



TIRZ INCENTIVES POLICY

BACKGROUND

To encourage revitalization and infill development of properties which fall within the Tax Increment Reinvestment Zone (TIRZ) area, the City of San Angelo offers many unique incentives. The goal is to fund projects that bring new business and positive impacts to this area in an aggressive way. Please refer to the maps at the end of this document to see if your business/property falls within the zone. For more information, contact the Economic Development Department at 325-653-7197.

These incentives are part of an overall strategy to leverage investment, lower the cost of doing business and incentivize property owners choosing to improve properties in the target area. They are also intended to preserve the architectural and historic character of buildings and corridors within the South zone.

Specifically excluded from the TIRZ Incentives Policy are properties zoned RS.

Non-profit organizations are not eligible for TIRZ incentives in the South zone, with the exception of government entities.

Non-profit organizations may be eligible for TIRZ incentives in the North zone, if the TIRZ Board and City Council make a finding that a significant economic impact will be created as a result of the project. Providing funding for a non-profit organization under this policy shall require a favorable vote of at least three-fourths of all the members of the TIRZ Board and City Council.

ELIGIBILITY

1. Must fall within the North or South TIRZ boundary (see the maps at the end of this document)
2. The *Project Criteria* listed below will be considered when making grants, but will not necessarily be required.
3. The request for funding must be composed of one or more of the eligible *Incentive Types* listed below

PROJECT CRITERIA

Does the Project:

- Provide connections between activities?
- Improve pedestrian & vehicular infrastructure?
- Provide or reinforce usable & defined open space?
- Strengthen the focus area's identity?
- Support the goals of making the area a cultural, leisure and tourist destination?
- Improve the utilities and/or drainage infrastructure?
- Remediate environmental deficiencies or enhance public safety?
- Promote mixed-use development?
- Utilize architectural styles that compliment to historic areas already in existence?
- Help to mitigate or eliminate undesirable views or outside storage?
- Reduce the visual impact of parking areas?

- Preserve or provide natural landscaping?
- Implement environmentally friendly features, such as green building materials, rainwater harvest, or low-energy heating and cooling?
- Include an aggressive match by the applicant, in excess of what is minimally required?

INCENTIVE TYPES

- ***Façade Improvement-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in façade improvements on existing buildings which are part of approved projects. Signage can be funded as part of broader aesthetic improvements, but generally will not be funded as a standalone project, with the exception of repair and revitalization of historic signage in the downtown.
In the South zone, review and approval of the proposed façade design will be based upon the design standards outlined in the River Corridor Master Development Plan. For buildings identified as resources within the 2006, 2009 or 2021 Historic Resources Survey, or which are historically designated, the review and approval of the proposed design will also be based upon the design standards outlined in the Central Business/Old Town Historic District Design Guidelines. Buildings identified as resources in the 2006, 2009, or 2021 Survey are strongly encouraged to apply, at no cost to the applicant, for a Historic Overlay through the Design and Historic Review Commission.
- ***Historic Preservation-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in the preservation, sustainability and conservation of historic buildings, structures and materials that maintain or revitalize the building or property's historical integrity.
- ***Landscape Installation-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in new landscaping for approved projects. Review and approval of the proposed landscaping design will be based upon the design standards outlined in the River Corridor Master Development Plan and plant selection as outlined in the Drought Tolerant Plantings Guide.
- ***Outside Storage Screening-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in the screening of outside storage areas.
- ***Paving-*** As part of an overall funding package, TIRZ funds could cover a portion or all of the costs involved in paving (or demolition as part of an overall redevelopment project). This could include parking areas, driveways, sidewalks, and curbing on properties where such improvements are associated with a business or other use (i.e., not improvements to an undeveloped lot or vacant property). However, independent paving projects in the South TIRZ area, such as for a parking lot, will generally not be funded unless part of a larger improvement project or where the parking lot includes aesthetic improvements such as screening, landscaping, etc. to help improve the appearance of the property and the zone.
- ***Secondary Egress-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in the installation of additional exits *if required* by International or Fire Building codes. Written verification by the Fire or Building Code Official that the additional exit(s) are required must be provided.
- ***Asbestos Abatement-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in the abating of asbestos *if required* by International Fire or Building codes.
- ***Fire Sprinkler System & Monitored Smoke Alarm System-*** As part of the funding package, TIRZ funds could cover a portion or all of the costs involved in the installation of a fire sprinkler system or monitored smoke alarm system.

