

Effective Date: _____
Approval: _____

**CITY OF LEWISVILLE
ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: ADMINISTRATION
TOPIC: ECONOMIC INCENTIVE POLICY
REFERENCE: 1.2.1**

I. GENERAL PROVISIONS

A. Purpose

The City of Lewisville is committed to the promotion and retention of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Lewisville will, on a case-by-case basis, consider tax abatements or other economic incentives as stimulation for quality economic development in Lewisville. Nothing herein shall imply or suggest that the City of Lewisville is precluded from considering other options which would further the best interest of the City.

The purpose of such tax abatements or other incentives is to provide the City of Lewisville with an additional planning tool, providing incentives to those companies judged to enhance the overall economic strength of the Lewisville economy through the creation of a broader tax base, revitalization to distressed areas and/or quality jobs for Lewisville citizens. Equally, the purpose is to attract and/or retain those companies that will become good corporate citizens, meeting the goals and objectives of the City of Lewisville Strategic Plan for Economic Development and/or the City Master Plan.

B. Obligation

Nothing herein shall imply or suggest that the City of Lewisville is under any obligation to provide any incentive to any applicant. **All applications shall be considered on a case-by-case basis**, and the decision to approve or deny a financial incentive shall be at the discretion of the City Council. Special terms and conditions may be set in the agreement governing each specific incentive package.

C. Authority

This policy is adopted under the authority of the Constitution and laws of the State of Texas, and the City Charter of the City of Lewisville, Texas.

D. **Jurisdiction**

Provisions of this policy shall apply to the City Limits of the City of Lewisville, Texas, and any applicable Extraterritorial Jurisdiction of the City of Lewisville, Texas.

II. **DEFINITIONS**

- A. ***Abatement.*** The full or partial exemption for ad-valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.
- B. ***Agreement.*** A contractual agreement between a property owner and a taxing jurisdiction for the purpose of economic incentive.
- C. ***Base Year Value.*** The taxable value of real and personal property for the project on January 1 of the year of the execution of the agreement.
- D. ***City.*** The City of Lewisville, Texas, and all its governing and operating bodies.
- E. ***Council.*** The City Council of the City of Lewisville, Texas.
- F. ***Expansion.*** The addition of buildings, structures, fixed machinery or equipment for the purpose of increasing production capacity.
- G. ***Facility.*** Property improvements completed or in the process of construction which together comprises an integral whole.
- H. ***Freeport Exemption.*** A taxing exemption as allowed by the State of Texas, Property Tax Code and applies to goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products, are exempt from ad valorem taxation if: (1) the property is acquired in or imported into this State to be forwarded outside this State, whether or not the intention to forward the property outside this State is formed or the destination to which the property is forwarded is specified when the property is acquired in or imported into this State; (2) the property is detained in this State for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property; and (3) the property is transported outside of this State not later than 175 days after the date the person acquired or imported the property in this State.
- I. ***High Impact Project.*** A Project that has a minimum investment of twenty-five million dollars and/or creates or retains five hundred full time employees.
- J. ***Improvement.*** A building, structure or fixture erected on or affixed to land.
- K. ***Incentive.*** Is any City contribution in the form of tax abatement, tax rebate, Freeport tax exemptions, tax increment financing, industrial revenue bond

financing, participation in infrastructure costs, waiver of fees or development requirements only as allowed by law, or any other incentives not prohibited by state or federal law.

- L. **Job.** A permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year. Part-time positions may be aggregated to create a full-time position for consideration in this policy.
- M. **Modernization.** The replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- N. **Personal Business Property.** Shall mean that property which is not real property and excluding inventory.
- O. **Project.** A facility that is to be considered for an economic incentive.
- P. **Real Property.** Shall mean land or an improvement.
- Q. **Reinvestment Zone.** An area designated as such for the purpose of tax abatement as authorized by law.

III. INCENTIVE OPTIONS

A. In General

Incentives may be granted for new facilities and for the expansion or modernization of existing facilities. The economic life of a facility and/or eligible property must exceed the duration of the incentive granted or for a period of time determined appropriate by the City Council.

B. Eligible Projects

Incentives may be considered in either or all of three categories, Real Property, Business Personal Property or Inventory, and must be located in the City Limits or Extraterritorial Jurisdiction of the City of Lewisville.

C. Project Consideration

The following criteria will be considered in determining the maximum terms of incentives.

1. Degree to which the project meets the objectives of the City's Economic Development Strategic Plan and other goals of the City's adopted Plans.

2. Degree to which the project makes a substantial contribution to redevelopment efforts or special area plans by enhancing either functional or visual characteristics, e.g. historical structures and facades, traffic circulation, parking, materials and urban design.
3. Number and types of jobs to be created or retained as a result of the project.
4. Sales taxes, hotel taxes or other incomes that would be generated by the project to the benefit of local taxing authorities.
5. Offsite infrastructure investment to be made by applicant as a result of the project.
6. Degree to which the project minimizes investment by the taxing authorities in order to serve the project.

D. Target Industries

1. *Minimum Standards.* Eligible facilities qualified as target industries (Attachment A) in accordance with this Policy shall have no minimum added value requirement.
2. *Value of Incentive.* Additional incentive, up to thirty percent (30%), will be considered for a project qualified as a target industry during the initial application review or as specified in the agreement. These percentages may be granted alone or in addition to any other incentive granted in accordance with this policy.

E. Speculative Projects

Speculative projects will be considered based on the following:

1. *Tax Incentive.* This shall apply to applicants which pursue the construction of a new facility without a known tenant. Incentives will only be considered for projects that have a real property investment, which will be rendered to the Denton County Appraisal District, of more than five million dollars.
2. *Value of Incentive.* A Tax Abatement may be granted to eligible facilities of 75% which will be applied to the increase in value of both real property and business personal property for a period of five consecutive years. The Incentive will be applied in the calendar year immediately following the receipt of a Certificate of Occupancy for the first tenant. Special terms and conditions may be set in the agreement governing each specific incentive agreement.
3. *Incentive Renegotiation.* A speculative incentive will not be renegotiated by the City unless a tenant occupies more than 90% of the total square footage of

the facility, will employ at least 100 full time employees and will maintain a personal property or inventory value of over ten million dollars.

F. **Non-Residential Projects**

Projects being considered for incentives shall meet minimum standards to be eligible for consideration based upon project location as identified in this section.

1. ***CITY WIDE PROJECTS.*** Those non-residential projects that are located in the City of Lewisville or its Extraterritorial Jurisdiction and not otherwise located in a special designated Incentive Area.

- a. **Tax Incentive.** This shall apply to applicants which pursue the construction of a new facility, expand an existing facility or pursue the purchase or long-term lease of an existing facility in which to house the applicable project. For expansion or modernization of existing facilities, incentives will be considered only for the increase in valuation above the existing valuation of a particular property. Incentives will only be considered for projects that create or retain in Lewisville more than twenty-five full time jobs, have a real property investment of more than five million dollars, have a minimum business personal property investment of one million dollars or which have a lease of at least seven years
- b. **Value of Incentive.** Incentives may be granted for eligible facilities on all or a portion of the increased taxable value of eligible property over the base year value calculated by utilizing the following point system.
 - One point per each 100 jobs over 100;
 - One point per \$500 of average salary if the average salary is greater than \$30,000. Average Salary shall be calculated by dividing total payroll by total number of full-time jobs;
 - One point per \$100,000 in total payroll;
 - One point per \$200,000 in increased real or business personal property value;
 - One point per \$1,000 in sales tax revenue, payable to the City of Lewisville.

The total score will be multiplied by .03 to determine the annual incentive for a duration of time determined appropriate by City Council based on the economic life of the improvements and consistent with the provisions of this policy and in accordance with state law. Special terms and conditions may be set in the agreement governing each specific incentive agreement.

The duration and terms may be increased or decreased depending on the total impact to the City.

2. ***OLD TOWN ECONOMIC DEVELOPMENT DISTRICT.*** Those non-residential projects that are within the boundaries set forth herein. For the purpose of this policy the area shall be defined as those properties that are east of Interstate 35E, north of State Highway 121 Business, west of the DART Railroad and south of Valley Ridge Boulevard.

- a. **Tax Incentive.** This shall apply to applicants located within the Old Town Economic Development District which pursue the construction of a new facility, expand an existing facility or pursue the purchase or long-term lease of an existing facility in which to house the applicable project. For expansion or modernization of existing facilities, incentives will be considered only for the increase in valuation above the existing valuation of a particular property. Incentives will only be considered for projects that create or retain in Lewisville more than ten full time jobs, have a real property investment of more than one-hundred thousand dollars, have a minimum business personal property investment of one-hundred thousand dollars or which have a lease of at least five years.
- b. **Value of Incentive.** Incentives may be granted for eligible facilities on all or a portion of the increased taxable value of eligible property over the base year value calculated by utilizing the following point system.
 - One point per each 10 full-time employees over 10;
 - One point per \$100 in average salary if the average salary is greater than \$30,000. Average Salary shall be calculated by dividing total payroll by total number of full-time jobs;
 - One point per \$25,000 in total payroll;
 - One point per \$20,000 in increased real or business personal property value;
 - One point per \$1,000 in sales tax revenue, payable to the City of Lewisville.

