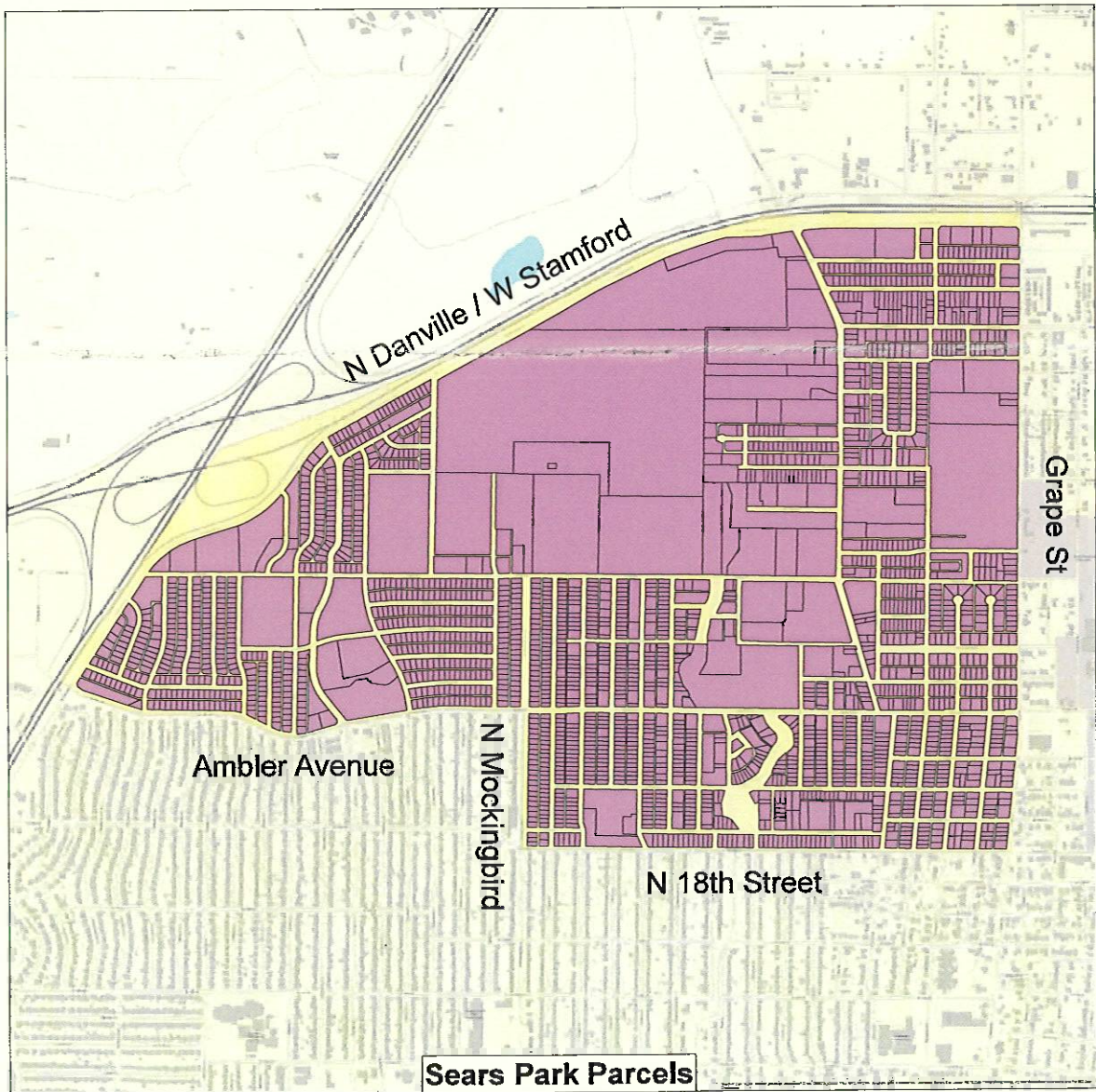


EXHIBIT A, Page 2 of 2

