



FARMERS
BRANCH

Application Number D/R-

Date Received 09/22/2014

CITY OF FARMERS BRANCH
RESIDENTIAL DEMOLITION/REBUILD
INCENTIVE PROGRAM

APPLICATION AND POLICY

This application is for the Residential Demolition/Rebuild Incentive Program and is subject to the attached policy. By submitting this application the undersigned acknowledges that such person has read and agrees to comply with the policy. ¹

Section A: Applicant Information

Applicant's Full Name			
<u>JEFFERY JOSEPH JIMES</u>			
Spouse or Co-Owner			
<u>STEPHANIE ANNE JIMES</u>			
Current Mailing Address			
<u>970 MALLARD DR.</u>			
City	State	Zip Code	
<u>COPELL</u>	<u>TX</u>	<u>75019</u>	
Phone	Cell	Fax	
<u>972-745-7208</u>	<u>214-356-5495</u>		
E-mail ²	<u>[REDACTED]</u>		

For additional information regarding this application or the Residential Incentives Program, please contact Allison Cook, Economic Development Manager at 972.919.2507.

² A person's home email address is confidential and may not be disclosed to the public by the city unless a citizen consents. By submission of this application you consent to the public disclosure of your email address unless requested otherwise in writing.

Section B: New Home Information

Address of New Home (the structure to be demolished and to be replaced with new residence)³

14304 OLYMPIC COURT

City

State

Zip Code

FARMERS BRANCH

TX

75234

Estimated Value of new structure (value of improvement only, not inclusive of land)

Applicant shall include with the submittal of this application a copy of each of the following:

- Valid Texas driver's license or Texas I.D. card for identification verification
- Completed W-9 Form, including Social Security Number or taxpayer ID number, for tax purposes
- Elevations and floor plan of new home

Submit floor plan of new home via email to Allison Cook and/or Madison Clark:

Allison.cook@farmersbranchtx.gov

Madison.clark@farmersbranchtx.gov

Section C: Incentive Selection

I am applying for the following incentive:

Residential Demolition/Rebuild Incentive Program (Check One):

- Program Option 1:** An incentive that is based on the increase over the course of seven (7) years in the City property taxes paid on the difference between the original home appraised value (excluding the land value) prior to demolition and the value of the newly constructed home (excluding the land value), as determined by the Dallas County Appraisal District. This option also includes a reimbursement of up to \$5000.00 of the cost of demolition of the original home following completion of demolition. Demolition of the original home and completion of construction and occupancy of the new home must be within 24 months of the effective date of the incentive agreement signed with the City.
- Program Option 2:** An incentive equal to 10 times the amount of the increase in the City property taxes paid on the difference between the original home appraised value (excluding the land value) prior to demolition and the value of the newly constructed home (excluding the land value), as determined by the Dallas County Appraisal District for the year following completion of construction. If requested, the City will pay up to one-half of the estimated incentive at the time the owner closes on the permanent financing of the new home following completion of construction based on the valuation set forth in the application for building permit submitted to the City prior to construction. This option does not include reimbursement for demolition costs. Demolition of the original home and

³ If address for the residence for the demolition/rebuild program is different from the applicant's address in Section A, above.

completion of construction and occupancy of the new home must be within 24 months of the effective date of the incentive agreement signed with the City.

Section D: Acknowledgements

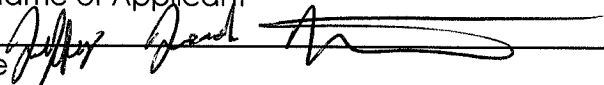
I hereby certify that I am the owner and occupant of the property described in Section B, above (or that I am a builder or developer and own the property described in Section B above) and that the information set forth herein and accompanying this application is true and correct to the best of my knowledge. I hereby acknowledge that I have read, understand and agree to comply with the City of Farmers Branch Residential Demolition/Rebuild Incentive Program policy. Any VIOLATION of the terms pr conditions of the Residential Demolition/Rebuild Incentive Program Policy or any false or misleading information in or submitted with this application shall constitute grounds for rejection of the application or termination of the reimbursement of the incentives, if approved, at the discretion of the City of Farmers Branch.


