

Neighborhood Empowerment Zone (NEZ) Program

A Program to promote housing, economic development and quality services in Fort Worth's central city.



Program Guide for Developers

WHAT IS THE NEIGHBORHOOD EMPOWERMENT ZONE (NEZ) PROGRAM ?

The City of Fort Worth created the Neighborhood Empowerment Zone (NEZ) Program to improve Fort Worth's central city (see map). The NEZ Program aims to encourage private investment in housing, businesses and services in NEZ areas.

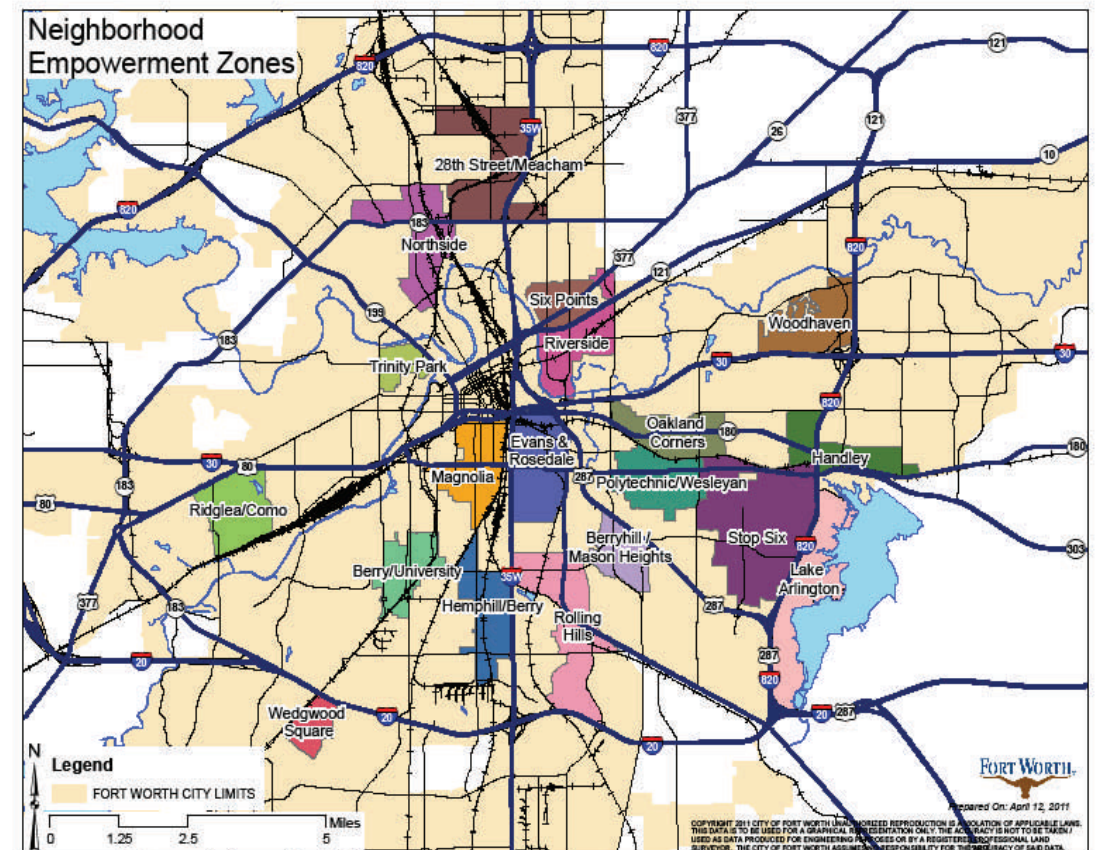
To qualify for NEZ designation, an area must:

- Be aimed at creating or rehabilitating affordable housing, promoting economic development or improving the quality of public services.
- Have at least 75 percent of its boundaries in CDBG-eligible areas or the central city.
- Have no more than 6,000 people or be no

larger than 1.5 square miles at the time of designation.

- Meet criteria for State Reinvestment Zone.
- Be located within or include state/federal empowerment or enterprise zones, mixed-use growth centers, Model Blocks, special target areas or commercial corridors to be given priority consideration.

The City Council selected the Stop Six neighborhood as the first NEZ in April 2001. The basic incentives under the NEZ Program are available for all NEZ areas designated by the City Council.



WHY SHOULD I BUILD IN A NEZ?

Single Family New Construction or Rehabilitation for Homeownership

1. 5-year municipal property tax abatement.

Eligibility criteria:

- ▶ New construction or eligible rehabilitation project.
- ▶ You must not owe any taxes to the City of Fort Worth.
- ▶ There are no city liens filed against other properties you own in Fort Worth.

2. The following development fees will be waived for new construction or eligible rehabilitation projects:

- ▶ All building permit related fees (including plans review and inspections)
- ▶ Plat application fee (including concept plan, preliminary plat, final plat, short form replat)
- ▶ Board of Adjustment application fee
- ▶ Demolition fee
- ▶ Structural moving fee
- ▶ Community Facility Agreement (CFA) application fee
- ▶ Zoning application fee
- ▶ Street and utility easement vacation application fee
- ▶ Ordinance Inspection fees
- ▶ Consent/encroachment agreement application fees
- ▶ Water and waste water impact fees up to \$55,000.
- ▶ TPW Impact Fees
- ▶ Sign Permit Fees
- ▶ Urban Forestry Application Fee

3. City liens on the property may be released if:

- ▶ You do not owe any taxes to the City of Fort Worth; and
- ▶ There are no City liens filed against other properties you own in Fort Worth.