The total score will be multiplied by .06 to determine the annual incentive for a duration of time determined appropriate by City Council based on the economic life of the improvements and consistent with the provisions of this policy and in accordance with state law. Special terms and conditions may be set in the agreement governing each specific incentive agreement.

The duration and terms may be increased or decreased depending on the impact to the community.

3. ***OLD TOWN CENTER DISTRICT.*** The City of Lewisville seeks to attract visitors to downtown through the historic restoration and rehabilitation of commercial building facades located in the Old Town Center District. As an economic incentive, the City offers the following façade reimbursement grant program. The program will be available for three years in decreasing amounts each year until ending September 31, 2007. The Façade Grant Program is set

up as a payment reimbursement program to property owners, business owners and in some situations, tenants.

a. **Historic Preservation Grant**

- **Qualifiers:** Removing slipcovers or non-historic/added facades, repointing or performing joint repairs, replacing or restoring cornices, removing paint from brick, replacing windows, replacing or adding awnings, opening transom windows.
- **Amount of Incentive:** Maximum of \$20 in Year 1 (June 2004-September 2005), \$18 in Year 2 (October 2005-September 2006), and \$16 in Year 3 (October 2006-September 2007) per square foot of storefront along City streets. Incentive amount applied shall be based upon when a completed application is received by the Economic Development Department.
- **Limitations:**
 - i. 60/40 (City/applicant) match in Year 1 (May 2004-September 2005) not to exceed \$40,000
 - ii. 50/50 (City/applicant) match in Year 2 (October 2005-September 2006) not to exceed \$40,000
 - iii. 40/60 (City/applicant) match in Year 3 (October 2006-September 2007) not to exceed \$40,000

b. **Awnings & Signs Grant**

- **Qualifiers:** Replacing, adding or repairing awnings & signs
- **Amount of Incentive:** Maximum of \$100 per linear foot of storefront along a City street
- **Limitations:** 75/25 matching grant (75% City) for three years, not to exceed \$5,000

c. **Rear Facades**

- **Qualifiers:** Removing slipcovers or non-historic/added facades, painting, repainting or performing joint repairs, replacing or restoring cornices, removing paint from brick, replacing windows or doors, replacing or adding awnings, opening transom windows
- **Requirements:** Signed agreement granting the City of Lewisville an easement on the entire area on which improvements will be made.
- **Amount of Incentive:** Maximum of \$10 per square foot of rear façade
- **Limitations:** 50/50 matching funds

d. **Program Guidelines**

- Grant funds are only available for exterior work on storefronts (visible to the traveling public and including Poydras Street) in the Old Town Center District.
- Grants are on a first come, first serve basis until any Council allocated funds are depleted, or until the program ends in September of 2007, whichever comes first.
- No grants will be awarded for work that has already been done.

- All submitted work will be reviewed based on the Secretary of the Interior's *Standards for Rehabilitation* (Attachment F) and approved by the Lewisville Old Town Design Review Committee before any eligible work may begin.
- If awarded a façade reimbursement grant, any deviation from the approved grant project may result in the total or partial withdrawal of the grant.
- Grant applications and awards shall be made in only one of the categories listed above per applicant and shall not be combined for any single property or project.

e. **Application & Selection Process**

- **Determine eligibility.** Discuss project plans with Lewisville Old Town Development Coordinator and set up an appointment for free assistance in selecting paint, materials and color schemes for building façades and awnings. Only projects reviewed and approved by the Old Town Design Review Committee will be considered for façade grant funding.
- **Complete grant application & sign an agreement form.**
Applications shall include the following:
 - i. Scale drawings by a registered architect and/or the contractor of the proposed work
 - ii. Color samples of all final paint selections and final material selections
 - iii. Pictures of the building's exterior, roof, and foundation
 - iv. Construction bids which shall be dated no earlier than thirty (30) days prior to the Application request. Bids shall be submitted on the contractor's letterhead and shall contain the contractor's name, address, telephone number and shall itemize the bid in a manner that allows the Old Town Revitalization Committee (OTRC) to determine the bid components and authenticity of the bid. Self-contracted work will be reimbursed for actual expenses, excluding labor.
 - v. Signed agreement form indicating compliance with stated grant program guidelines.
- **Return the completed application.** All applications should be delivered to the Economic Development Office in City Hall located at 151 Church Street. The City Council has the final discretion with regard to funding and reserves the right to modify or reject any project or elements of any project.
- **Criteria for awarding grants:** Criteria include, but are not limited to the following:
 - i. Completed application
 - ii. Project compliance with all current building standards

- iii. Grant amount requested in relation to available funds and other known grant requests
 - iv. Perceived need for proposed renovations to building(s)
 - v. Historical accuracy of proposed renovations
 - vi. Design quality of the proposed renovations
 - vii. Compatibility of design in relation to other buildings
 - viii. Project compatibility with streetscape objectives
 - ix. Project compatibility in relation to downtown development goals at time of application
- **Upon Approval of Funding.**
 - i. Time Line for Construction: Applicants receiving approval by Lewisville City Council shall commence construction described within the Application within ninety (90) days from the date the grant is awarded by the City Council. All Applicants must complete the construction described in the Application within one (1) year from the date the grant is approved. If the Applicant is unable to commence construction within ninety (90) days from the date the grant is approved or complete construction within one (1) year from the date the grant is approved, the Applicant can submit a written request for an extension for the commencement date or completion date provided the extension request is made prior to the (1) year time limit. The Lewisville City Council shall not be obligated to allow extensions. An extension, if granted, shall be for the term and for the conditions determined exclusively by the Lewisville City Council. An extension denial cannot be appealed and shall be final.
 - ii. Reimbursement: As phases of the project are completed and reviewed (as agreed upon prior to construction), the applicant shall present the Lewisville Old Town Development Office with copies of all paid invoices for each phase in order to solicit reimbursement for that phase. The applicant may also present all receipts and invoices upon the satisfactory completion of the project.
 - iii. Inspections: As a condition of this grant Application and in consideration of the opportunity to apply for a grant, the Applicant consents and shall allow City of Lewisville inspections to determine the grant, if awarded, shall not be used for construction to any building that is not in compliance with the City Municipal Codes and Ordinances which are applicable to the construction contemplated in the application. The Applicant, by submission of this Application, represents the construction described within the Application shall be used in a building which is in compliance with all codes and ordinances. The applicant must also schedule an

inspection of the building's foundation prior to the submission of a grant application.

- iv. Multiple Awards: No Applicant or Applicant agent, representative or tenant shall be entitled to receive grant approval on the same property if requested within three (3) years from the date a previous grant was awarded by the Lewisville City Council.

- ***Upon Denial of Funding.***

- i. Project Resubmittal: An Applicant who submits an Application that was denied a grant by the Lewisville City Council shall not be eligible to re-submit a grant Application for six (6) months from the date the prior Application was declined.

- 4. ***TIRZ #1 Economic Development District.*** Those projects that are within the boundaries of the Lewisville Tax Increment Reinvestment Zone, Number One, or modifications thereto. (Attachment D) It is the intent of this incentive area to provide additional options to retail, restaurant, office and higher-density residential projects that are enhancing the aesthetic appearance of properties to a character that is harmonious with Old Town Lewisville.

- a. **Aesthetic Incentive.** Projects that are constructing a new facility or making exterior façade improvements to an existing facility for which the architectural design and construction of the materials and colors of the facility and signage are visually harmonious with the overall appearance, history and cultural heritage of the Downtown Investment Area may be considered for an Aesthetic Incentive. Such Incentives may only be used for exterior improvements on properties which promote and enhance the Old Town character and comply with signage and architectural standards, or a valid waiver thereof. Projects that are approved to receive an Aesthetic Incentive may be required to enter into an Architectural Façade Easement with the City of Lewisville. (Attachment E)

- i. **Level of Incentives.** Projects that City Council determine to have a positive economic impact, preserve or restore a significant property or enhance the historic nature and character of the area may be given an Aesthetic Incentive as determined appropriate by City Council.

Incentive awards will be considered on a case-by-case basis upon the following criteria:

- Degree to which the proposed project meets the goals and objectives of the City;
- Ability of applicant to complete the proposed project;
- Economic Impact of the Project;

Payment of funds will be upon successful completion of the approved project in accordance with approved agreements and on an actual cost reimbursement basis.

