

TOWN OF FLOWER MOUND, TEXAS

ORDINANCE NO. 07-16

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS, AMENDING CHAPTER 14, "BUILDINGS AND BUILDING REGULATIONS," OF THE CODE OF ORDINANCES BY ADDING SECTION 14-2, "HOME IMPROVEMENT INCENTIVE PROGRAM"; PROVIDING THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Texas Local Government Code Chapter 380 allows the Town to provide incentives for the promotion of economic development; and

WHEREAS, the promotion of the redevelopment of existing housing stock in the Town promotes economic development within the Town and is essential for the continued economic growth and vitality of the Town; and

WHEREAS, it is well established that the availability of quality housing stock encourages the relocation of businesses and attracts new business enterprises, as well as the expansion of existing business enterprises within the Town, which in turn stimulates growth, creates jobs and increases property and sales tax revenues; and

WHEREAS, the promotion of the housing stock is a major contributing factor to the growth of the Town, which in turns stimulates trade and commerce and reduces unemployment; and

WHEREAS, residential development and redevelopment will attract and encourage business relocation and expansion since business will look to the available housing stock to meet the needs of management and the work force; and

WHEREAS, the Town has determined that providing an economic development incentive in accordance with this Agreement will further the objectives of the Town, will benefit the Town and the Town's inhabitants and will promote local economic development and stimulate business and commercial activity in the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS:

SECTION 1

That Section 14-2 of the Code of Ordinances, Town of Flower Mound, Texas, is hereby added to read as follows:

"Sec. 14-2. – Home Improvement Incentive Program.

- (a) *Purpose.* Pursuant to V.T.C.A., Local Government Code ch. 380, the Town may, subject to available funding and the conditions of this program, provide economic development incentives equal to the increase in property taxes for a single-family residential structure following the construction of improvements to, or the remodeling of, such residence.
- (b) *Incentive.* The Town may provide an economic development incentive equal to 100 percent of the increase in property taxes for the tax year following the completion of an approved project as the result of the increase in the certified appraised value of the

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residence as determined by the appraisal district. Said incentive will be based on the increase in property taxes in the first tax year following completion of the improvements. That amount will be multiplied by ten and paid in a single lump-sum payment (see example below). The economic development incentive shall be provided through a contract between the Town and the property owner to be prepared and approved by the Town attorney. The economic development incentive may be assigned one time in connection with the sale or transfer of the ownership (including a life estate) of the residence to a subsequent owner. In the event the residence is sold or transferred following an assignment, the economic development incentive agreement shall automatically terminate.

- (c) *Eligibility requirements.* All residential property zoned single-family is eligible for participation in the program. Projects for home improvements, modifications or remodeling of single-family residences are eligible for the property tax rebate incentive provided the certified construction costs of the project are a minimum of \$20,000.00. The project must be completed within 24 months after approval by the Town as an eligible project for participation in the program. The property owner will be required to consent to periodic inspections by the Town as the project is constructed. The property owner will be required to provide such information as the Town staff may reasonably require to verify the costs incurred by the property owner for the project. Property owners or persons who are delinquent in payment of property taxes or other fees owed to the Town are ineligible to participate in the program.
- (d) *Application.* A person desiring to participate in the program shall submit an application to the neighborhood services division on a form provided by the Town. The application shall require the property owner to provide the details of the proposed home improvement project, the estimated project costs and such other information as the Town may require.
- (e) *Review process.* The application shall be reviewed by the executive director of financial services department (or designee) who shall determine whether the proposed project qualifies for the program and the amount of the approved project costs. The executive director of financial services shall review a completed application within 15 business days after submission. If an application is incomplete or if additional information is required, the executive director of financial services shall notify the property owner accordingly. The property owner shall provide a complete application or the requested information, as the case may be, within the stated time period or the application will be deemed withdrawn. The financial services department will notify the property owner in writing if the application is denied or approved, and if approved, the amount of the approved project costs, as well as provide the required incentive contract. The property owner will be required to execute and return the incentive contract within 15 business days after receipt from the Town.
- (f) *Incentive payment.* The total incentive will be paid to the property owner pursuant to the Home Improvement Incentive Program Agreement on April 1 of the first full calendar year after completion of an approved project. For example, assume that a project is completed in December 2015. The payment of the economic development incentive would be paid on April 1, 2017. Further assume that the 2016 property taxes increased \$300.00 above the 2015 property taxes as a result of the increase in the taxable value of the improvements. The total incentive would be \$3,000.00 and would be paid on April 1, 2017. The amount of the incentive shall be determined by the executive director of financial services, whose decision shall be final in all respects."

SECTION 2

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the Town of Flower Mound, Texas, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 3

It is hereby declared to be the intention of the Town Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the Town Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

SECTION 4

This Ordinance shall be in full force and effect from and after the date of its passage and publication as required by law, and it is so ordained.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS, BY A VOTE OF 5 TO 1, ON THIS THE 1ST DAY OF FEBRUARY, 2016.

APPROVED:

Thomas E. Hayden, MAYOR

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ATTEST:

Theresa Scott, TOWN SECRETARY

APPROVED AS TO FORM AND LEGALITY:

Bryn Meredith, TOWN ATTORNEY