The undersigned acknowledges and agrees that the approval of the application shall not be deemed to be approval of any aspect of the construction of the proposed project, and that I am fully responsible for obtaining all required permits and inspections from the City of Farmers Branch, and that the demolition of the existing structure and the construction of the new residence complies with all applicable City rules, regulations and requirements.

I understand that my application will not be processed if it is incomplete. I further agree to provide any additional information for determining eligibility as requested by the City of Farmers Branch within the stated period of time for the submittal of the requested additional information, or the application will be deemed denied.

I understand that the approval of the application and participation in the program is discretionary with the City Council, and that the program may be suspended, terminated, or modified at any time regardless of availability of City funds or pending applications on file.

The undersigned acknowledges that if the application is approved that I (and my spouse or other joint owner of the property, if applicable) shall be required to enter into a contract with the City, for the payment of the incentive under the Residential Demolition/Rebuild Incentive Program and setting forth the Applicant(s) obligations under the Program.

JEFFERY JOSEPH JIMES
Printed Name of Applicant

Signature 9/21/2014
Date

STEPHANIE ANNE JIMES
Printed Name of Co-Applicant

Signature 9/21/2014
Date

Farmers Branch Residential Incentive Grant Program

Residential Demolition/Rebuild Incentive Program

Purpose. Chapter 380 of the Texas Local Government Code authorizes the City to provide incentives consisting of loans and grants of city funds, use of city personnel, facilities and services with or without charge, for the promotion of economic development. The availability of quality housing stock in the City of Farmers Branch encourages the relocation of businesses, attracts new businesses, and promotes expansion of existing businesses to and within the City, all of which in turn will stimulate growth, create jobs, and increase property and sales tax revenues. Subject to available funding and the conditions of this program, the City desires to provide economic development incentive grants pursuant to Chapter 380 of the Texas Local Government Code to encourage the redevelopment of existing one-family detached residential properties with the construction of new, higher value, one-family detached residential structures.

Eligible Applicants and Projects. This program is available to people who own and occupy a one family detached dwelling (a "residence") in the City who agree to demolish the existing residence and to construct a new residence at the same location. The eligible residence owner shall be required to enter into an agreement for the program prepared by and approved by the City Attorney. Additionally, a developer or builder may qualify for the program if the developer or builder owns a single-family residence in the City and agrees to demolish the residence and construct a new single family residence at the same location; provided, however, any incentive to be paid pursuant the program agreement will be paid to the first person that owns and occupies the new residence and not the developer or builder. The eligible developer or builder shall be required to enter into an agreement with the City for the program prepared by and approved by the City Attorney. In the case of a developer or builder, the program agreement will be assignable to the first owner occupant of the new residence within 24 months after completion of construction of the new residence, who will then be entitled to payment of the incentives. The incentive will no longer be available, if the owner or developer fails to sell and transfer the new residence to an owner/occupant within the twenty-four (24) month period.

The demolition of the existing residence and the construction of a new residence must be completed, and a certificate of occupancy or completion issued by the City for the new residence, not later than twenty-four (24) months after the effective date of the incentive agreement entered with the City following approval by the City of an eligible project for participation in the program. The program participants will be required to consent to periodic City inspections of the demolition of the existing residence and the construction of the new residence. Property owners who are delinquent in payment of property taxes or other fees due to the City are ineligible to participate in the program, and the program agreement will terminate if the property owner is delinquent in payment of property taxes or other fees due to the City.

The property owner must be approved as an eligible participant in the program and shall have entered into the program agreement with the City prior to any demolition work relating to the existing residence and prior to the construction of the new residence. A project is not eligible if work commences prior to approval of the project by the City Council.

There are two options with respect to the incentives which may be granted pursuant to the Program. The eligible participant must select which option the participant desires to pursue at the time of application. At no time may a property qualify for more than one incentive pursuant to the Program.

Program Option 1: With respect to the first option under the Program, the City will provide seven (7) annual consecutive economic development incentive grants. Each incentive shall be equal to one hundred percent (100%) of the difference between the City property taxes assessed and paid for the new improvement (excluding the land) for a given tax year and the City property taxes assessed and paid for the residential structure (prior to demolition) (excluding the land) for the tax year in which the structure was demolished (the "Base Year"). The seven (7) incentives will be paid on April 1 of the calendar year beginning with April 1 of the calendar immediately following the calendar year in which a certificate of occupancy or completion is issued by the City following completion of construction of the new residence.