- ii. **Completion of Work.** Approved TIRZ #1 incentives will be valid for one year from the date of approval by the City Council. All work must be completed and all requests for payment shall be submitted within the one year period. No extensions shall be granted.
 - iii. **Application and Consideration.** An application for consideration of an Aesthetic Incentive shall be submitted to the Office of Economic Development prior to consideration of incentives and shall include the following information.
 - Completed Application form;
 - Legal description of the project;
 - Tax Certificate showing all tax payments to the City of Lewisville are current. Taxes must be current as of the date of formal City consideration;
 - Construction quote which outlines the cost to complete the proposed project;
 - Economic Impact Worksheet.
- b. **Construction Materials Sales Tax Rebate Incentive.** Projects that are constructing a new facility or making exterior façade improvements to an existing facility for which the architectural design and construction of the materials and colors of the facility and signage are visually harmonious with the overall appearance, history and cultural heritage of the TIRZ #1 may be considered for a rebate of Sales Taxes. Sales Tax rebates will only be considered for the City of Lewisville portion of sales taxes reported and paid in the City of Lewisville on construction materials or supplies directly related to the approved project.
- c. **Retail & Restaurant Establishments Incentives.**
- i. **Sales Tax Rebate.** Retail & Restaurant Establishments that are constructing a new facility or making exterior façade improvements to an existing facility for which the architectural design and construction of the materials and colors of the facility and signage are visually harmonious with the overall appearance, history and cultural heritage of the TIRZ #1 may be considered for a rebate of Sales and Use Taxes and/or Alcoholic Beverage Sales and Use Taxes. Sales Tax rebates will only be considered for the City of Lewisville portion of sales taxes reported and paid in the City of Lewisville. Incentive will be a maximum of one-hundred percent (100%) for three (3) years.
 - ii. **Finish Out Reimbursement Grant:** Retail or Restaurant establishments constructing a new facility or making interior improvements to an

existing building may qualify for a reimbursement of costs associated with finish out.

- Qualifying Expenditures: Including but not limited to paint, appliances & equipment necessary for business operations, lighting, plumbing & electrical work, wall relocation and treatments and flooring.
- Non-qualifying Expenditures: Items which may be removed from the business upon store closing may not qualify including, but not limited to, chairs, tables, plants and miscellaneous décor. do not qualify. City of Lewisville staff will review all budgets to insure improvements qualify for the incentive.
- Tier One Incentive: Up to 50% of interior improvements made, not to exceed \$20,000. The amount will be calculated at \$12 per square foot. Tier One Businesses include, but are not limited to the following:
 - Bookstore
 - Candy/chocolate
 - Cigar/tobacco shop
 - Coffee shop
 - Drug store
 - Furniture
 - Glass blowing
 - Hallmark or other nationally known gift shop
 - Healthfood
 - Home and/or garden décor
 - Ice cream parlor/soda fountain
 - Jewelry
 - Home kitchen supplies
 - Movie theater
 - Museums
 - Performing arts/galleries/cultural facilities
 - Restaurants
 - Retail bakery with dining area
 - Specialty antiques
 - Themed gift shop (i.e. Texas, Christmas, etc.)
 - Western wear
 - Wine bar or related use
 - Women/children's clothing, shoes and accessories
- Tier Two Incentive: Up to 40% of interior improvements made, not to exceed \$15,000. The amount will be calculated at \$10 per square foot. These include, but are not limited to the following:
 - Beauty supply
 - Bicycle store
 - Candle, or other handmade craft store

- General gift shop
 - Metal, stone or leather gift store
 - Music store
 - Quilts or other handmade crafts
 - Retail Florists
 - Game store/arcade
 - Sporting goods
- Tier Three Incentive: All other retail may qualify for reimbursement of up to 30% of interior improvements made, not to exceed \$10,000. The amount will be calculated at \$8 per square foot.
 - Combining Grant Funds: Retail Incentive recipients may combine the incentive with other incentives, however, the Lewisville City Council reserves the right to require the building in which a retail incentive recipient is located to undergo façade renovations approved by the City of Lewisville within one year of store opening.
- d. **Beautification Program.** To provide a program that encourages the construction, protection or restoration of public features that provides a unique atmosphere and amenity to both pedestrians and motorists within the Lewisville Tax Increment Reinvestment Zone, Number 1. Such features should improve the visual appearance of the Old Town area, which is critical both to the success of individual businesses and to the economic health and vitality of the district and City as a whole.
- i. Eligible Property. To be eligible for the Beautification Program, a site must be used in whole or in part for commercial purposes and must be located within the Lewisville Tax Reinvestment Zone #1 which is shown in Exhibit “A”. The improvements must be in compliance with all City of Lewisville ordinances, policies and plans for the area.
 - ii. Eligible Improvements. Funds shall be used for the enhancement of exterior beautification elements. Interior renovation and restoration elements of the project are not eligible for funding under this program.

Some of the eligible improvements are:

- Public Art
- Clocks
- Water Features
- Landscaping
- Seating areas or Benches

The follow are examples of items that are not eligible for loans under this program:

- Building restoration
 - Sidewalks
 - Plumbing
 - Acquisition of land or buildings
 - Electrical wiring or service upgrades
 - Refinancing existing debts
- iii. **Beautification Assistance.** Each applicant that wishes to pursue Beautification Assistance through this program must submit actual cost breakdowns and details of the item under consideration. Consideration will only be given to projects which can demonstrate a public purpose and architectural or design appropriateness for Old Town Lewisville. Projects may be funded fully up-front, funded over a multi-year payout, partially funded or any combination thereof. No obligation is suggested or implied that all requests will be funded, as each project will be reviewed on a case-by-case basis and may be subject to fund availability. Applicants which receive Beautification Assistance will be required to enter into a Beautification Agreement with the City which will outline specific terms and conditions of the Program.
- iv. **Applicant Obligations.** Projects which are approved shall have the sole maintenance requirement of the applicant and shall be maintained in good working order for a period of not less than 10 years unless other terms are specified in the Beautification Agreement. It shall be the requirement of the applicant to cause any such project approved under this Program be designed, permitted (if required), installed in accordance with any manufactures requirements and in compliance with all City Codes or Ordinances. If in the event the applicant causes the Beautification Project to become in disrepair, the City will requires any financial assistance which may have been previously granted be repaid in full upon request.
- v. **Application Process.** The City shall designate an application review process which may be changed without modification of this Program which will ensure the fair and equitable review of all contemplated projects to determine the projects which will have the greatest impacts. This Program may be opened or closed at any time as funding is available or to periodically review the success of individual projects in the overall redevelopment efforts of Old Town.
- e. **Performance Standards** Projects that are awarded a TIRZ #1 incentive shall be subject to the following standards:

- The facility must maintain compliance with all City/applicant contracts or agreements.
- The facility must maintain compliance with City of Lewisville Codes and Ordinances.

5. *East Lewisville Economic Development District. Reserved.*

6. *CONVERGENCE OFFICE CAMPUS.* Those non-residential projects that are within the boundaries set forth herein. For the purpose of this policy the area shall be defined as those projects that occupy space in Reinvestment Zone Number 11, City of Lewisville, otherwise known as ConVergence Office Center.

a. Eligible Projects. Incentives will be granted for increased Personal Property taxable value which is the result of occupying space in the ConVergence Office Center and are subject to the following minimum standards:

- Inventory and supplies are not eligible for consideration;
- Lessee must fully execute a minimum five (5) year lease which may not be sublet without prior written consent of the City, which consent shall not be unreasonably withheld, so long as Lessee's assignee agrees to be bound by all terms and conditions of the Agreement;
- Lessee must have a minimum average salary of \$45,000 per job.
- Lessee must render to the Denton County Appraisal District at least \$1,000,000 in Personal Property Value each year the agreement is in effect.

b. Value of Incentive. Projects which meet the minimum standards as outlined in Section III(F)(5) of this Policy, shall qualify for rebates on Personal Property Taxes for five (5) consecutive tax years from the date an agreement is executed. Rebates will be granted for eligible Personal Property Improvements on all or a portion of the increased taxable value of eligible property over the base year value calculated by utilizing the following point system.

- One point per each 10 full-time jobs;
- One point per \$500 in average salary for jobs located on the ConVergence Office Campus.

The total points will be multiplied by .06 to determine the annual percentage rebate. The maximum Personal Property Rebate under this Program will be twenty percent (20%). The minimum rebate will be five percent (5%). Lessees that fail to generate 95 points, regardless of compliance with other minimum standards are not eligible to receive a Personal Property Rebate. See Exhibit A for worksheet to calculate incentive.

Personal Property Tax Rebates are valid for five (5) tax years from the date of execution of an agreement. Execution of an agreement must occur within 30 days of a fully executed lease agreement.

