



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 05/28/19 06:00 PM

Department: Administration
Category: Miscellaneous Issues

RESOLUTION 2019-7

DOC ID: 4448

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY,
TEXAS, CREATING A PROGRAM FOR RESIDENTIAL DEVELOPMENT;
AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes municipalities to make grants, loans, or other arrangements in order to aid in economic development within the City; and

WHEREAS, the City of Liberty is currently experiencing a shortage of new housing developments within the City; and

WHEREAS, the City would like to create incentives for developers to purchase and develop property within the city; and

WHEREAS, the City Council of the City of Liberty desires to create a Chapter 380 program by which the City can incentivize developers to build new single-family residences within the city.

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

SECTION 1.

Establishment of a Chapter 380 Urban Development Program

- (a) The City Council hereby establishes a City of Liberty Chapter 380 Urban Development Program ("Program") pursuant to Chapter 380 of the Texas Local Government Code. Under this Program, the City will consider granting economic incentives to encourage housing development within the City of Liberty.
- (b) Each applicant for a 380 urban development grant will be reviewed individually and a decision will be made based on the following:
 - a. The amount of tax revenue that the City expects to be generated by the building of the structure(s); and
 - b. The extent of economic enhancement and stimulation that the City will derive from the location and/or operation of the development; and
 - c. The quality of the proposed development; and

- d. The location of the proposed development; and
- e. The availability and priority of funding and resources the City currently has available to participate in an economic development incentive program.

SECTION 2

Grant Criteria

In order to qualify for a Chapter 380 Urban Development Grant, the project must meet the following criteria:

- The completed home must be owner-occupied (the home must not be built for rental purposes)
- The completed structure must be a single-family residence.
- The anticipated appraised value for the house must be at least \$150,000.
- The home must have a minimum of 1,400 square feet of livable space.
- All homes must be built on a slab in order to be eligible for incentives under this program.
- Manufactured and/or mobile homes are not eligible to participate in the incentive program, regardless of square footage or appraised value.
- The majority of the front façade must be brick, masonry, or stone.
- Construction shall begin within 180 days after the building permit is issued and shall be completed within one-year from the date the building permit is issued.

SECTION 3.

Application Procedures

Business enterprises or individuals with an interest in participation in the 380 Urban Development Program shall apply to the City of Liberty's City Manager or his designee. Said application shall include all information herein requested plus any additional information deemed necessary by the City Manager or his designee.

The application shall include the following:

(1) BACKGROUND -

- a. Developers:

- i. the applicant's official name and contact information; a brief history of the business; if available the last three (3) years of operating expenses and revenues; a list of single-family homes built by the developer within the last three (3) years; a description of how the project is being financed; current employee count and average wage; and
 - b. Individual Home Owners:
 - i. The applicant's name and contact information; the proposed builder/developer being used; a description of how the project is being financed; and the location of the proposed home; and
- (2) CONSTRUCTION INFORMATION - the applicant shall provide the location of the development; a detailed building plan of the structure being built; a timeline for construction; anticipated sales price for the house; anticipated appraised value of the house; proof of ownership of the lot if already owned; and
- (3) REQUEST - the proposed economic incentives being requested from the City; and
- (4) BENEFIT - the role of the City's economic incentives in the success of the applicant's development.

The City of Liberty reserves the right to waive any of these requirements and/or the right to require additional information.

All requests for assistance by the applicant shall be made at the same time the application is submitted.

Developments Consisting of Eight or Fewer Lots:

The City Manager, or his designee, has authority to approve or deny any request for basic incentives (as outlined herein) for developments consisting of eight or fewer lots. The City Manager, or his designee, may choose to alter the value, terms, or nature of the basic incentives. The City Manager, or his designee, is authorized to sign a 380 agreement with the applicant on behalf of the City of Liberty. Applications denied by the City Manager may be appealed to the Liberty City Council.

Developments Larger than Eight Lots:

Developments larger than eight (8) lots may be eligible for advanced incentives in addition to the basic incentives. For these large developments the City Council shall review the applications and make a determination regarding any possible grant award based on the recommendation of the City Manager. The applicant shall then enter into a 380 agreement with the City based on the determination made by the City Council.