- **Sales Tax-** As part of the funding package, TIRZ funds could cover the sales tax on locally-purchased construction materials used on an approved project.
- **Property Tax-** As part of the funding package, TIRZ funds may be considered to cover a portion of property taxes – specifically the increment between the original appraised tax amount and the new appraised tax amount following improvements – beginning with the year a Certificate of Occupancy is granted in accordance with the schedule below. Property Tax incentives will only be considered for projects that have an overall total investment of \$750,000 or more. This is generally not a preferred funding mechanism but will be considered on a case-by-case basis for substantial projects based on the projected economic impact to the City. Applicants that are awarded for property tax incentive funding must show proof of payment of property taxes on or before February 1st of the payment year or will face forfeiture of their tax rebate for that year. Year 1 will include the first year in which the improvements are reflected in the new appraised value from the Tom Green County appraisal district. **Property tax incentives will be awarded *in addition* to the other listed incentives and are not counted toward the maximum award amounts.**

Year Rebate	Year 1	Year 2	Year 3	Year 4	Year 5
	100%	90%	80%	70%	60%

- **Job Creation Incentives-** This Incentive Policy does not preclude or serve as a guide for any incentives that may be granted based upon job creation by the City of San Angelo Development Corporation (COSADC). For more information about incentives possible from this source, contact the Economic Development Department at 325-653-7197.
- **Development Fee Reductions-** As part of the funding package, TIRZ funds could cover development fees including:
 - Preliminary Plat, Final Plat, Amended Plat and Replat application fees
 - Abandonment of public right-of-way application fees
 - Application fees for release of easements
 - Dedication of a public right-of-way or easement
 - Special Use, Conditional Use or Zone Change application fees
 - Building Permit fees
 - Off-site sign demolition permit fees (removal of billboards)
 - Permit fees for demolition of any non-historic building or structure
 - Architectural fees
 - Engineering fees
 - Water tap fees

REQUIRED APPLICATION DOCUMENTS

- A completed application
- A substantiation of the need for funding requested via a proposed project budget (Worksheet A)
- A brief narrative illustrating how the project meets the *Project Criteria* outlined on page 1
- Zone impact statement projecting the activity, economic benefit and positive impact of property taxes that will be generated as a direct result of the completion of the project(s).
 - Activities/benefits generated by the Project
 - Activities/benefits of adjacent properties
 - How the project will enhance the District
- Current appraised value of the subject property
- Renderings/Elevation drawings of the proposed work (What the project will look like when complete)
- Current photos
- A completed W-9
- Approval letter from the Design and Historic Review Commission (DHRC), if applicable
- Prior TIRZ funding (if applicable) that has been previously awarded to the subject property or applicant

(The Application and Project Budget (Worksheet A) can be found online at cosatx.us/TIRZ).

AWARD AMOUNTS

SOUTH	If total cost of Project is less than or equal to \$10,000	25% minimum match required from applicant	Maximum award of \$10,000
NORTH	If total cost of Project is less than or equal to \$25,000	No minimum match required from applicant	Maximum award of \$25,000
NORTH	If total cost of Project is greater than \$25,000	10% minimum match required from applicant	Maximum award of \$75,000
SOUTH	If total cost of Project is greater than \$10,000	25% minimum match required from applicant	Maximum award of \$75,000

Each project award may be issued as follows:

- Once the incentive funding has been authorized by the City Staff, the TIRZ Board and the City Council, an Incentive Agreement will be prepared which will outline the requirements of the policy and include recapture provisions in the event that the project is not completed within a two year period, or not completed in accordance with the approved drawings and Incentive Agreement. If the project cannot be completed within the 2 year period, extensions must be requested and granted by the TIRZ Board. Work can begin on other portions of the project, however, *work may not begin on the approved incentive items until an Incentive Agreement is executed and a Letter to Proceed is issued*. Payment of the incentive funds will be remitted once the project is complete and deemed compliant with the approved drawings and Incentive Agreement.
- A property subject to a TIRZ Incentive Agreement may not be sold for a period of 2 years after the completion of the project, subject to recapture of incentive funds for noncompliance. In addition, any taxable property subject to a TIRZ Incentive Agreement must remain as taxable property for a period of at least 5 years after the completion of the project, subject to recapture of incentive funds for noncompliance.
- Project costs used as matching funds must be for TIRZ-eligible expenses.