- c. Application. In order to receive a Personal Property Rebate in accordance with this section, the applicant must submit to the Office of Economic Development a letter requesting consideration, a copy of the fully executed lease and all supporting documentation which verifies compliance with the minimum standards within 90 days of lease signing. (Attachment C or modification thereof)
 - d. Program Approval. Approval of this Section III(F)(5) by the City Council, authorizes the City Manager or designee, to fully execute agreements which meet the minimum standards as set forth in this ConVergence Office Campus Section, until December 31, 2008. After said date, any requests for Rebate, will be heard on a case-by-case basis in accordance with applicable Policies.
 - e. Compliance. Each year the Agreement is in place and the Lessee is eligible to receive a rebate, the Lessee will be required to certify compliance with minimum standards by January 15 of the year immediately following the year in which the rebate is sought. Failure to certify compliance to the Office of Economic Development will result in forfeiture of rebate for that rebate year. No rebate will be made until payment in full of all Personal Property Tax liabilities has been made to the Denton County Tax Collector. Proof of payment shall be submitted to the City in order for the City to rebate any previously agreed amount.
 - f. Penalty. If the minimum standards as outlined in this Section III(F)(5) are not realized each year the agreement is in effect, any amount previously rebated plus a twenty percent (20%) penalty, shall become a debt to the City of Lewisville.
 - g. Reporting. The Office of Economic Development will submit to City Council, the first regularly scheduled Council meeting of each calendar year quarter, a report which outlines agreements executed in conjunction with this section of the Policy, terms of each agreement, company profile and other pertinent information as may be necessary.
7. *Reserved.*
8. *Reserved.*
9. *Reserved.*
10. *Special Districts & Programs.* At the discretion of the City Council, special districts may be created in order to further stimulate the economic growth of a

particular area of the city. In such districts, projects may apply for consideration under this program.

- a. Projects may be of any type as long as they meet goals set by the City Council for the development of the district.
- b. Projects in this program are eligible for consideration at the discretion of the City Council.
- c. Additional qualifications may be included within each district.

G. **Residential Projects**

Projects being considered for incentives shall meet minimum investment standards to be eligible for consideration based upon project location as identified in this Section and must be located in the City Limits of the City of Lewisville.

1. *CITY WIDE*. Those residential projects that provide a unique housing stock for the community and are not in a specially designated district as outlined in this policy and meet the minimum standards set forth herein.
 - a. Minimum Standards.
 - i. Single-family residential subdivision of more than five lots and not exceeding fifty lots,
 - ii. Minimum taxable improvement value by Denton County Appraisal District of \$250,000 per dwelling unit,
 - iii. Minimum 2,500 square feet living area per unit,
 - iv. Exterior construction shall be not less than 90% brick or masonry veneer as defined by the General Development Ordinance,
 - v. Aesthetic improvements that enhance the quality of the development above that which is typical.
 - b. Value of Incentive. Established rebates or waiver of fees shall be determined at the sole discretion of the City Council based upon the merits of the project. Incentives shall be made at the time of Certificate of Occupancy and not before sixty percent of the residential units in the approved development have been issued a Certificate of Occupancy.
2. *OLD TOWN ECONOMIC DEVELOPMENT DISTRICT*. Those residential projects, both new construction and major renovation, that enhance the quality of housing within the defined area. It is the intent of the incentive option to encourage residential in-fill development and redevelopment opportunities within the boundary of the district. For the purpose of this policy the area

shall be defined as those properties that are east of Interstate 35E, north of State Highway 121 Business, west of the DART Railroad and south of Valley Ridge Boulevard. Projects must meet the following standards set forth herein.

a. New Construction.

- i. Single-family residential or multifamily units must be built to meet current City of Lewisville Development Standards and have an architectural design and use of construction materials and colors which are visually harmonious with the overall appearance, history and cultural heritage of Old Town Lewisville.
- ii. Single Family Residential units must be owner occupied for a minimum of five years from the date of Certificate of Occupancy.

b. Rehabilitation/Renovation

- i. Projects must meet current City of Lewisville Development Standards.
- ii. Projects must make substantial exterior improvements which enhance the overall appearance to neighborhood and be in general harmony with the existing Old Town architectural style and character.
- iii. Residential units must be owner occupied for a minimum of five years from the date of Certificate of Occupancy/Completion.

- c. Value of Incentive. Rebates and/or waiver of fees shall be determined at the sole discretion of the City Council based upon the merits of the project. Incentives shall be made at the time a Building Final has been issued by the City of Lewisville but not before sixty percent of the residential units in the approved development have been issued a Certificate of Occupancy.

H. Historic Preservation

1. RESIDENTIAL PRESERVATION GRANT PROGRAM. The City of Lewisville seeks to attract visitors to downtown through the historic restoration and rehabilitation of commercial building facades located in the Old Town Center District. As an economic incentive, the City offers the following façade reimbursement grant program. The Residential Preservation Grant Program is set up as a payment reimbursement program to property owners.

- a. Qualifiers-- *At least two of the following:* Replacing or repairing siding, removing non-historic/added exterior additions, restoring original exterior, repointing or performing joint repairs, restoring historic windows or replacing windows with historically accurate replicas, removing paint

from brick, replacing or adding historically accurate porches or other decorative element, painting.

- b. **Amount of Incentive:** Maximum of \$10 per square foot of residence floor space
- c. **Limitations:** 50/50 (City/applicant) match, not to exceed \$10,000,
- d. **Program Guidelines**
 - i. Only costs associated with exterior improvements will be reimbursed; however, property owner may count improvements to other sides of the structure toward the required matching funds.
 - ii. Grants are on a first come, first serve basis until allocated funds are depleted.
 - iii. All submitted work will be reviewed based on the Secretary of the Interior's *Standards for Rehabilitation* (Attachment F) and approved by City Council and other City design review process as applicable.
 - iv. No grants will be awarded for work that has already been started or completed.
 - v. If awarded, any deviation from the approved grant project may result in the total or partial withdrawal of the grant.
 - vi. If awarded, applicants agree to maintain their property in a condition equivalent to that existing at the time the grant was awarded.
 - vii. Applicants shall make no changes to the home's exterior without the express written consent of the City of Lewisville for five years. Unauthorized changes may result in the refund of grant awards.
 - viii. No home may receive more than one Residential Preservation Grant in five years.
- e. **Application & Selection Process**
 - i. ***Determine eligibility.*** Review plans with the Old Town Development Coordinator to discuss funding availability and appropriateness of design. If not already designated, verify through the Old Town Preservation Society President or other designee that the home is eligible for Local Landmark status.
 - ii. ***Obtain Historic Landmark status.*** As a condition of receiving a Residential Preservation Grant, structures must first be recognized as a historic landmark structure by a city, state or federal agency. In March of 2003, City Council transferred authority to designate landmark structures to the Old Town Preservation Society. Applicants must meet the following criteria and submit an application form (Attachment G) and documentation to receive landmark status.
 - iii. ***Submit budget, renderings and signed agreement form.***
 - (1) Scale drawings by a registered architect, design consultant and/or the contractor of the proposed work.
 - (2) Color samples of all final paint selections and final material selections

- (3) Construction bids which shall be dated no earlier than thirty (30) days prior to the Application request. Bids shall be submitted on the contractor's letterhead and shall contain the contractor's name, address, telephone number and shall itemize the bid in a manner that allows project reviewers to determine the bid components and authenticity of the bid. Self-contracted work will be reimbursed for actual expenses, excluding labor.
 - (4) Signed agreement form indicating compliance with stated grant program guidelines.
- iv. ***Return the completed application.*** All applications should be delivered to Old Town Development Coordinator of the City of Lewisville at 151 W. Church Street. After review by City Staff, the Old Town Preservation Society (and Old Town Design Review Committee if located within the Old Town Design District), City Council has the final discretion with regard to funding and reserves the right to modify or reject any project or elements of any project.
- f. **Upon Approval of Funding.**
- i. ***Time Line for Construction:*** Applicants receiving approval by Lewisville City Council shall commence construction described within the Application within ninety (90) days from the date the grant is awarded by the City Council. All Applicants must complete the construction described in the Application within one (1) year from the date the grant is approved. If the Applicant is unable to commence construction within ninety (90) days from the date the grant is approved or complete construction within one (1) year from the date the grant is approved, the Applicant can submit a written request for an extension for the commencement date or completion date provided the extension request is made prior to the (1) year time limit. The Lewisville City Council shall not be obligated to allow extensions. An extension, if granted, shall be for the term and for the conditions determined exclusively by the Lewisville City Council. An extension denial cannot be appealed and shall be final.
 - ii. ***Reimbursement:*** As phases of the project are completed and reviewed (as agreed upon prior to construction), the applicant shall present the Lewisville Old Town Development Office with copies of all paid invoices for each phase in order to solicit reimbursement for that phase. The applicant may also present all receipts and invoices upon the satisfactory completion of the project.
 - iii. ***Inspections:*** As a condition of this grant Application and in consideration of the opportunity to apply for a grant, the Applicant consents and shall allow City of Lewisville inspections to determine the grant, if awarded, shall not be used for construction to any building that is not in compliance with the City Municipal Codes and Ordinances which are applicable to the construction contemplated in the application. The Applicant, by submission of this Application, represents the construction described within the Application shall be used in a building which is in compliance with all codes and

ordinances. The applicant must also schedule an inspection of the building's foundation prior to the submission of a grant application.

