

Historic Neighborhood Improvement Zone Tax Exemption Program

City of McKinney
Development Services - Planning

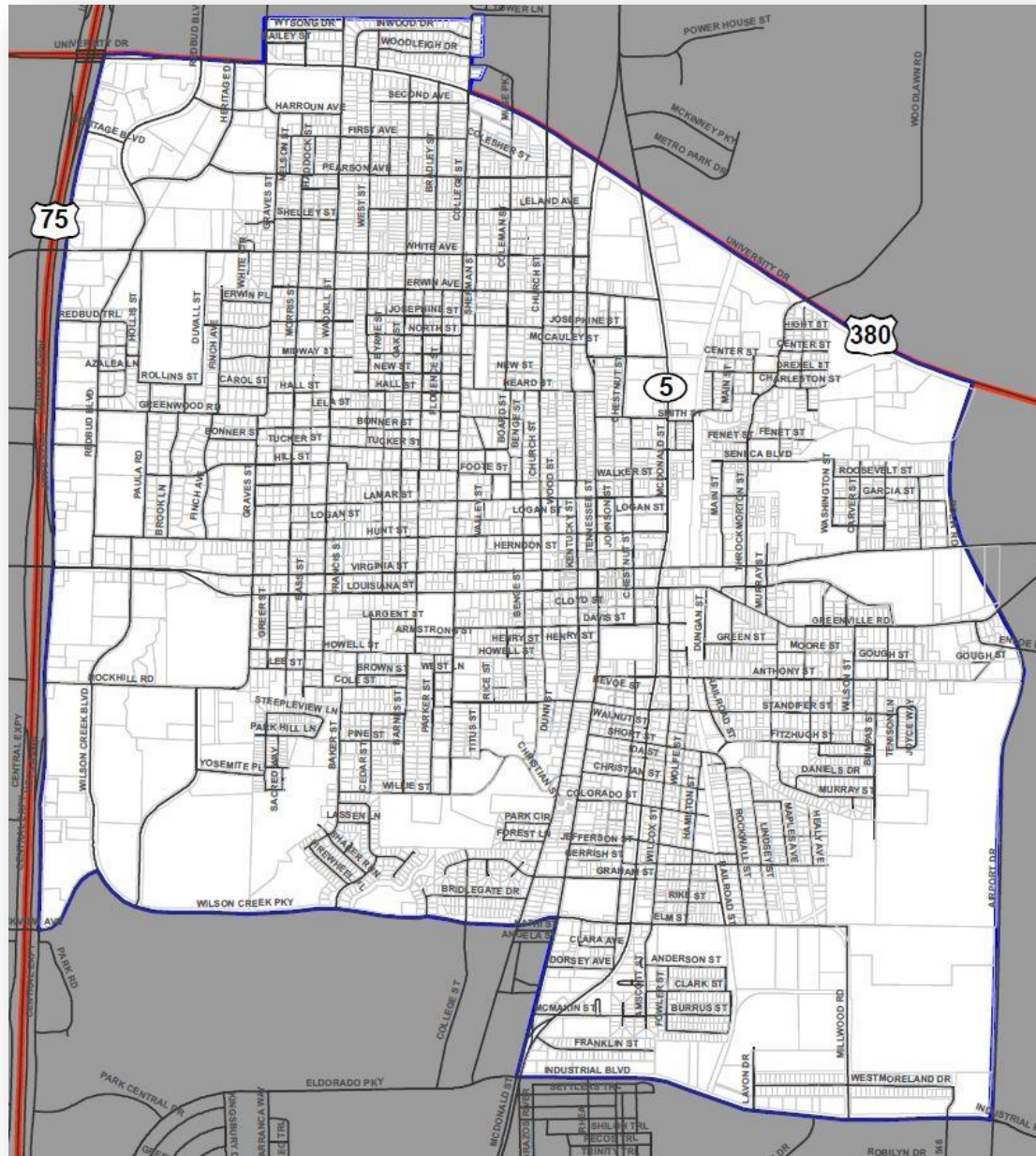




THE HNIZ/NEZ ORDINANCE

- **Historic Neighborhood Improvement Zone (HNIZ) Historic Tax Exemptions based on qualifying criteria**
 - Level 1 (100% exemption)
 - Level 2 (50% exemption)
 - Level 3 (30% exemption)
- **Neighborhood Empowerment Zone (NEZ) Impact Fee Waivers**
 - Currently offers 100% impact fee waivers for new single family residential development

HNIZ/NEZ Ordinance Boundary Map



Proposed Amendments

- (1) Improve administration of the HNIZ Tax Exemption Program as follows:
 - Modify annual aggregate cap from \$50,000 to \$100,000
 - Modify term of a Level 1 (100%) exemption from 15 years to 7 years (will not affect existing tax exemptions)
 - Add provision to ensure that properties receiving an exemption meet the intent and philosophy of the HNIZ Program
- (2) Expand current NEZ Waiver Program to include non-residential, multi-family and vertically-integrated mixed use development projects.

Expansion of the NEZ Waiver Program...

- In harmony with the 2012-2013 Impact Fee Update, Staff recommends expansion of NEZ Program as a complementary tool specifically to address small-scale infill projects within the Town Center as follows:
 - a) Maintain current NEZ boundary
 - b) Offer a 100% waiver of roadway impact fees for single family residential, non-residential, and vertically mixed-use developments (up to \$49,999 per project).
 - c) Require City Council approval for all multi-family projects and waiver requests in the amount of \$50,000 and above.

Expansion of the NEZ Waiver Program...

Multi-Family Projects

- a) Require eligibility determination by Council
- b) Design and construction shall be generally compatible with the massing, size, scale and architectural features of the surrounding neighborhood.

Non-Residential and Mixed Use Projects

- a) Must meet at least 3 of the following qualifying criteria:
 - I. Compatibility
 - II. Amenities
 - III. Consistent with Town Center Master Plan
 - IV. Investment
 - V. Mixed-Use
 - VI. Job Creation
 - VII. Vacant/Underutilized Site/Building
- b) Impact fee waiver request in excess of \$50,000 require City Council approval



Staff Recommendation

Staff recommends approval of the proposed amendments to the HNIZ and NEZ programs and adoption of the proposed ordinance.