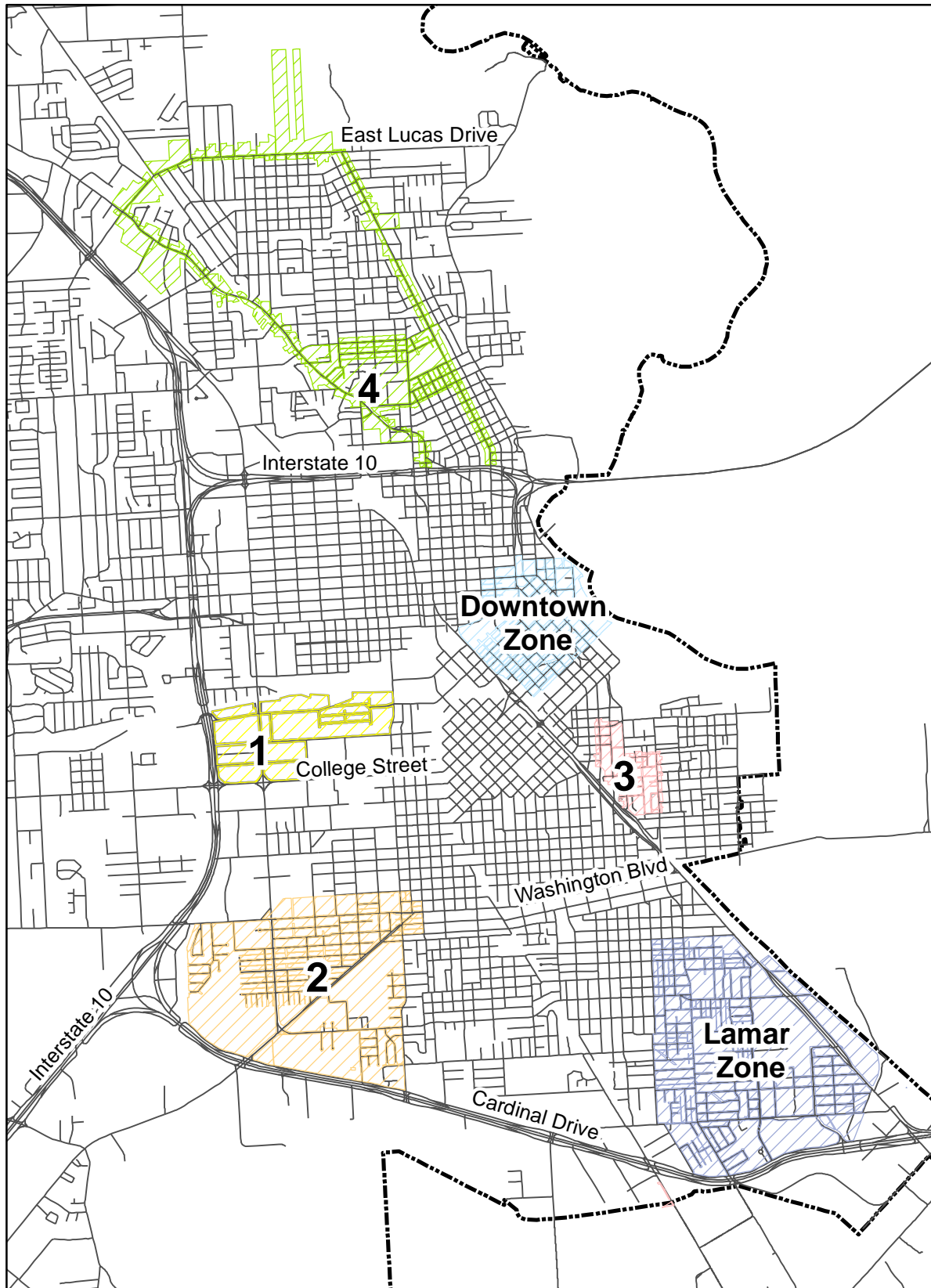


Beaumont Empowerment Zones





City of Beaumont Neighborhood Empowerment Zone Incentive Policy

Program Goals:

It is the City of Beaumont's goal to promote development within its Neighborhood Empowerment Zones in an effort to improve the local economy and enhance the quality of life for its citizens. Insofar as these goals are served by enhancing the value of the local tax base and increasing economic opportunities, the City of Beaumont will give consideration to providing the following incentives for development within Neighborhood Empowerment Zones.

Definitions:

- A. Abatement: full or partial exemption for ad valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.
- B. Agreement: a contractual agreement between a property owner and a taxing jurisdiction for the purpose of a tax abatement.
- C. Base Year Value: the assessed value of either the applicant's real property and improvements located in a designated reinvestment zone on January 1 of the year prior to the execution of the agreement plus the agreed upon value of any property improvements made after January 1 of that year but before the execution of the agreement, and/or the assessed value of any tangible personal property located on the owner's real property on January 1 of the year prior to the abatement period covered by the agreement.
- D. Facility: property improvements completed or in the process of construction which together comprise an integral whole.
- E. Incremental Value: the amount of assessed value of the project that is in addition to the Base Year Value of applicant's real property at their prior location.
- F. Neighborhood Empowerment Zone: is an area designated as such for the purpose of providing economic incentives, including a tax abatement, as authorized by the City of Beaumont in accordance with Texas Local Government Code Annotated Section 378 as amended.
- G. Real Property: area of land defined by legal description as being owned by the person applying for a tax abatement, including any improvements thereto, which is to be

improved and valued for property tax purposes, and which is to be included in the Neighborhood Empowerment Zone.