- iv. *Multiple Awards:* No Applicant or Applicant agent, representative or tenant shall be entitled to receive grant approval on the same property if requested within three (3) years from the date a previous grant was awarded by the Lewisville City Council.

g. **Upon Denial of Funding.**

- i. *Project Resubmittal:* An Applicant who submits an Application that was denied a grant by the Lewisville City Council shall not be eligible to re-submit a grant Application for six (6) months from the date the prior Application was declined.

IV. **APPLICATION SUBMITTAL AND APPROVAL PROCEDURES**

A. **General Provisions**

The criteria outlined in this section will be used to determine whether or not it is in the best interests of the City of Lewisville to recommend that economic incentives be offered to a particular project. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project.

B. **Application Required**

1. *Required Information.* In order for the City to evaluate a request for economic incentive and to determine the level at which an applicant qualifies for incentive, the applicant must complete a Project Impact Worksheet (Attachment B) which will be used to perform an economic impact analysis for the proposed project. Additional information may be included to further describe the project and may be required to provide a comprehensive evaluation.

Companies are encouraged to include any information regarding ancillary benefits associated with the project such as the ability of the project to attract other projects or revitalize an area of the City.

2. *Application Submittal.* Complete applications should be submitted to the Office of Economic Development, City of Lewisville, P.O. Box 299002, Lewisville, Texas 75029-9002.
3. *Application Review.* All applications for incentive will be reviewed by the Office of Economic Development (OED) for completeness. Once an application has been accepted as complete, the OED will determine the eligible level of incentives available for consideration by City Council.
4. *Application Consideration.* Applications must be in complete form, as determined by the Office of Economic Development, 15 days prior to the City

Council meeting at which the item will be considered. Substantive changes to the Draft Incentive Agreement, initiated by the applicant, within seven days of a City Council meeting could result in the removal from consideration during that meeting. Several steps may be required in order to consider a Tax Abatement or other economic incentive. Those items are as follows:

- a. The City Council may consider a resolution calling a public hearing to consider creation of a reinvestment zone as required by law.
- b. The Lewisville City Council may hold a public hearing and determine whether the project is “feasible and practical and would benefit the land to be included in the zone and to the municipality.”
- c. The Lewisville City Council may consider adoption of an ordinance designating the area description of the proposed project as a Reinvestment Zone.
- d. The Lewisville City Council may consider adoption of a resolution approving the terms and conditions of a contract between the City and the applicant governing the provisions of the economic incentive.
- e. Information provided to the City Council in connection with an application or request for economic incentive is confidential and not subject to public disclosure until an economic incentive agreement is executed, except as required by law.

The City of Lewisville will forward copies of approved economic incentive agreements to Lewisville Independent School District and Denton County, as required by law. The applicant must provide to the City of Lewisville all information necessary to perform an economic impact analysis.

5. *Program Approval.* The City Council authorizes the City Manager or designee to fully execute incentive agreements for Projects that meet minimum eligibility requirements of this Policy, when the incentive value is less than \$25,000. Incentive requests that are larger than \$25,000 or require specific Council action required by law will be heard on a case-by-case basis in accordance with applicable Policies. The Office of Economic Development will submit to the City Council, the first regularly scheduled Council meeting of each calendar year quarter, (4 times annually) or more often as required, a report which outlines agreements executed by the City Manager or designee, terms of each agreement, company profile and other pertinent information as may be necessary.
6. *Acceptance Period.* Should City Council approve an incentive agreement for a project, the agreement must be fully executed and returned to the City of Lewisville within 60 days from the Council approval date or the agreement will be considered void.

C. **Denial of Incentive**

1. All eligible applications for incentive will be considered on a case-by-case basis and except for the instances set forth in Section 4-3(b) herein, the decision to approve or deny tax incentive shall be made at the discretion of the City Council in accordance with the City of Lewisville Incentive Policy.
2. Provided, however, an incentive may not be authorized if it is determined that:
 - a. There would be an adverse impact on the provision of government service or tax base;
 - b. The applicant has insufficient financial capacity to complete the project;
 - c. Planned or potential use of the property would constitute a hazard to public safety or health; or
 - d. Violation of other codes or laws exists.
3. Nothing herein shall imply or suggest that the City of Lewisville is under any obligation or duty to provide an incentive to any eligible applicant, or that any applicant has an entitlement to an incentive except as may be determined on a case by case basis by the City Council.

V. **COMPLIANCE**

A. **Annual Evaluation**

A company receiving an incentive from the City of Lewisville shall be required to submit an annual compliance report to the City Council based on the executed agreement. The report should also include the company's performance on all other criteria set forth in the policy.

B. **Recapture**

Should the terms of the incentive policy not be satisfied, the incentive shall be subject to cancellation as provided in the agreement, and all incentives provided shall be paid to the City of Lewisville and all other taxing jurisdictions participating in the agreement as provided by law. If a project granted an incentive ceases to operate or is no longer in conformance with this policy statement, the incentive agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.

C. **Transfer or Assignment**

A contract for an incentive may be transferred or assigned by the owner upon approval of all taxing jurisdictions participating in the agreement.

D. **Access to Facility**

The agreement shall stipulate that employees and/or designated representatives of the taxing authorities will have access to the facility during the term of the agreement to inspect the facility during the term of the agreement to determine if the terms and conditions of the agreement are being met. All inspections shall be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility; provided however, the City may conduct "spot" inspections requiring no advance notification to applicant. All inspections will be made with one or more representatives of the company or individual, and in accordance with its safety standards.

E. **Reports, Audits and Inspections**

Owners of facilities and/or other eligible property for which an incentive is granted shall annually certify to taxing authorities that they are in compliance with the terms of the agreement. In addition, owners shall provide reports and records reasonably necessary to support each year of the agreement. Such reports and records shall include information supporting job creation and retention requirements, information on property purchases, and status reports on the project's progress. This final report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. Taxing authorities shall periodically evaluate each facility receiving incentives to ensure compliance with the agreement and report possible violations of the agreement. Taxing authorities shall have the right to audit the books and records related to the eligible property and supporting the eligible property reports.

ATTACHMENT A

- City Wide Target Industry List
- Old Town Development District Target Industry List
- TIRZ #1 Target Industry List

CITY WIDE		
NAICS Code	Short Title	SIC Code
3254	Pharmaceutical and Medicine Manufacturing	283
3364	Aerospace Product and Parts Manufacturing	372
3391	Medical Equipment and Supplies Manufacturing	2599, 382, 384, 385, 5995
42241	General Line Grocery Wholesalers	514
5133	Telecommunications	481
513310	Wired Telecommunications Carriers	4813, 4822
51332	Wireless Telecom Carriers (except Satellite)	
513322	Cellular & Other Wireless Telecommunications	4812, 4899
5121	Motion Picture and Video Industry	3721, 3724, 3728, 3761, 3764, 3769, 8731, 8733
514191	On-Line Information Services	7375
51421	Data Processing Services	7374, 7379, 7389
5241	Insurance Carriers	63
5417	Scientific Research and Development Services	
712	Museums, Historical Sites and Similar Institutions	8412, 8422, 7999
713110	Amusement and Theme Parks	
711310	Promoters of Performing Art, Sports and Similar Events and Facilities	

OLD TOWN DEVELOPMENT DISTRICT		
NAICS Code	Short Title	SIC Code
3254	Pharmaceutical and Medicine Manufacturing	283
3364	Aerospace Product and Parts Manufacturing	372
3391	Medical Equipment and Supplies Manufacturing	2599, 382, 384, 385, 5995
42241	General Line Grocery Wholesalers	514
5133	Telecommunications	481
513310	Wired Telecommunications Carriers	4813, 4822
51332	Wireless Telecom Carriers (except Satellite)	
513322	Cellular & Other Wireless Telecommunications	4812, 4899
5121	Motion Picture and Video Industry	3721, 3724, 3728, 3761, 3764, 3769, 8731, 8733
514191	On-Line Information Services	7375
51421	Data Processing Services	7374, 7379, 7389
5241	Insurance Carriers	63
5417	Scientific Research and Development Services	
712	Museums, Historical Sites and Similar Institutions	8412, 8422, 7999
713110	Amusement and Theme Parks	
711310	Promoters of Performing Art, Sports and Similar Events and Facilities	

ATTACHMENT B

- Confidential Project Worksheet
 - Industrial Projects
 - Office Projects
 - TIRZ #1 Projects

**INCENTIVE WORKSHEET
INDUSTRIAL PROJECTS
OFFICE OF ECONOMIC DEVELOPMENT USE**

THIS SECTION

Project Name Given _____

Date _____

Taken By _____

PROJECT CONTACT

Name _____
Address _____

Company _____
Phone () _____
Fax () _____
E-Mail _____

GENERAL PROJECT DATA

Company Name _____

Web Address _____

Publicly Traded _____

Listing Code _____

Expansion Y N

Private _____

New Company Y N

Headquarters Y N

Relocation Y N

Anticipated

If Relocation list current location: _____

Open Date _____

Primary Type of Product _____

SIC Code(s) _____

Local Suppliers for this Facility

#1 Name _____
#2 Name _____
#3 Name _____
#4 Name _____
#5 Name _____

SIC Code _____
SIC Code _____
SIC Code _____
SIC Code _____
SIC Code _____

SALES AND INVENTORY

	Estimated Annual Sales by Facility	Percent Subject to Local Sales Tax	Estimated Inventory Value	Percent Subject to Freeport Tax Exemption
Year 1	\$ _____	_____ %	\$ _____	_____ %
At Full Operation	\$ _____ (year ___)	_____ %	\$ _____ (year ___)	_____ %
Estimated Annual Growth (percent)	_____ %		_____ %	_____ %