SECTION 4

Incentives

Applicants that meet the above criteria may qualify for various incentives established by the City Council. It is important to note that the City has complete discretion when deciding whether to grant a 380 agreement and what incentives to include in any agreement. Qualifying applicants may be eligible for the following incentives:

Basic Incentives

- Waiver of tap fees
- Waiver of Building Permit Fees and other construction related-permit fees
- Reduced platting and re-platting fees

Advanced Incentives

- *Utility Infrastructure Incentives*
 - Possible cost of Extension of infrastructure for services. Utility and infrastructure extensions are subject to the availability of funding.
- *Tax Refund Incentive*
 - In order to be eligible for the tax refund incentive the development must consist of a minimum of nine (9) lots, with each lot containing a structure appraised at greater than \$150,000. The tax refund incentive shall be described as follows:
 - The first full-year after completion, a one-time rebate equal to one (1) times the amount of city taxes for the first year will be paid to the builder. The incentive will be paid to the builder pursuant to the economic development agreement on April 1st of the first full calendar year after completion of the approved project. Tax refunds are subject to the availability of funding. Tax incentives are calculated as follows:
 - $(\text{Appraised Value} / 100) * \text{City Property Tax Rate} = \text{Tax Incentive}$
- Other Incentives
 - Depending upon the size and potential added value of a development, the City may negotiate with a developer for additional incentives.

SECTION 5

Procedures, Criteria and Limitation on Payment

The nature, scope and procedure for the implementation of an economic incentive will be developed in conjunction with and will be based upon the merits of each individual project. In determining what incentives to provide, if any, the City Manager or City Council, as applicable, will consider to what extent such incentives are necessary to attract and/or generally assist the development. Additionally, the City Manager or City Council, as applicable, shall consider what type of incentive would provide the City with the most benefit for the cost while also meeting the needs of the developer. Other areas to be considered by the City shall be City budgetary limitations, and the financial participation by the business. **Nothing within these procedures shall imply or suggest that the City of Liberty is under any obligation to provide any incentive to an applicant as it reserves the right to decline to participate in the Program with any business or individual for any reason allowed by law.**

It is important to note that any applicant receiving incentives under this program will be subject to the City of Liberty placing a lien on the property until such time that the applicant completes the project, meets all of the criteria established by the City Council, and the home is owner-occupied. Any participant who becomes non-compliant with the guidelines and timetables of this program set out in their 380 agreement will be responsible for repaying the City the cost of the incentives already utilized plus interest and attorneys' fees and will become ineligible for any incentives approved but not yet used.

SECTION 6

Economic Development Agreement

Any incentives that the City deems to be appropriate shall be reflected in a Chapter 380 Economic Development Agreement with the developer/individual. Said agreement shall specify the following:

- (a) The amount, character, and type of incentives to be paid or provided, and the terms, limitations and qualifications contained in said Agreement; and
- (b) Such terms and conditions as the City determines necessary and prudent to ensure that the incentives will be used for the purposes intended and will stimulate business activity in the City consistent with the objectives and purposes of Chapter 380 of the Texas Local Government Code; and
- (c) Any status or performance reporting of the project, as a condition of the incentive or as deemed appropriate by the City Council or their designee; and
- (d) The nature, level, and timing of participation or performance by the individual, business, subdivision, or housing developer; and

- (e) The method of recapture of all incentive values provided in the event of default by the party of the Agreement.

SECTION 7

Electricity

Applicants receiving a grant under this resolution must agree to use the City of Liberty as their electricity provider if the City is able and willing to provide electric utilities to said location.

SECTION 8

Effective Date

This Resolution shall take effect immediately upon its adoption by the City Council of Liberty, Texas and shall remain in full force and effect until such time as the City Council chooses to amend or invalidate the Resolution.

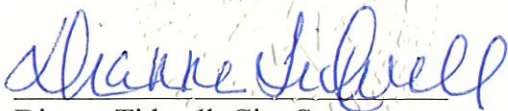
PASSED AND APPROVED this 28th day of May, 2019.

CITY OF LIBERTY, TEXAS



Carl Pickett, Mayor

ATTEST:



Dianne Tidwell, City Secretary

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dennis Beasley, Council Member
SECONDER:	Libby Simonson, Council Member
AYES:	Pickett, Huddleston, Beasley, Simonson, Arnold, Thornton
ABSENT:	Chipper Smith