In the event the participant is a builder or developer, the annual incentive will be paid to the first owner occupant of the new residence who acquires the new residence after the completion of construction of the new residence and not to the developer or builder provided the new residence is sold to the first owner occupant within twenty-four (24) months after completion of construction of the new residence. The annual incentive would be paid on April 1 of the calendar year beginning with April 1 of the calendar immediately following the calendar year in which the owner occupies the new residence pursuant to a certificate of occupancy or completion issued by the City for such owner occupant.

Each incentive shall be equal to one hundred percent (100%) of the difference between the City property taxes assessed and paid for the new improvements (excluding the land) for a given tax year and the City property taxes assessed and paid for the prior residential structure (excluding the land) for the Base Year (the tax year in which the structure was demolished). The incentive will be based on the increase in certified appraised value of the new residential improvements (excluding the land) above the certified appraised value for the residential structure, excluding the land, prior to the demolition for the Base Year as determined by the Dallas Central Appraisal District for each of the seven (7) consecutive tax years beginning January 1 of the calendar year immediately following the calendar year in which a certificate of occupancy or completion is issued by the City following completion of the new residence.

For illustration purposes only, assume that the assessed value for an existing residential improvement is \$200,000 for tax year 2014, and the project is approved by the City in 2014, and demolition commences in 2014. In this example, the Base Year is 2014 and the Base Year Assessed Value is \$200,000. Further assume that the project is completed, the City issues a certificate of completion or occupancy on May, 15, 2015, and that the certified assessed value for the new improvements for tax year 2016 (which will be the assessed value as of January 1, 2016 which will be the first year that the full value of the new improvements will be included in the certified appraised value from the Dallas Central Appraisal District) is \$300,000. The first incentive will be equal to 100% of the difference in City taxes paid for the new improvements for tax year 2016 less the City taxes paid for the improvements for the Base Year 2014, and would be paid to the applicant April 1, 2017.

The Program Option 1 incentive also includes a reimbursement for up to \$5000.00 of demonstrated out of pocket costs directly related to demolition of the original residence. Payment of the reimbursement shall not occur earlier than 30 days after commencement of construction of the new residence. If commencement of construction of the new residence does not occur within twelve (12) months after completion of demolition of the original residence, the City will have the option to terminate the incentive agreement and be under no obligation to pay any reimbursement of demolition costs. If the demolition cost reimbursement is paid and a certificate of completion or occupancy for the new residence is not issued within 24 months following the effective date of the incentive agreement, the City will have the option to terminate the agreement and seek reimbursement of the demolition cost reimbursement incentive.

Program Option 2: With respect to Program Option 2, the City will pay an incentive in an amount equal to ten (10) times the amount of increase in City property taxes for the property (not including the land) taxes between the Base Year and the first tax year following the first full calendar year following the date of completion of construction of the new residence on the land; provided, however, the incentive shall not exceed ten (10) times the estimated increase of the value of the new residence as determined by the value appearing on the building permit application submitted to the City relating to construction of the new residence. In determining the maximum amount of the incentive, (a) the determination of the Base Year is the same as for Program Option 1 and (b) the City's property tax rate for the year the new residence is completed shall be used.

At the option of the property owner, if the property owner has engaged a builder and obtained interim financing for construction of the new residence, the City will advance an amount of up to 50% of the estimated incentive after completion of construction of the new residence but prior to closing on the permanent financing in order to allow the property owner to pay the property owner's closing costs related to obtaining permanent financing on the new residence. The estimated advance payment will be based on the value of the new residence (not including the land) set forth in the building permit. The balance of the incentive will be paid in a single payment on or about April 1 following the first full calendar year following the date of completion of construction of the new residence.