AWARD RANKINGS

Projects in the South TIRZ area will be considered during one or more application cycles each Fiscal Year. Projects in the North TIRZ area will be considered throughout the year and applications may be submitted at any time. Proposed projects submitted during the application window(s) will be ranked and the highest ranked will be considered for funding first.

Rankings will be determined in review utilizing:

- The project fulfilling one or more of the *Project Criteria* listed on page 1
- The appearance of the proposed project
- The location of the proposed project
- Projects will be prioritized based on the following:
 - High priority – housing, historic preservation, fire sprinklers and related improvements, and building aesthetics
 - Medium priority – landscaping, other aesthetic improvements, and other health/safety improvements
 - Low priority – internal building improvements and signage
 - Lowest priority – parking lots and other paving (and only funded as part of a larger project)
- In general, sites and/or owners that have not received funding within the past year will be prioritized over those that have received funding.
- Projects improving a blighted property will be prioritized over properties that are not blighted.
- Physical improvements visible from a public street right-of-way will be prioritized over improvements that are not visible from a public street right-of-way.
- An occupied building or one with immediate occupancy planned will be prioritized over vacant buildings.
- A project that will expand the tax base or employment within the zone will be prioritized over one that does not.
- The level of investment/overall fiscal impact, as well as any other information determined pertinent by the staff, the TIRZ subcommittee, TIRZ Board, and City Council.

OTHER IMPORTANT INFORMATION

- For all projects – Receipt of a complete application package by the Economic Development Department – and issuance to the applicant of a Letter to Proceed and signed Executed Incentive Agreement is required before work can begin on the approved incentive items.
- The Letter to Proceed will include the completion date on the portion of the project that is approved for incentive funding - two years from the issuance of this letter. If an extension past two years is requested, it must be presented to the TIRZ Board for determination.
- Unlike in previous TIRZ incentive policies, applicants will not be required to submit bids for work. Rather, the applicant will provide the total cost of the project via an overall scope and project budget (Worksheet A), and demonstrate how they will meet the required match, with the remaining cost constituting the request for incentive funding. The request for incentive funding must be composed of one or more of the eligible *Incentive Types* and substantiated with a cost estimate, estimated budget, or other means of documentation.
- The maximum request for incentive funding will be considered; however, the request may be denied for incentive funding, approved for partial incentive funding, or fully approved for incentive funding, based upon how well the proposed project meets the *Project Criteria* outlined on page 1. In addition, when the current year of incentive funds are exhausted, the TIRZ Board may elect to fund additional projects when incentive funding is available, by approving the project to begin and making reimbursement – subject to all restrictions outlined in the Incentive Agreement – in the following fiscal year. In no circumstance shall an existing TIRZ Board make incentive funding commitments more than one cycle in the future.

- In 2017, the TIRZ Board voted to annually allocate at least 25% of TIRZ funding for public projects from each the North and South zones. Public project allocated funds will be accumulated annually until spent.
- All application requirements must be met in order to be eligible for the maximum reimbursement amounts.
- An appeal of any administrative decision can made to the TIRZ Board.
- All Incentive Agreements must be signed and executed within 60 days of City Council approval or applicant will forfeit all approved incentive funding.

OTHER IMPORTANT INFORMATION – SOUTH ONLY

- In determining whether or not to fund a project, City Staff and TIRZ Board Members will utilize the *Project Criteria*, some of which are contained within the recommendations of the Downtown Master Development Strategic Plan as recommended items for investment in order to realize the potential of the district, and others which were identified in the adopted River Corridor Master Development Plan and TIRZ Project Plan.

In 2013, The City Council adopted *The Downtown Master Development Strategic Plan*, which identified 3 areas of focus that the TIRZ South Zone should support.

- Category A - OFFICE/WORKFORCE- This includes potential building area, vacant office space and new office space
- Category B - RESTAURANT/ENTERTAINMENT- This includes food services and drinking places, full-service restaurants, limited service eating places, special food services, drinking places - alcoholic beverages
- Category C - HOUSING/HOTEL- This includes multi-family units