**Estimated Annual
Purchases of Operating
items Subject to Local
Sales Tax**

Year 1	\$ _____
At Full Operation	\$ _____
Estimated Annual Growth (percent)	_____ %

FACILITY AND CONSTRUCTION INVESTMENT

	Amount	Percent Subject to Local Sales Tax
Estimated Construction Material Purchases:	\$	%
Estimated Construction Workers Payroll:	\$	%
Estimated New furniture and Equipment Purchases:	\$	%
Estimated Amount of Facility Purchases from Local Wholesalers:	\$	
Estimated Amount of Facility Purchases from Local <u>Service Firms</u>:	\$	

Anticipated Size of Facility (Square Feet)	Value of Property <u>before</u> Improvements		
	Land	Real Property	Business Personal Property
Year 1	\$	\$	\$
Year 2			
Year 5			

Investment in Improvements		
Land	Real Property	Business Personal Property
\$	\$	\$

UTILITY IMPACT

	Water	Sewer
Average monthly usage by the facility:	Gal	Gal
Investment needed for the new facility:	\$	\$

EMPLOYMENT CHARACTERISTICS

Total Number of Employees	Type Employee	By		
		Percentage	Average Salary	Number of Employees With Salary Over \$30,000
Year 1	Executive	%	\$	
At Full Operation	Professional	%	\$	
Percent Annual Growth	Administrative	%	\$	
	Technical	%	\$	
	Skilled Trades	%	\$	
	Semi-Skilled Trades	%	\$	
	Unskilled Trades	%	\$	
Total Facility Payroll			\$	

Number of jobs that due to this project that will be:

Retained in Lewisville: _____ New Jobs Created: _____
 Relocated to Lewisville from the DFW _____
 Metroplex or other locations: _____

TOURISM

Number of Visitors Annual:	
Average Duration of Stay:	

**INCENTIVE WORKSHEET
OFFICE PROJECTS
OFFICE OF ECONOMIC DEVELOPMENT USE
THIS SECTION**

Project Name Given _____

Date _____

Taken By _____

PROJECT CONTACT

Name _____
Address _____

Company _____
Phone () _____
Fax () _____
E-Mail _____

GENERAL PROJECT DATA

Company Name _____

Web Address _____

Publicly Traded _____

Listing Code _____

Expansion Y N

Private _____

New Company Y N

Headquarters Y N

Relocation Y N

Anticipated

If Relocation list
current location: _____

Open Date _____

Primary Type of Product _____

SIC Code(s) _____

SALES AND INVENTORY

	Estimated Annual Sales by Facility	Percent Subject to Local Sales Tax	Estimated Annual Purchases of Operating items Subject to Local Sales Tax
Year 1	\$ _____	%	\$ _____
At Full Operation	\$ _____ (year _____)	%	\$ _____
Estimated Annual Growth (percent)	%		%

FACILITY AND CONSTRUCTION INVESTMENT

	Amount	Percent Subject to Local Sales Tax
Estimated Construction Material Purchases:	\$	%
Estimated Construction Workers Payroll:	\$	%
Estimated New furniture and Equipment Purchases:	\$	%
Estimated Amount of Facility Purchases from Local Wholesalers:	\$	
Estimated Amount of Facility Purchases from Local <u>Service Firms</u>:	\$	

Anticipated Size of Facility (Square Feet)	Value of Property <u>before</u> Improvements		
	Land	Real Property	Business Personal Property
Year 1	\$	\$	\$
Year 2			
Year 5			

Investment in Improvements		
Land	Real Property	Business Personal Property
\$	\$	\$

UTILITY IMPACT

	Water	Sewer
Average monthly usage by the facility:	Gal	Gal
Investment needed for the new facility:	\$	\$

EMPLOYMENT CHARACTERISTICS

Total Number of Employees	Type Employee	By		
		Percentage	Average Salary	Number of Employees With Salary Over \$30,000
Year 1	Executive	%	\$	
At Full Operation	Professional	%	\$	
Percent Annual Growth	Administrative	%	\$	
	Technical	%	\$	
	Skilled Trades	%	\$	
	Semi-Skilled Trades	%	\$	
	Unskilled Trades	%	\$	
Total Facility Payroll			\$	

Number of jobs that due to this project that will be:

Retained in Lewisville: _____ New Jobs Created: _____
 Relocated to Lewisville from the DFW _____
 Metroplex or other locations: _____

TOURISM

Number of Visitors Annual:	
Average Duration of Stay:	

INCENTIVE WORKSHEET
TIRZ #1
OFFICE OF ECONOMIC DEVELOPMENT USE
THIS SECTION
 Project Name Given _____

Date _____

Taken By _____

PROJECT CONTACT

Name _____
 Address _____

Company _____
 Phone () _____
 Fax () _____
 E-Mail _____

GENERAL PROJECT DATA

Company Name _____
 Project Address: _____

Web Address _____

Publicly Traded _____ Listing Code _____
 Private _____

Expansion Y N
 New Company Y N
 Relocation Y N

Headquarters Y N
 Anticipated
 Open Date _____

If Relocation list
 current location: _____

Primary Type of Product _____

SIC Code(s) _____

Property Owner Name: _____
 Property Owner Address _____

SALES AND INVENTORY

	Estimated Annual Sales by Facility	Percent Subject to Local Sales Tax	Estimated Inventory Value	Percent Subject to Freeport Tax Exemption
Year 1	\$ _____	_____ %	\$ _____	_____ %
At Full Operation	\$ _____ (year__)	_____ %	\$ _____ (year__)	_____ %
Estimated Annual Growth (percent)	_____ %		_____ %	_____ %

	Estimated Annual Purchases of Operating items Subject to Local Sales Tax
Year 1	\$ _____
At Full Operation	\$ _____
Estimated Annual Growth (percent)	_____ %

FACILITY AND CONSTRUCTION INVESTMENT

	Amount	Percent Subject to Local Sales Tax
Estimated Construction Material Purchases:	\$	%
Estimated Construction Workers Payroll:	\$	%
Estimated New furniture and Equipment Purchases:	\$	%
Estimated Amount of Facility Purchases from Local <u>Wholesalers</u> :	\$	
Estimated Amount of Facility Purchases from Local <u>Service Firms</u> :	\$	

Anticipated Size of Facility (Square Feet)	Value of Property <u>before</u> Improvements		
	Land	Real Property	Business Personal Property
Year 1	\$	\$	\$
Year 2			
Year 5			

Investment in Improvements		
Land	Real Property	Business Personal Property
\$	\$	\$

UTILITY IMPACT

	Water	Sewer
Average monthly usage by the facility:	Gal	Gal
Investment needed for the new facility:	\$	\$

EMPLOYMENT CHARACTERISTICS

Total Number of Employees	Type Employee	By		
		Percentage	Average Salary	Number of Employees With Salary Over \$30,000
Year 1	Executive	%	\$	
At Full Operation	Professional	%	\$	
Percent Annual Growth	Administrative	%	\$	
	Technical	%	\$	
	Skilled Trades	%	\$	
	Semi-Skilled Trades	%	\$	
	Unskilled Trades	%	\$	
Total Facility Payroll			\$	

Number of jobs that due to this project that will be:

Retained in Lewisville: _____ New Jobs Created: _____
 Relocated to Lewisville from the DFW _____
 Metroplex or other locations: _____

TOURISM

Number of Visitors Annual:	
Average Duration of Stay:	

ATTACHMENT C

- ConVergence Office Campus Incentive Worksheet
- ConVergence Office Campus Annual Compliance Worksheet

**CONVERGENCE OFFICE CAMPUS
INCENTIVE WORKSHEET**

**CONVERGENCE OFFICE CAMPUS
INCENTIVE WORKSHEET**

Qualifying Criteria	Methodology	Qualifying Information	Points
Jobs Created	1 point per 10 jobs		
Average Salary	1 point per \$500 of salary for F/T employees	\$	
Total Points			
			X .06
Rebate Percentage			

CITY OF LEWISVILLE
OFFICE OF ECONOMIC DEVELOPMENT
SAMPLE ANNUAL COMPLIANCE REPORT

Item	Purpose	Compliance Information	
1	Company Name:		
2	Calendar Year:		
3	Total Lewisville facility based full time Employees:		
4	Total Annual Payroll	\$	
5	Total Business Personal Property Value Reported to Denton County	\$	
6	Total Average Inventory Value	\$	
7	Annual Sales Subject to Lewisville Sales Tax	\$	
8	Maintained Lewisville Chamber of Commerce Membership	Yes	No

(Attach additional sheets as necessary to provide adequate backup.)