For illustration purposes only, assume that the assessed value for an existing residential improvement is \$200,000 for tax year 2014, the project is approved by the City in 2014, and demolition commences in 2014. In this example, the Base Year is 2014 and the Base Year Assessed Value is \$200,000. Further assume that the project is completed and the City issues a certificate of completion or occupancy on May, 15, 2015. Assume also that the value of the new improvements constructed on the property (exclusive of land costs) as shown on the building permit application submitted to the City is \$300,000. Based on a City property tax rate of \$0.6241 per \$100 of assessed value, the incentive based on the estimated value will be \$6241.00 ($\$100,000/\$100 \times \$0.6241 \times 10 = \6241.00). Prior to closing on the permanent financing for the new residence, the property owner may request an advance of up to one-half of the incentive based on the estimated new value shown on the building permit application, or \$3120.50, which may be applied to closing costs for the permanent financing. If the certified assessed value for the new improvements for tax year 2016 (which will be the assessed value as of January 1, 2016, which will be the first year that the full value of the new improvements will be included in the certified appraised value from the Dallas Central Appraisal District) is \$300,000, then the remaining balance of the incentive of \$3120.50⁴ ($\$6241.00 - \3120.50) will be paid to the applicant April 1, 2017.

Note that if under the above example the certified assessed value for the new improvements for tax year 2016 is \$400,000, the incentive will be capped at \$6241.00 because the actual amount exceeds the estimated amount. Conversely, if the assessed value for the new improvements for tax year 2016 is \$275,000.00, the total incentive due will be \$4680.75 ($[\$275,000 - \$200,000]/\$100 \times \0.6241×10), with the balance of \$1560.25 being paid to the property owner on or about April 1, 2017.

There is no reimbursement for demolition costs provided in the Program Option 2.

Exclusions from Base Year Assessed Value. In establishing the Base Year Assessed Value for the property for both Program Option 1 and Program Option 2, valuation freezes, exemptions or reductions to which a current or former owner or occupant of the property is entitled because of age, disability, or veteran status shall not be taken into consideration. Furthermore, in determining the Base Year amount of City property taxes paid, the base year amount paid will be determined as if no exemptions allowed pursuant to Chapter 11 of the Texas Tax Code are applied unless the same exemption(s) will be also be in effect to reduce the amount of city property tax due for the tax years in which the incentive will be paid.

Incentive Agreement. The incentive will be provided pursuant an agreement between the City and the property owner (or developer/builder, as the case may be) to be prepared and approved by the City Attorney. The incentive agreement is not transferable and may not be assigned if the property is sold or transferred (including a life estate) to a

⁴ If the property owner does not take the full 50% advance on the incentive at closing of the permanent financing, the balance of the incentive will be paid on the date indicated.

subsequent owner, except in the case of a builder or developer as set forth above. In the event the new residence is sold or transferred, the incentive agreement shall automatically terminate and no further incentives will be paid.

Application. A person desiring to participate in the program shall submit an application to the Director of Economic Development on a form provided by the City prior to commencement of any demolition of the existing residence on the property. The application shall require the property owner to provide the details of the proposed demolition/rebuild project, the estimated project costs and such other information as the City may require.

Review Process. The application shall be reviewed by the Director of Economic Development (or designee) who shall determine whether the applicant and the proposed project qualify for the program. The Director of Economic Development shall review a completed application not later than fifteen (15) business days after submission. If an application is incomplete or if additional information is required, the Director of Economic Development shall notify the property owner in writing of such request with a deadline to submit such requested information. The property owner shall provide a complete application or the requested additional information, as the case may be, within the stated time period or the application shall be deemed withdrawn. The Director of Economic Development will notify the property owner in writing if the application is denied or approved, and if approved, the Director will provide the required incentive agreement. The property owner will be required to execute and return the incentive contract within fifteen (15) business days after receipt from the City.

Incentive Payment. Except as noted below, the annual incentive for Program Option 1 will be paid to the property owner pursuant to the incentive agreement on April 1 of the calendar year beginning with April 1 of the calendar immediately following the first full calendar year following the date the City issues a certificate of completion following the completion of an approved project. In a year in which the property owner decides to pay property taxes on the property by utilizing the split-payment method, payment of the incentive will not be made until the earliest of (a) April 1, (b) 60 days following delivery to the City of paid tax receipts showing that all property taxes have been timely paid, or (c) September 1. The amount of the incentive shall be determined by the Director of Economic Development, whose decision shall be final in all respects.