

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GREENVILLE, TEXAS, AMENDING CHAPTER ONE “GENERAL PROVISIONS” OF THE CODE OF ORDINANCES OF THE CITY OF GREENVILLE BY ADDING SECTION 1.204 TO PROVIDE FOR AN ABATEMENT OF THE INCREASE IN THE ASSESSED VALUE OF CERTAIN PROPERTIES FOR TAX PURPOSES WHICH RESULT FROM APPROPRIATE REPAIRS, RENOVATION, OR REHABILITATION TO SAID PROPERTIES IN THE CENTRAL AREA DISTRICT OF THE CITY OF GREENVILLE; ESTABLISHING GUIDELINES AND CRITERIA FOR TAX ABATEMENT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article 8, Section 1-F of the Texas Constitution and Section 11.24 of the Texas Property Code enable the City of Greenville to exempt from taxation part or all of the assessed value of certain historically significant sites in need of tax relief to encourage their preservation; and

WHEREAS, the City Council of the City of Greenville finds such tax relief is needed to encourage the preservation of historic structures and sites within the Central Area District of the City of Greenville; and

WHEREAS, the City Council also finds that such tax relief will provide economic incentive to develop projects in historic buildings worthy of preservation

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE, TEXAS:

SECTION 1: That the “General Provisions” Chapter of the Code of Ordinances of the City of Greenville, Texas, be and the same is hereby amended by the addition of a new Section 1.204 entitled Tax Exemption for Historically Significant Sites”, so that hereafter said Section shall be read as follows:

Section 1.204 Tax Exemption for Historically Significant Sites

- (a) Any property which is designated as a “historically significant site” pursuant to the terms of this Ordinance and which is substantially rehabilitated as provided herein, shall have abated for a period of seven (7) years any increase in the assessed value for ad valorem tax purposes in excess of the assessed value of the property for the tax year immediately prior to the renovation as follows:

1st Year-----100% abatement of added value
2nd Year----- 100% abatement of added value

3 rd Year-----	100% abatement of added value
4 th Year-----	80% abatement of added value
5 th Year-----	60% abatement of added value
6 th Year-----	40% abatement of added value
7 th Year-----	20% abatement of added value

Only the historic structure and the land reasonably necessary for access to, and use of the structure shall be subject to the tax abatement. The abatement period shall begin on the first day of the tax year following completion of the rehabilitation project. Upon qualification, said abatement shall be available to any particular historically significant site one (1) time only for a period of seven (7) years as set forth above.

- (b) Designation of Historically Significant Sites - For the purpose of this article, all commercial structures, fifty (50) years old or older which are within the boundaries of the Central Area District, as indicated on attachment “A”, which is attached hereto and made a part hereof for all purposes, are designated as historically significant sites in need of tax relief to encourage their preservation.
- (c) Eligibility Qualifications for Abatement - To be eligible for a property tax abatement, a property must meet the following requirements:
 - 1. The property must meet the requirements for designation as a historically significant site in need of tax relief.
 - 2. The property must meet all requirements for application, certification and verification as set forth below.
 - 3. Tax abatement will be considered for eligible projects resulting in added real property tax value above the base year for the following amount in the Greenville Central Area District:
 - A. Property owners as of the date the abatement policy is effective: An expenditure in an amount not less than Twenty Five thousand (\$25,000.00) dollars.
 - 4. Commercial property only.
 - 5. City code conformity.
- (d) Application Process - Applications for a historically significant site tax abatement pursuant to this Ordinance are to be filed with the City Manager, or such other city official designated by the City Manager, of the City of Greenville, who shall be the

agent for the city for the purposes of administering this ordinance. Each application must be signed by the owner of the property, be acknowledged before a notary public and shall:

1. State the legal description of the property proposed for certification;
 2. Include an affidavit by the owner stating the commercial structure is fifty (50) years old or older and is located within the Central Area District;
 3. Include detailed plans and/or descriptions of the proposed work demonstrating rehabilitation is in accordance with the current property appearance guidelines adopted by ordinance of the City Council;
 4. Include cost estimates indicating the construction, repair or rehabilitation will equal or exceed twenty five thousand (\$25,000.00);
 5. Include a projection of the estimated construction time and predicted completion date of the construction, repair or rehabilitation;
 6. Authorize the members of the Main Street Advisory Board, the City Manager or designee, and elected officials to visit and inspect the property proposed for certification to verify that it is in need of construction, repair or rehabilitation and to verify construction, repair or rehabilitation;
 7. Sign an agreement to submit an application for a certificate of design compliance to determine compliance with property appearance guidelines for any exterior modifications to the property for the duration of the period during which the tax abatement is in effect;
 8. Include a tax certificate showing all taxes due upon the property have been paid; and
 9. Provide any additional information to the Main Street Advisory Board, the City Manager or designee, and elected officials, which the owner or advisory board deems relevant or useful, such as the history of the site, access to the site by the public, or any proposed changes in use of the site.
- (e) Certification Process - Upon receipt of the sworn application, the City Manager, or his designee, shall forward the application to the Main Street Advisory Board for review. The Main Street Advisory Board shall review the proposed repair or rehabilitation for conformance with the current version of the property appearance guidelines. The Main Street Advisory Board shall forward the application to the Reinvestment Zone Advisory Committee for review/approval. The Main Street Advisory Board may recommend approval of the application as submitted, approval

with the conditions, or denial. Upon approval by the Reinvestment Zone Advisory Committee, the Main Street Advisory Board shall recommend to the City Council whether the site shall be eligible for the tax abatement. The written recommendation of the Main Street Advisory Board shall be delivered to the City Manager no more than ten (10) days after receipt of the Reinvestment Zone Advisory Committee's decision is rendered. If the decision of the Main Street Advisory Board is for approval with conditions, and the applicant concurs with such conditions, the above ten (10) days for delivery will not commence until the application is amended to comply with conditions approved by the Main Street Advisory Board. Upon receipt of the recommendation of the Main Street Advisory Board, the City Manager shall, within a reasonable time, place the matter upon the City Council agenda for determination of eligibility. In determining eligibility, the City Council shall first determine that all the requirements of this Ordinance have been met and that only the historically significant site and the land reasonably necessary for access to, and use thereof, is to be provided favorable tax relief as provided in this Ordinance. If eligibility is determined, the City Council shall authorize the City Manager enter into a tax abatement agreement and to execute a tax exemption certificate upon verification of completion of repair or renovation. If required by the Hunt County Appraisal District, the City Manager or designee shall provide annually a list of sites eligible for tax exemption under this Ordinance.

- (f) Verification Process - Upon completion of the repair or rehabilitation, the certified applicant shall submit to the City Manager, or his designee, a sworn statement of completion acknowledging that the site has been substantially repaired or rehabilitated in accordance with the plan approved by the Main Street Advisory Board. Applicant must also present documentation verifying that the cost of repair or rehabilitation meets or exceeds the amounts established in Section (c) of this Ordinance. The City Manager, or his designee, upon receipt of the sworn statement of completion, but no later than thirty (30) days thereafter, shall make an investigation of the property and shall approve or disapprove the fact that the property has been completed as required for certification. If the repair or renovation deviates in any way from the construction plan approved by the Main Street Advisory Board, said board shall determine whether or not the modifications are in accordance with the property appearance guidelines. If verification of completion shall be deemed unfavorable, the certified applicant shall be required to complete or correct the repair or rehabilitation in order to obtain the tax abatement provided by this Ordinance or appeal the Main Street Advisory Board's decision to the City Council. When the verification of completion receives a favorable review by the Main Street Advisory Board, the Main Street Manager shall notify the City Manager in writing of compliance. Thereafter, the City Manager shall execute a tax exemption certificate and forward same to the Hunt County Appraisal District.