Certified By:

(Name of Company)

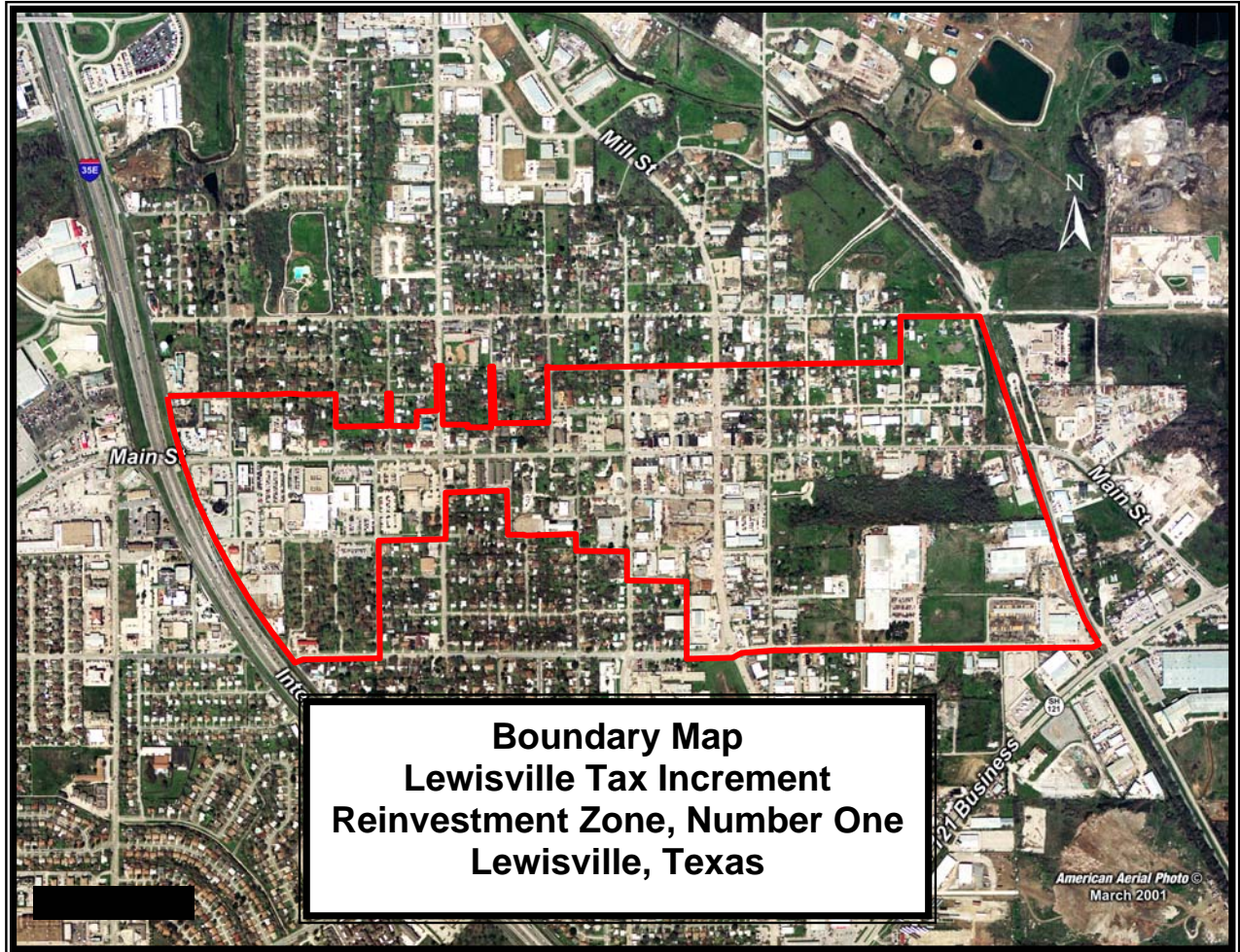
Name:

(name of person certifying compliance)

Title:

ATTACHMENT D

- Boundary Map of TIRZ #1.



ATTACHMENT E

- Façade Easement Sample

STATE OF TEXAS § ARCHITECTURAL FAÇADE EASEMENT
COUNTY OF DENTON § AND CONSERVATION RIGHT

W I T N E S S E T H:

WHEREAS, The City of Lewisville, Texas, recognizes the importance of its continued role in local economic development; and

WHEREAS, on December 10, 2001, the City Council of the City approved Ordinance No. 2762-12-2001 establishing Tax Increment Reinvestment Zone, Number One, City of Lewisville, Texas, (the “District”) in accordance with the Tax Increment Financing Act, as amended, Chapter 311 of the Texas Tax Code, Vernon’s Codes Annotated, (the “Act”), to promote development and redevelopment in the District through the use of tax increment financing; and

WHEREAS, the Act authorized the City, consistent with the project and financing plans of the zone to acquire blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property located within a redevelopment area in a reinvestment zone for the purpose of beautification and conservation, or other public purposes; and

WHEREAS, the Act further authorized the expenditure of funds derived within a reinvestment zone, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the project and financing plans of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in the Act (“Project Costs”); and

WHEREAS, the contemplated improvements to be developed within the District, as set forth in this Easement, are consistent with encouraging development of the District in accordance with the purpose for its creation, the ordinance creating such reinvestment zone adopted by the City and all applicable laws; and

WHEREAS, Grantor is the owner in fee simple of certain real property more particularly described below, which real property is improved with a commercial structure, located at _____ Street, in the City of Lewisville, commonly known as the “_____ Building”; and

WHEREAS, the street exterior façade of the building constitutes an important element in the architectural cityscape of the City of Lewisville, and contributes significantly to the cultural heritage and visual beauty of the City of Lewisville and should be preserved; and

WHEREAS Grantor and the City of Lewisville desire to maintain the commercial nature of the building of which it is a part, and they further desire to

maintain the building consistent with its remaining a viable structure devoted to commercial use;

NOW, THEREFORE, GRANTOR AND CITY COVENANT AND AGREE AS FOLLOWS:

1. Grant of Easement. Grantor hereby does grant and convey unto the City of Lewisville, a home rule municipal corporation situated at 1197 W. Main Street, Lewisville, Texas, 75067, an architectural façade easement and conservation right in the building situated on the real property legally described on Exhibit A attached hereto and made part hereof (which real property together with the building is sometimes hereinafter referred to as the “premises”). This conservation right is a claim, property and interest in the façade given to the City which will permit the City to take legal action to protect the façade against loss, misuse or waste. The City agrees to pay to Grantor \$_____ upon completion of an approved Old Town Center Economic Development District project, as verified by the City of Lewisville, Office of Economic Development, which improvements are contemplated in a contract between Grantor and _____, (“Contractor”), dated _____.

2. Stipulations. In furtherance of this architectural façade easement and conservation right herein granted, Grantor covenants and agrees to do (or refrain from doing, as the case may be) upon the façade and adjoining walls (façade) each of the following stipulations, which stipulations it is agreed contribute to a public purpose, in that they aid significantly in the conservation of the façade.
 - (a) Grantor shall not demolish, remove or raze the façade;

 - (b) Without the express written consent of the City, which written consent or refusal to grant such consent, including a statement of reasons for refusal, shall be delivered to Grantor by the City within fourteen (14) days of receipt of Grantor’s written request for such approval, Grantor shall not undertake or permit to be undertaken any changes to the façade or any part of the exterior of the building (other than those which exist as of the date hereof on the façade) anything which may:
 - (i) increase or decrease the height of the façade or the building;

 - (ii) adversely affect the structural soundness of the façade;

 - (iii) makes any change in the façade (except as provided in Exhibit B, attached), including the alteration, partial removal, construction, remodeling or physical or structural change or change in color or surfacing with respect to the appearance or construction of the façade;

 - (iv) add any additional signs, canopies or plaques to the façade or to the windows on the façade or place any additional signs inside the windows, other than those existing on the date hereof or shown in Exhibit B, attached;

- (v) erect anything on the façade which would prohibit it from being visible from street level, except for a temporary structure during any period of approved alteration or restoration; or
 - (vi) any significant reconstruction, repair, repainting or refinishing of the façade that alters its state from the condition shown in Exhibit B. This subsection (vi) shall not include ordinary or necessary maintenance as covered by section 3 below.
3. Maintenance. Grantor covenants that it will use its best efforts to perform ordinary maintenance on the façade to maintain its appearance and structural soundness and to prevent any further deterioration of the façade. Such maintenance shall not be subject to the notice provisions of section 2.
 4. Specification of Work. In the event Grantor is required to seek the consent of the City of Lewisville pursuant to section 2, Grantor shall furnish the City with plans, designs, elevations, specifications, and documents relating thereto, including specification of all material, colors and construction techniques to be used in any such work and photographs of the subject area as it appears at the time of the request.
 5. Insurance. Grantor, at its sole expense, will keep the premises insured under a standard form of insurance policy against loss or damage resulting from fire and other perils normally insured under a uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of Texas.
 6. Casualty Damage. In the event that the premises or any part thereof shall be damaged by fire or other casualty, then the proceeds of the insurance required to be carried pursuant to section 5 hereof and Grantor's funds shall be applied to reconstructing the façade. If the premises are damaged to such an extent that Grantor determines that reconstruction is not feasible and provides the City with a certification by an independent engineer to the same effect, then this architectural façade easement and conservation right shall be void and of no further force or effect.
 7. Inspection. Grantor covenants that representatives of the City shall be permitted to inspect the façade from the street for the purpose of determining conformance with this architectural façade easement and conservation right.
 8. City's Remedies. In the event of a violation of any provision of this architectural façade easement and conservation right, the City may, upon five (5) days prior written notice to Grantor, institute a suit for injunctive relief and/or damages, and in the event Grantor is adjudicated to have violated any of Grantor's obligations herein, Grantor shall reimburse City for any costs or expenses incurred in connection with the enforcement of its rights.