Council approval required for release of demolition liens exceeding \$30,000 and are not removed until the project is complete.

Multifamily Development Project

1. 5-year municipal property tax abatement.

Eligibility criteria:

- ▶ Same as single family eligibility criteria; plus
- ▶ 20% of units be affordable
- ▶ New construction: minimum capital investment of 5 units or \$200,000
- ▶ Rehabilitation: minimum capital investment of 5 units or \$200,000; and total rehab costs must be at least 30% of the building value as appraised by the

Tarrant Appraisal District (TAD). More than 5 years of abatement may be negotiated if additional criteria are met.

2. Development fee waivers*

3. Release of City liens*

Commercial, Industrial, or Community Facilities Development Project

1. 5-year municipal property tax abatement. Eligibility criteria:

- ▶ Same as single family eligibility criteria; plus
- ▶ New construction: minimum capital investment of \$75,000
- ▶ Rehabilitation: minimum capital investment of 30% of the building value as appraised by TAD or \$75,000, whichever is greater

More than 5 years of abatement may be negotiated if additional criteria are met.

2. Development fee waivers*

3. Impact fee waivers (up to \$55,000. Council approval required for requests exceeding \$55,000)

4. Release of City liens*

Mixed-Use Development Project

1. 5-year municipal property tax abatement. Eligibility criteria:

- ▶ Same as single family eligibility criteria; plus
- ▶ At least 20% residential use and 10% retail, service, eating, entertainment, or office use in total gross floor area
- ▶ New construction: minimum capital investment of \$200,000
- ▶ Rehabilitation: minimum capital investment of 30% of the building value as appraised by TAD or \$200,000, whichever is greater

More than 5 years of abatement may be negotiated if additional criteria are met.

2. Development fee waivers*

3. Impact fee waivers* (up to \$55,000. Council approval required for requests exceeding \$55,000)

4. Release of City liens*

If your project is located in Woodhaven, support from the Woodhaven Neighborhood Association and Woodhaven Community Development Corporation is required to qualify for NEZ incentives.

*Same as single family development.

Q: What is municipal property tax abatement?

A: Municipal property tax abatement is a temporary exemption of the City portion of property tax on the increased value of a property as determined by TAD. It is a tax freeze. To qualify for a tax abatement, you must apply before any improvements are made and any building permits are issued.

HOW CAN I APPLY FOR NEZ INCENTIVES?

Step 1: Visit the City of Fort Worth Planning and Development Department Web Site at (www.fortworthgov.org/planninganddevelopment). Click on Neighborhood Empowerment Zone. Review the NEZ program information to see if your project qualifies to receive NEZ incentives.

Step 2: Apply at the Permitting Center Check-In at City Hall (LL South) for a building permit, and if required, a zoning change, and staff will assess your project to determine if it is NEZ eligible. If it meets all criteria, you will receive notice that your project has been certified to receive NEZ incentives.

Step 3: For questions regarding the NEZ program, email them to DevNEZProgram@FortWorthGov.Org. A staff person will respond as soon as possible; or, you may contact the Customer Service section at 817-392-2222.

Step 4: There is an application fee of \$25 for NEZ basic incentives paid to Planning & Development and \$100 for NEZ tax abatements paid to the Housing Department. If you are approved for tax abatements, City staff will work with you to finalize the tax abatement agreement with the City. This takes 60 to 90 days to approve.

FREQUENTLY ASKED QUESTIONS

Q: What is eligible rehabilitation?

A: Eligible rehabilitation cost is at least 30% of the TAD value of a home or building. All improvements to real property can be counted toward the 30% minimum rehab cost requirement. Improvements or purchase of personal property such as furniture or appliances are not eligible. Please note that not all improvements to real property result in an increase in appraised value.

Q: How do I know whether my property is in a NEZ or how do I find out where a NEZ is located?

A: Call the Planning and Development Department at (817) 392-2222 or find out from the Housing Department Web Site www.fortworthgov.org/planninganddevelopment.

Q: Can I sell the property within 5 years if I receive tax abatements?

A: Yes. The new owner can assume the remaining term of the tax abatement by signing a new agreement with the City.

Q: If I receive fee waivers, do I still have to apply for building permit, zoning, platting or other development procedures?

A: Yes. You still need to make an application for any of these procedures, if applicable. The approval of fee waivers does not guarantee the approval of development procedures.

Q: Is any business eligible for the incentives?

A: No. Sexually oriented businesses are not eligible. Liquor and package stores eligibility is determined by City Council.

Q: I bought a property in a NEZ and I want to develop it. However, there are City liens on the property, what should I do?

A: If you or your company don't owe any taxes to the City and there are no liens filed against other properties you own in Fort Worth, then you can apply for the City liens to be released.

Q: Is any business eligible for the incentives?

A: No. Sexually oriented businesses are not eligible. Liquor and package stores eligibility is determined by the City Council.

CITY OF FORT WORTH
PLANNING AND
DEVELOPMENT DEPARTMENT

1000 Throckmorton Street
Fort Worth TX 76102
www.fortworthgov.org/planninganddevelopment

For More Information Contact:
Customer Services Section
817-392-2222

