



Application Number D/R- _____

Date Received _____

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 BERRY RAY GRUBBS

Spouse or Co-Owner DAVID NELSON (BUILDER)

Current Mailing Address 3521 BROOKLINE LN.

City FARMERS BRANCH State TX Zip Code 75234

Phone _____ Cell _____ Fax _____

E-mail ² _____

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

13561 BRAEMAR
Address of New Home (the structure to be demolished and to be replaced with new residence)³
FARMERS BRANCH TX 75234
City State Zip Code
\$1,100,000. to \$1,200,000.
Estimated Value of new structure (value of improvement only, not inclusive of land) and Sq Ft

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
- Photo of current improvement
- Permission for City to use photo/video material of finished home for marketing purposes

Submit floor plan of new home via email to Allison Cook and/or Stephanie Hall:

Allison.cook@farmersbranchtx.gov

Stephanie.hall@farmersbranchtx.gov

Section C: Incentive Selection

There are four (4) categories of residential structures that qualify for the program:

- (1) Residential structures (improvements only) with an assessed value of Sixty-Five Thousand Dollars (\$65,000.00) or less. The City will provide: (i) a demolition incentive grant in the amount of Thirty Thousand Dollars (\$30,000.00), and (ii) three (3) annual consecutive economic development incentive grants for residential structures to be demolished with an assessed value of Sixty-Five Thousand Dollars (\$65,000.00) or less.
- (2) Residential structures (improvements only) with an assessed value of Sixty-Five Thousand and One Dollar (\$65,001.00) up to One Hundred Thousand Dollars (\$100,000.00). The City will provide: (i) a demolition incentive grant in the amount of Twenty Thousand Dollars (\$20,000.00), and (ii) four (4) annual consecutive economic development incentive grants for residential structures to be demolished with an assessed value of Sixty-Five Thousand and One Dollar (\$65,001.00) up to One Hundred Thousand Dollars (\$100,000.00).
- (3) Residential structures (improvements only) with an assessed value of One Hundred Thousand and One Dollar (\$100,001.00) up to One Hundred Fifty Thousand Dollars (\$150,000.00). The City will provide: (i) a demolition incentive grant in the amount of Ten Thousand Dollars (\$10,000.00), and (ii) five (5) annual consecutive economic development incentive grants for residential structures to be demolished with an assessed value of One

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

Hundred Thousand and One Dollar (\$100,001.00) up to One Hundred Fifty Thousand Dollars (\$150,000.00).

- (4) Residential structures (improvements only) with an assessed value of more than One Hundred Fifty Thousand Dollars (\$150,000.00). The City will provide seven (7) annual consecutive economic development incentive grants for residential structures to be demolished with an assessed value of more than One Hundred Fifty Thousand Dollars.

Each annual incentive shall be equal to one hundred percent (100%) of the difference between the City property taxes assessed and paid for the new improvements (the new residential structure 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 annual incentives will be paid on April 1 of the calendar year beginning with April 1 of the calendar year immediately following the first full calendar year following the year in which a certificate of occupancy or completion is issued by the City following completion of construction of the new residential structure. The applicable demolition incentive will be paid as follows: (i) fifty percent (50%) of the demolition incentive within thirty (30) days after completion of the demolition and submission of a request from the property owner/contractor for payment, and (ii) the remaining fifty percent (50%) of the demolition incentive within thirty (30) days after a certificate of occupancy or completion is issued by the City following completion of construction of the new residential structure. Failure to timely commence and complete construction of the new residential structure will require the applicant to repay the demolition incentive to the City.

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 year immediately following the first full 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.

The City may consider incentives under this program for the applicant who intends to purchase adjacent residential properties, demolish both residential structures, re-plot the two lots into a single lot and construct a new residential structure on the single lot. In such event, the combined assessed value of the residential structures to be demolished shall apply for the determination of the base year assessed value for the annual incentive provided the new residential structure to be constructed on the single lot will have an assessed value following construction of at least two times the combined assessed value of the residential structures to be demolished. In addition, only one demolition incentive will be provided.

For illustration purposes only, assume that the assessed value for an existing residential improvement is One Hundred Thousand Dollars (\$100,000.00) for tax year 2018, and the project is approved by the City in 2018, and demolition commences in 2018. In this example, the Base Year is 2018 and the Base Year Assessed Value is \$100,000.00. Further assume that the project is completed, the City issues a certificate of completion or occupancy on May 15, 2019, and that the certified assessed value for the new improvements for tax year 2020 (which will be the assessed value as of January 1, 2020, 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 \$300,000.00. The first incentive will be equal to 100% of the difference in City taxes paid for the new improvements for tax year 2020 less the City taxes paid for the improvements for the Base Year 2018, and would be paid to the applicant April 1, 2021.

In determining the amount of the annual incentive to be paid pursuant to this Program, in no case shall the City pay to the property owner an annual incentive in an amount greater than the amount of City ad valorem taxes collected by the City with respect to the property on which the new residence is constructed for the immediately prior tax year.

Exclusions from Base Year Assessed Value. In establishing the Base Year Assessed Value for the property for the Program, 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 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 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 decision of the Director of Economic Development shall be final. The property owner will be required to execute and return the incentive contract within fifteen (15) business days after receipt from the City.

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 four 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.

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 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.

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 or 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.

BERRY R. GRUBBS

Printed Name of Applicant

Berry R. Grubbs

Signature

5/9/2018

Date

DAVID NELSON

Printed Name of Co-Applicant

David Nelson

Signature

5/9/2018

Date