9. Duration. This grant of architectural façade easement and conservation right shall be effective for 25 years; provided, however, that Grantor may terminate this easement at anytime by paying to the City a sum equal to \$_____ (the City’s investment in this property) multiplied by a fraction in which the numerator is the number of years remaining in this easement and the denominator is the original number of years in the term of this easement.

10. Public Access. Grantor and the City agree that the public shall have the regular and substantial opportunity to view the facade from the sidewalk abutting the façade. Grantor shall have no obligation to allow the general public or the City to view the interior of the building.

11. Right To Use of the Premises. Grantor reserves unto itself, its successors, assigns, mortgagees and lessees the right to continue to use and occupy the premises for all lawful purposes not inconsistent with this grant of architectural façade easement and conservation right, and the City agrees to execute any and all documents (including not by way of limitation, any and all future leases or mortgages) Grantor shall at anytime and from time to time request to further such end or purpose and not inconsistent with this grant of architectural façade easement and conservation right.

12. Amendment. For purposes of furthering the preservation of the façade and of furthering the other purposes of this grant of architectural façade easement and conservation right and to meet the changing conditions, Grantor and the City may amend this instrument from time to time by mutual consent in writing and such amendment shall become effective upon its recording.

Executed this _____ day of _____, _____ .

EXECUTION PAGE FOLLOWS:

CITY OF LEWISVILLE, TEXAS

Claude King, City Manager

ATTEST:

Marty Hendrix, TRMC/CMC
City Secretary

APPROVED AS TO FORM:

Ronald J. Neiman, City Attorney

GRANTOR:

(name)

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the _____ day of _____, 2002, by Claude King, City Manager of the City of Lewisville, Texas, a home-rule municipal corporation, on behalf of said municipal corporation.

Notary Public in and for the State of Texas

My Commission Expires: _____

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the _____ day of _____, 2002, by _____.

Notary Public in and for the State of Texas

My Commission Expires: _____

ATTACHMENT F

Rehabilitation Guidelines for Old Town Façade Incentive Applicants

These guidelines are to be used by property owners or tenants applying for funds under this grant program. Proposals which violate these guidelines may not be eligible for funding.

1. Ensure that roofs and foundations are sound prior to submitting an Application. Façade improvements are of no use to the tenant, owner or public good if buildings suffer from foundation or roof problems.
2. Be aware of areas on the roof and at connecting walls where water does not readily drain. Flashing should be installed at intersections to prevent leakage.
3. Carefully examine old buildings for termites, wood rot and general deterioration.
4. Carefully locate air-conditioning units to avoid water condensations on the sides of buildings. Condensing units should be screened from sight of the public right of way.
5. The top brick cornices that project above the roof deteriorate rapidly unless they are capped with metal, terra cotta, stone or concrete.
6. When mortar is missing or in poor repair, moisture will enter the walls and eventually may cause structural damage. Deteriorated mortar should be removed to a depth of at least three-fourths of an inch and replaced with new mortar that matches the old in color, texture, striking of the joint and lime content.
7. Do not sandblast. Chemicals and/or water can remove dirt and paint without damaging the surface of the building.
8. Do not paint too often; many times a building only needs mild washing.
9. If the building has stone or brick that has never been painted, do not create a maintenance problem by painting it.
10. Existing architectural details, including old wood doors, windows, ceilings, and trim work add to the character of a building and its resale value. Repair these features rather than remove them.
11. Wood windows are reasonable to repair, if a specialist in window repair can be found. If the windows are missing, custom-made windows can be ordered for replacement in old buildings.
12. Pressed metal ceiling panels are still being manufactured today with some of the same patterns installed originally. Deteriorated panels, therefore, can be replaced exactly.
13. Do not use aluminum siding. It can hide water penetration into the walls and accelerate deterioration.
14. Before rehabilitating a building façade, take a careful look at the structural aspects of the building. Develop a design that is compatible with neighboring buildings.
15. Retain a sense of continuity by carrying exterior building design inside the structure.
16. Demand quality

Rehabilitation Guidelines for Old Town Façade Incentive Applicants (Cont.)
Secretary of the Interior Standards for Rehabilitation

All Façade Reimbursement Grant applications will be reviewed by City staff and the Lewisville City Council in accordance with the Old Town Development Ordinance and the guidelines below.

1. Every reasonable effort shall be made to provide a compatible use for a property which requires minimal alteration of the building, structure or site and its environment, or to use a property for its original intended purpose.
2. The distinguishing original qualities or character of a building, structure, or site and its environment shall not be destroyed. The removal or alteration of any historic material or distinctive architectural features will disqualify any building from this program.
3. All building, structures, and sites shall be recognized as products of their own time. Alterations that have no historical basis and which seek to create an earlier appearance shall be discouraged and may disqualify any building from this program.
4. Changes which may have taken place in the course of time are evidence of the history and development of a building, structure, or site and its environment. These changes may have acquired significance in their own right, and this significance may be recognized and respected.
5. Deteriorated architectural features shall be repaired rather than replaced, wherever possible. In the event replacement is necessary, the new material should match the material being replaced in composition, design, color, texture and other visual qualities.
6. The surface cleaning of structures shall be undertaken with the gentlest means possible. Sandblasting and other cleaning methods that will change or damage the historic building materials shall not be undertaken.
7. Contemporary design for alteration and additions to existing properties shall not be discouraged when such alterations and additions do not destroy significant historical, architectural or cultural materials, and such design is compatible with the size, scale, color, material, and character of the property, neighborhood, or environment.
8. Whenever possible, new additions or alterations to structures shall be done in such a manner that if such addition or alterations were to be removed in the future, the essential form and integrity of the structure would be unimpaired. New additions should be compatible to the present structure.

ATTACHMENT G**CITY OF LEWISVILLE
OLD TOWN LANDMARK NOMINATION FORM**

The City of Lewisville has authorized the designation of properties in the City as Lewisville Landmarks. The selection of such properties will be made by the Old Town Preservation Society (OTPS) from nominations made and based on information submitted in this nomination form. The OTPS will be pleased to consult with applicants concerning their nomination and the preparation of the form. This form will be preserved as part of the official records of the City of Lewisville. No property may be designated as a landmark without the consent of the property owner.

1. NAME OF PROPERTY

Historic Name _____ Current Name _____

2. LOCATION

Street Address _____

3. LEGAL DESCRIPTION OF PROPERTY

Lot(s) _____ Block(s) _____

Subdivision _____ City Block _____

4. OWNER OF PROPERTY

Name _____

Address _____

Daytime Telephone _____

5. ACKNOWLEDGMENT

As the owner of the above described property for which nomination as a Lewisville landmark has been made, I acknowledge that I have reviewed and understand the criteria by which the markers are awarded and will abide by the requirements specified in the criteria.

SIGNATURE _____ DATE _____

6. APPLICANT (If other than owner)

Name _____

Address _____

Daytime Telephone _____

7. CLASSIFICATION

Category: _____Building _____Structure _____Site _____Object

Status: _____Occupied _____Unoccupied _____Work Underway

Use: Original_____ Present_____

Proposed_____

8. SIGNIFICANCE

_____Historical _____Architectural _____Archeological _____Cultural

_____Other (Specify)_____

Historical event(s) which occurred at the site

ARCHITECTURAL APPLICATIONS ONLY

1. Submit black & white photographs, 3X5 or larger, showing the distinctive architectural features of the structure. At least two views, front and back, should be submitted along with negatives.
2. A line drawing to scale, of the building floor plan showing exterior and interior walls, doors, and windows and should be prepared in a neat and orderly form.
3. A description of the structure, including architectural style, roof, exterior materials, window types and other distinguishing features, which relate to the architectural style, should be submitted.
4. Provide historic information on the property including the following:
 - a. All prior property owners according to county records.
 - b. Designer and builder of the structure.
 - c. Description of significant modifications and/or additions with an estimate of the year or decade during which each was made.
 - d. Prior uses of the property.