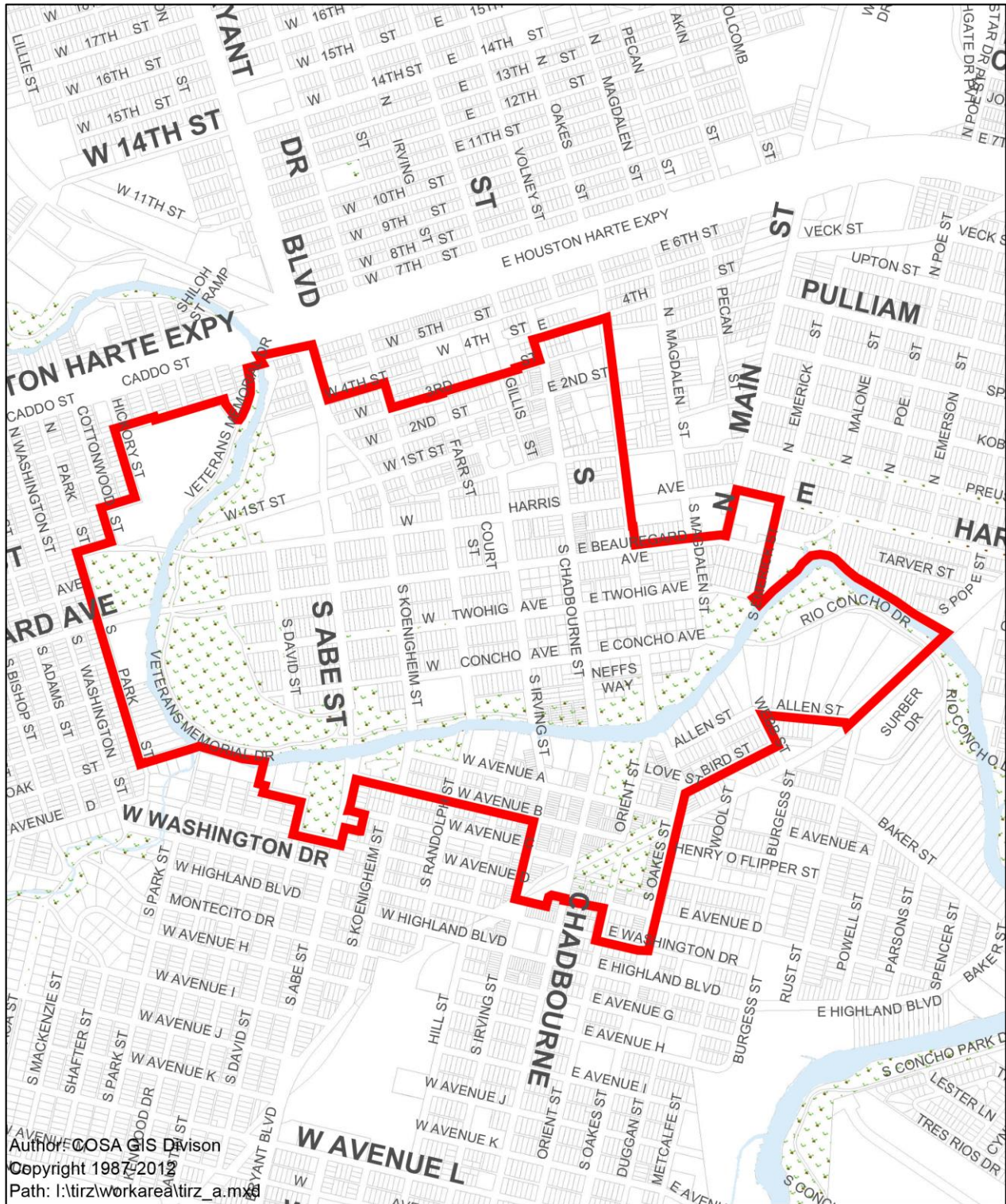
In addition, the TIRZ Board identified the following additional area of focus for the TIRZ South Zone.

- Category D - RETAIL/SALES

ZONING REQUIREMENTS

Any business which applies for incentives through the TIRZ Policy and is currently zoned CG/CH must rezone their property. Proposals for CG/CH zoning were banned by the San Angelo Planning Commission and City Council in 1972 due to the harmful effects created such as unlimited outside storage and a range of incompatible allowed uses. **Rezoning fees for this item will be waived.**

Unless specifically exempted, all projects seeking TIRZ incentive funding must meet current building standards, codes and permitting requirements as well as be current on all taxing obligations. All TIRZ incentives are subject to incentive funding availability and final approval by the City Council. The City of San Angelo has adopted the International Existing Building Code, a developer - friendly code that allows for improvements that consider the design limitations of older buildings to encourage adaptive reuse by allowing different levels of modification to existing structures. Contact the Permits Division at 325-657-4210 for further information regarding questions about the International Existing Building Code.



