

**CITY OF KEENE
PROPERTY DEVELOPMENT & REDEVELOPMENT PROGRAM
GUIDELINES AND CRITERIA**

GENERAL PUPOSE AND OBJECTIVES

The City of Keene (“City”) is committed to an expansion of its tax base, an increase to its population, the promotion of development and redevelopment in the City, and to an ongoing improvement in the quality of life for its citizens. As these objectives are generally served by the enhancement and expansion of the local economy, the City of Keene will offer incentives through a Property Development & Redevelopment Program.

The program’s main purpose is to drive development in the community, which in turn will aid in the validation and development of the residential and commercial market, increase the attractiveness of Keene to other commercial and retail businesses, and expand the local economy.

The Property Development & Redevelopment Program is aimed at providing incentives to assist developers with infrastructure and improvements of residential and commercial property that lie within the City limits and that do not require additional infrastructure of the City. It is the policy of the City of Keene that such incentives will be provided in accordance with the procedures and criteria outlined in this document and permitted by State law.

ELIGIBILITY

1. Eligible property must fall within areas of the City limits and not require the City to install additional infrastructure. Property located in the ETJ can become eligible by voluntary annexation into City limits.
2. New development will have minimum size requirements based on the location of the development.
3. All plan submittals shall meet City ordinances; however, the City will work with the applicant on variances, rezoning, Planned Development Districts (PDDs) and the like if such development achieves the City’s goal and objectives, Comprehensive Master Plan and all other related City Master Plans and Studies.
4. Developer must remain current on all ad valorem taxes owed to the City or any other entity for any property located in City limits of Keene.
5. Developer/Applicant cannot have any City of Keene liens filed against any property within the City limits of Keene owned by the applicant property owner/developer, including but not limited to weed liens, demolition liens, board-up/open structure liens, paving liens and water liens at the time of application.
6. Developer/Applicant cannot have any current property code violations on any property within City limits at the time of application and/or during the time of the agreement. Any violation during the term of the agreement can result in the termination of said agreement at the discretion of City Council.

7. Any and all outstanding local, state and/or federal fees or violations on any property owned, operated and/or maintained by the applicant within the City limits or extraterritorial jurisdiction (ETJ) shall be remedied prior to the granting of any incentive.
8. Certify that the developer, builder and/or contractors will not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code.
9. Developers will strive to utilize local contractors.
10. This incentive program does not take the place of nor restrict the use of real property tax reductions established by the State of Texas.
11. Applicant must apply for and obtain approval from City Council and execute a Chapter 380 Agreement **before** any building permits are issued for the subject property and **before** any improvements are made to the subject property.
12. Eligible property includes only physical improvements to real property. It does **NOT** include personal property such as furniture, appliances, equipment, and/or supplies. Exceptions to this eligibility requirement can only be made for a commercial property and will be done so on a case-by-case basis.

GRANT INCENTIVES

Subject to the developer's full compliance with the Chapter 380 Agreement and performance of its obligations and covenants, the City will provide the developer with the following incentives:

1. The City shall pay the developer an amount equal to an agreed upon percent of the Ad Valorem Taxes received by the City attributable to improvements or repairs made to the Property for the agreed upon period, commencing with Ad Valorem Taxes imposed on improvements in the following year, and ending with those imposed by the City for improvements made in the year 20____.

By way of example and explanation, taxes are imposed based on the value of property on January 1 of any given tax year. Since construction has not commenced, the value of the Property for the year in which the agreement is made will be the Base Value. Improvements made in that year will be appraised based on their value on January 1 of the following year. Taxes for each year will be due by January 31st of each year. Ad Valorem Taxes for improvements made in any year will be appraised based on their value on January 1 of the following year and the Ad Valorem Taxes for those improvements will be due no later than January 31. Ad Valorem Taxes received after January 31 will not be included in the computation of the Program Payment.

- In no event shall the Program Payment exceed the total amount of the cost of the City approved development infrastructure and/or improvements for new residential and/or commercial development and infrastructure and/or improvements made to residential and/or commercial redevelopment. The Program Payment shall end when developer receives the amount of the City approved improvements in Program Payments or after the last Program Payment is made by the City to

developer, whichever occurs first. In no way shall the City reimburse any applicant more than the applicant invests in the project as stated on the applicant's application.

