



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** October 9, 2023
SUBJECT: Approve Resolution No. 2023-077, Establishing a Neighborhood Empowerment Zone (NEZ) Basic Incentives Policy

PRESENTER: Paulette Hartman, Deputy City Manager

SUMMARY:

City Council identified the need to address aging commercial corridors in certain parts of the community. Higher levels of vacancy and code violations when combined with deteriorating property conditions and values have made it necessary to consider various activities to spur revitalization and reinvestment.

Chapter 378 of the Texas Local Government Code allows a municipality to create a Neighborhood Empowerment Zone (NEZ) when a "...municipality determines that the creation of the zone would promote an increase in economic development within the zone."

A Neighborhood Empowerment Zone (NEZ) Basic Incentives Policy is provided for Council consideration that provides the framework for a program that not only addresses aging commercial corridors but provides long-term financial benefits to the City.

GENERAL DESCRIPTION:

Due to physical deterioration and poor lot layout, certain commercial areas in the community are unable to attract quality businesses and levels of investment to meet community expectations without the City's participation. The opportunity exists to consider reducing procedural, financial and physical barriers to stimulate quality business development and investment.

Attached is a policy that outlines the framework for a Neighborhood Empowerment Zone program that includes eligibility criteria, applicant procedures, design guidelines and project benefits that can be applied toward a designated zone.

Benefits considered within the policy include:

- Expedited review of plans, permitting and inspections;
- Discounts or waivers of City fees, including plan review, inspections, permits, etc.;



- Customized grants to assist with property improvements;
- Consideration of code variances due to building and site constraints

In addition to establishing the Neighborhood Empowerment Zone, the resolution authorizes economic development agreements for grants up to \$50,000 toward eligible improvements on certified projects. Such grants will be conditioned upon project certification by the Development Review Committee and authorization by the City Manager. Certified projects meet all the terms and conditions of the Neighborhood Empowerment Zone (NEZ) Basic Incentives Policy and provide evidence of:

- Private investment of at least 25% of the improved or total market property value as appraised by the Tarrant Appraisal District;
- Advancement of high-quality development or redevelopment opportunities that supports the establishment of a viable commercial corridor;
- Effective utilization of incentives to leverage the involvement of private investment;
- Existence of a barrier to quality development where Project could not take place without participation from the NEZ Program;
- Financial feasibility of a Project that furthers community revitalization and demonstrates a return on investment and increased economic benefit within the Zone.

The following Projects or Businesses as defined in Section 118-1 of the Zoning Code shall not be eligible for any incentives under the City of North Richland Hills' Neighborhood Empowerment Zone (NEZ) Basic Incentives and Tax Abatement Policy:

1. Sexually Oriented Business or Adult Entertainment Establishment
2. Non-Profit, Not-For-Profit, and/or Tax-Exempt Business
3. Alternative Financial Establishment
4. Secondhand Dealer or Pawn Shop
5. Tax Exempt Use (non-profit)
6. Special Personal Service Shop
7. Package stores or liquor stores
8. Blood Plasma Collection Facility
9. Convenience Store where the sale of beer and wine is the primary use as defined by floor area and gross sales
10. Donation site
11. Any "Automobile & Transportation Related Uses" listed in Section 118-631(E) of the Zoning Code, including a car wash
12. Mini warehouse
13. Non-traditional Smoking Related Business
14. CBD Shop, Cannabis Dispensary or Vape Shop

RECOMMENDATION:



Approve Resolution 2023-077