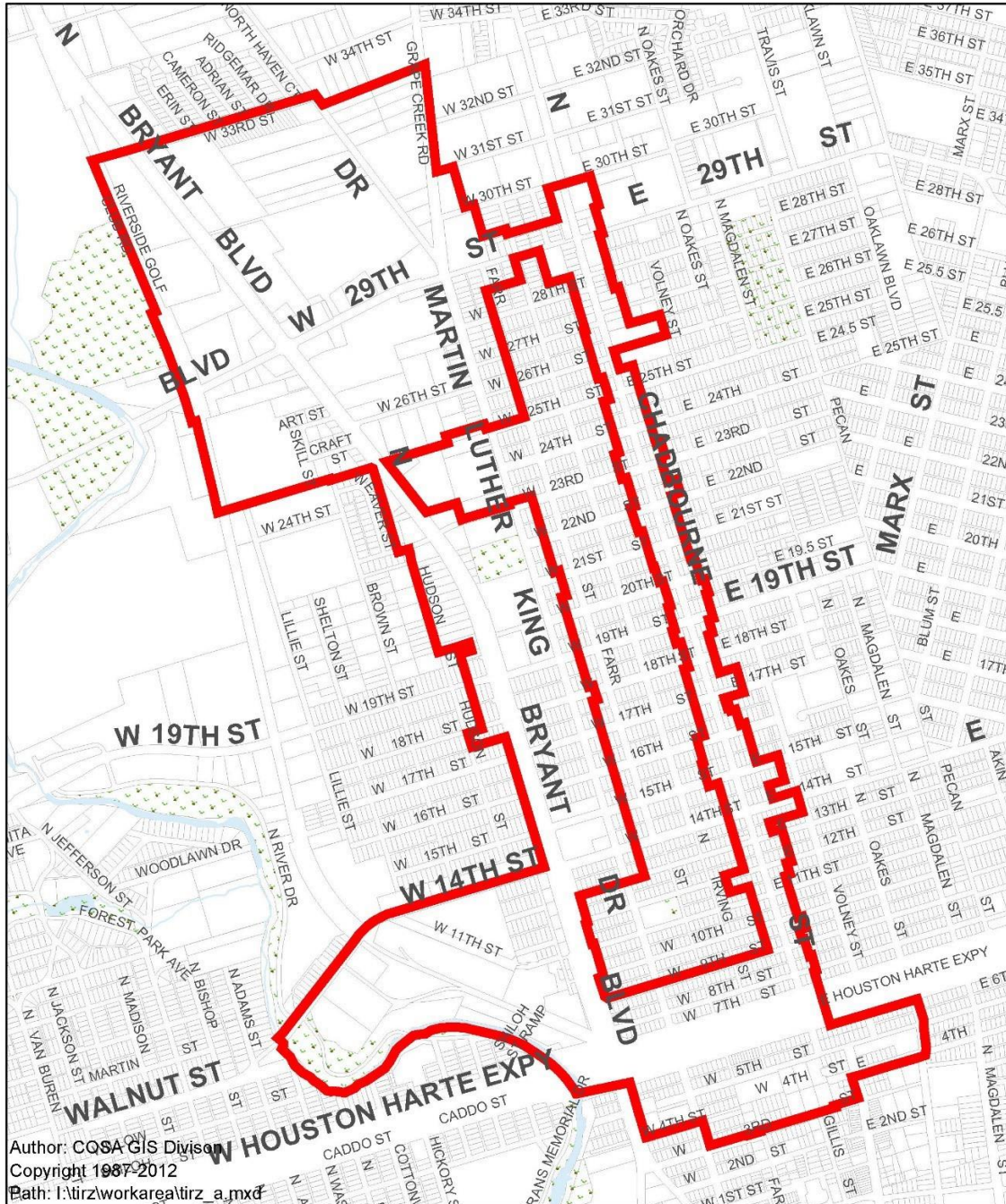
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T.I.R.Z. South
660 Acres
28,332,259 Sq Ft
 [Red Box] T.I.R.Z. Boundary



1 inch = 1,300 feet



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 T.I.R.Z. North
671 Acres
29,148,866 Sq Ft
 T.I.R.Z. Boundary


1 inch = 1,300 feet