2. The City will make Program Payments on an annual basis, within 45 days after January 31st in each year the Program Payment is due. The last Program Payment shall be made within 45 days after the City receives the last payment eligible to be included in the Program Payment calculation.
3. Additionally, the City shall pay the difference between the Base Value and the new improved value of the land on the Property once the infrastructure/improvements are completed for the same agreed upon period.
 - a. New Residential Development: Eligibility will require a minimum amount of homes and/or multi-family units built based on average per year. Applicant must provide the City with satisfactory written evidence of total costs of improvements eligible including a detailed construction budget of all items and any other documentation deemed necessary by City staff. After Chapter 380 Agreement concludes, homeowner will be responsible for 100% of the total taxable value. If the required number of homes per quarter or per year are not built, then the developer will not qualify for the portion of grant applicable for the given year. The developer could still be eligible for the program grant during the agreed upon period when the requirement is fulfilled during a subsequent year during the term of the agreement.
 - i. Developer must receive a Letter of Construction Completion by the City on a specified minimum number of homes within **18 months** in the development after the agreement is effective.
 - ii. Developer must receive a Letter of Construction Completion by the City on a specified minimum number of homes in each quarter or a total specified number of homes in a given year to qualify for grant incentives during that year.
 - iii. Construction of Development must commence no later than **nine (9) months** after the effective date of the Chapter 380 Agreement. Automatic termination of the agreement will take place if construction commencement does not take place before agreed upon deadline.
 - b. Residential Redevelopment: Eligibility requires at least fifteen percent (**15%**) or **\$10,000 (whichever is greater)** in improvements, expansion or modernization of existing single-family and/or multi-family units. Applicant must provide the City with satisfactory written evidence of total costs of improvements eligible including

- a. Building permit related fees (including Plans Review and Inspections)
 - b. Plat Application Fee
 - c. Board of Adjustment Application Fee
 - d. Demolition Fee
 - e. Zoning Application Fee
 - f. Street and Utility Easement Application Fee
 - g. Structure Moving Fee
 - h. Tap Fees (Water & Sewer)
7. At any time during a recipient's incentive program, the City may elect to charge an administrative fee up to ten percent (10%) based on the awarded incentive amount. Such fee will be subtracted from the program payment to the recipient.

APPLICATION REVIEW AND EVALUATION

1. Applicant shall complete the Property Development & Redevelopment Program Application.
2. The City may request applicant to provide financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.
3. Applicant shall address all criteria questions outlined in detail.
4. The application shall include the total capital investment and quantity details for real property improvements and type of project.
5. Applications will be reviewed by Economic Development Steering Committee staff prior to submission to the City Council.
6. Economic Development Steering Committee may request applicant to include in their application but not limited to or combination thereof:
 - a. Concept plan showing proposed renderings and design concepts, site plan layout, one dimension drawings of utility connections, flood plain, and the like.
 - b. Site plan showing layout, footprint, sidewalks, approaches, parking lot, driveways, lot size, setbacks and such.

- c. Utility plan showing utility lines, line size, connection points, meter size and so forth
- d. Elevation plan showing building dimensions, scale and such
- e. All plan submittals design requirements shall meet all City regulations; however, the Economic Development Steering Committee shall have the option to request submittals or design requirements above and beyond City regulations.

7. Consideration by the City Council

- a. The City Council retains sole authority to approve or deny any Chapter 380 Agreement and is under no obligation to approve any Chapter 380 Agreement application. The City of Keene is under no obligation to provide a Chapter 380 Agreement in any amount of value to any applicant.

The City or its designee shall reserve the right to change, alter, waive, lessen, increase, decrease, subtract, and/or add to any of the aforementioned policies or procedures of this program. The City shall provide prior notice of such changes prior to implementation.

The City shall reserve the right to terminate this program at any time it feels necessary. Any recipients receiving incentives on or after such termination shall continue with the incentive until the end of their agreement.