H. Substantial Investment: a project deemed as an eligible facility under this policy, that exceeds \$5,000,000 in capital investment.

Program Policy:

It is the policy of the City of Beaumont that consideration will be provided in accordance with the guidelines, criteria and procedures outlined in this document. This policy applies to the owners of real property. Project consideration will include the potential impact of the reinvestment project on the immediate and surrounding area.

A. Authorized Facility : Neighborhood Empowerment Zone Incentives may be granted within a Neighborhood Empowerment Zone for new construction or renovation of single-family uses for investments of \$50,000 or greater and may be granted for all other uses for investment of \$75,000 or greater.

B. Eligible Property : Neighborhood Empowerment Zone Incentives may be granted for new construction or renovation of owner-occupied single-family homes, office, retail, **hotel and meeting facilities**, restaurant and multi-family residential facilities within a Neighborhood Empowerment Zone, designated by the City Council of the City of Beaumont, Texas.

C. No incentives shall be granted for development resulting from the relocation of an eligible facility from one area of the city to within the Neighborhood Empowerment Zone, excepting projects considered “Substantial Investments,” as defined herein.

Procedural Guidelines:

Any person, partnership, organization, corporation or other entity desiring that the City of Beaumont consider providing Neighborhood Empowerment Zone incentives shall be required to comply with the following procedural guidelines. No representations made herein considered binding unless and until approved by the City of Beaumont City Council.

Preliminary Application:

Applicants shall submit a completed “Application for Neighborhood Empowerment Zone Development Incentives” form for consideration of incentives to the Community Development Department of the City of Beaumont, 801 Main Street, Beaumont, Texas 77701.

Consideration of the Application:

A. The City Manager will consider requests for incentives in accordance with these policies, pursuant to Chapter 378 of the Texas Local Government Code. Additional information may be requested as needed.

B. The City Council may enter into an agreement that outlines the terms and conditions between the City and the applicant, and governs the provision of the incentives.

Inspection of the Project:

During the term of such agreement, the City of Beaumont will have the right to inspect the project facility during regular business hours to ensure compliance with the agreement and accuracy of the owner certification.

Recapture:

If a project is not completed as specified, or if the terms of the incentive agreement are not met, the City has the right to cancel or amend the incentive agreement and all previously waived fees and abated taxes shall become due to the City and liens may be reattached.

Effect of Sale, assignment or lease of property:

No incentive rights may be sold or assigned without the approval of the City Council. Any sale, assignment or lease of the property may result in execution of the recapture provision, as outlined above.

Types of Incentives Available:

Building Fee Waivers

The Building Construction Fee Waiver Program affords property owners an exemption from planning and building fees associated with new construction or renovation and occupancy of eligible facilities within the target area.

Expedited Permit Reviews:

In order to facilitate redevelopment within the Neighborhood Empowerment Zones, the Community Development Department is committed to assisting applicants through the planning and permit review process as quickly as possible.

Lien Waivers

In order to render properties with Neighborhood Empowerment Zones more marketable, the Lien Waiver Program affords property owners a release of liens attached to properties as the result of demolitions or expenditures associated with cutting high grass. Release of such liens would only be allowed in conjunction with new construction or renovation of eligible facilities within the target area.

Construction Tax Abatement

The Construction Tax Abatement Program is an economic development tool designed to provide incentives for the new construction or renovation of single-family homes, office, retail, restaurant and multi-family residential facilities within a Neighborhood Empowerment Zone. The Construction Tax Abatement Program is intended to contribute to area development by attracting additional capital and human investment to the area as well as additional residents to support economic development activities within the area.

Value of Abatements: authorized facilities may be granted a municipal tax abatement on all or a portion of the increased taxable value of eligible property over the base year value for a period not to exceed three (3) years, except as outlined below.

Tax Abatement Program Guidelines:

The eligibility requirements are as follows:

Investment	Municipal Tax Abatement	Schedule
\$50,000 & up for residential uses and \$75,000 & up for all other uses	100%; or 100% of the incremental value for Substantial Investments relocating within the City.	1 st Year
\$50,000 & up for residential uses and \$75,000 & up for all other uses	100%; or 100% of the incremental value for Substantial Investments relocating within the City.	2 nd Year
\$50,000 & up for residential uses and \$75,000 & up for all other uses	100%; or 100% of the incremental value for Substantial Investments relocating within the City.	3 rd Year
\$5,000,000 or more for any eligible use	100% for new investments and the incremental value for Substantial Investments relocating within the City.	4 th Year
\$5,000,000 or more for any eligible use	100% for new investments and the incremental value for Substantial Investments relocating within the City.	5 th Year
\$5,000,000 or more for any eligible use	100% for new investments and the incremental value for Substantial Investments relocating within the City.	6 th Year
\$5,000,000 or more for any eligible use	100% for new investments and the incremental value for Substantial Investments relocating within the City.	7 th Year

Abatement Program Considerations:

A. The final valuation determined by the Jefferson County Appraisal District will be used to determine the actual yearly tax abatement exemption.

B. The tax abatement shall be granted only to the owner of the property.

C. No tax abatement exemption shall be effective until the applicant has met all of the eligibility requirements contained in the guidelines and policies, state law, and City of Beaumont codes.

D. There shall be no retroactive tax abatement exemptions – all tax abatement exemptions become effective only on or after the date the City Council approves the tax abatement agreement.

E. The applicant shall agree to hold the City of Beaumont, its agents, employees and public officials harmless and pay all attorneys' fees that are generated by any dispute regarding the tax abatement agreement.

F. Personal and or real property identified before the period covered by the abatement agreement will not be eligible for abatement.