- (g) Property Appearance Guidelines – Properties that receive tax abatement in accordance with this Ordinance shall maintain said property in accordance with the

property appearance guidelines. The property appearance guidelines on file in the office of the Main Street Manager, the Planning and Community Development Department and such other office as the City Manager may designate, are hereby approved and incorporated herein and made a part hereof for all purposes. The property appearance guidelines shall be periodically reviewed by the Main Street Advisory Board and desired changes to such guidelines shall be recommended to the City Council. Any changes to the property appearance guidelines shall not be effective until such changes are approved by the City Council. The City Council may direct the City Manager, or his designee to propose certain changes to the property appearance guidelines.

- (h) Alteration or Destruction of Property - During the abatement period, if the City Manager or his designee, or Main Street Advisory Board has reason to believe that a structure receiving tax abatement pursuant to this Ordinance has been altered or totally or partially destroyed by the willful act or negligence of the owner or his/her representative, the City Manager or his designee, or Main Street Advisory Board shall immediately cause the matter to be scheduled for consideration by the City Council. If, after giving notice and hearing to the owner, the City Council determines that the structure receiving tax abatement pursuant to this ordinance has been totally or partially destroyed or altered by the willful act or negligence of the owner or his representative, then said agreement shall terminate, all abatement of taxes shall likewise terminate, and the owner shall immediately repay to the City and all other local taxing entities all of the tax revenues that were not paid because of the abatement plus interest calculated at an annual rate of seven percent (7%). This provision shall not apply to destruction or alterations that result from acts of God.

If the tax exemption certificate executed by the City Manager is timely recorded by the Owner of the site in the Deed Records of Hunt County with the approved application, the tax abatement authorized above shall constitute a covenant running with the land for the seven (7) year period provided in this Ordinance. Should the Owner of the site ever cease to comply with the terms of the application and of this Ordinance during such seven (7) year period, this abatement may be revoked for the years remaining within such seven (7) year period, upon the finding of such incompliance by the City Council, after giving notice and hearing to the Owner. The City Manager or his designee shall advise the Chief Appraiser of the Hunt County Appraisal District of the revocation of the abatement and shall file an appropriate document in the Deed Records of Hunt County revoking the tax abatement.

In the event that any affected jurisdiction having granted tax abatement determines that the applicant or owner is in default of any of the terms or conditions contained in the tax abatement agreement, then the affected jurisdiction shall give the applicant or owner (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the affected jurisdiction within the sixty (60) day notice period, then the tax abatement agreement shall terminate, all abatement of taxes shall

likewise terminate, and the owner shall immediately repay to the City and all other local taxing entities all of the tax revenues that were not paid because of the exemption plus interest calculated at an annual rate of seven percent (7%).

In every case of termination set forth above, the affected jurisdiction having granted the tax abatement may determine whether default has occurred by the applicant or owner in the terms and conditions of the tax abatement agreement, and shall so notify all other affected jurisdictions. Termination of the tax abatement agreement by any affected jurisdiction shall constitute simultaneous termination of all tax abatement agreements of all other affected jurisdictions.

SECTION 2: This Ordinance shall not be construed so as to conflict with any State or Federal statute.

SECTION 3: That save and except as amended hereby, all the provisions, sections, subsections paragraphs, sentences, clauses, and phrases of Chapter One of the Code of Ordinances shall remain in full force and effect.

SECTION 4: If any section, subsection, paragraph, sentence, clause, phrase, or word in this ordinance or application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such holding shall not affect the validity or the remaining portions of the ordinance, and the City Council hereby declares that it would have passed such remaining portions of the ordinance despite such invalidity.

PASSED AND APPROVED this the _____ day of _____, 2003.

Jim Morris, Mayor

ATTEST:

Debra Newell, City Secretary

APPROVED AS TO FORM:

Robert L. Scott, City Attorney