



CITY OF BAYTOWN

REVITALIZATION INCENTIVE ZONE (RIZ)

General Information

The goal of the Baytown Revitalization Incentive Zone (RIZ) program is to promote economic development, encourage the rehabilitation of affordable housing and stimulate an increase in property values. There are two programs providing various incentives to eligible participants: Program 1, the Basic Incentives Program will grant a waiver of certain permit fees and impact fees; and Program 2, the Tax Incentive Program will grant a refund of the incremental increase of municipal ad valorem taxes for up to 5 years.

Qualifying structures include all commercial and residential improvements within the Revitalization Incentive Zone. New residential construction must have a minimum investment of \$65,000 and new commercial construction must have an initial investment of \$100,000. In order to qualify for the Basic Incentives on an existing structure, improvements must equal or exceed 20% of the appraised value of the existing improvements based upon the most recently certified value by the chief appraiser of HCAD. In order to qualify for the Tax Incentives, the previously stated minimum investment applies and the eligible improvement must increase the appraised value of the existing improvements by at least \$20,000 for residential and \$75,000 for commercial. For the purpose of this program, improvement does not include: personal property (property that is not permanently fixed to one location), pipelines, deferred maintenance, property with an economic life less than 15 years and deferred maintenance.

ELIGIBILITY REQUIREMENTS

All applicants must provide the appropriate documents to verify the following:

1. Proof of property ownership;
2. Proof of current appraised value of the property for which incentives are sought;
3. Proof of construction costs (bid documents, construction estimates, contract, etc.)
4. Property has not received assistance through the City's Owner-Occupied Housing Rehabilitation Program within five years of the commencement of the improvement for which an RIZ incentive is sought;
5. Owner does not owe a debt to the City (taxes, liens, etc.)
6. Property has not received assistance through the City's Facade Program within five years of the commencement of the improvement for which an RIZ incentive is sought (unless the value of improvement qualifies for the Program 2 incentive with the amount paid by the City under such added to the base value).
7. Proposed improvement is not subject to a Tax Abatement Agreement with the City; and
8. Proposed improvement is not subject to a Chapter 380 Economic Development Agreement with the City.

HOW TO APPLY

Contact the City of Baytown Community Development Office at 281-420-5390 or visit our website at www.baytown.org for general information, program guidelines and an application form. Verification documents must accompany completed application.



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Process Guide

Dear Applicant/Owner:

Please use this to guide you through the RIZ process. The Community Development Division may require you to provide additional information not listed. Once you have been certified you can apply for your building permits. If you have any questions, please call Community Development at 281-420-5390.

Attach the following information with your completed RIZ application:

1. Proof of Ownership: A Deed or Warranty Deed for the proposed site for which an RIZ incentive is sought (Deed of Trust or Contract for deed will not satisfy this requirement);
2. Work to be completed: A clearly defined floor plan, site plan and site elevation or written detailed project description;
3. Proposed Cost of Project: An itemized budget showing the proposed cost for the project (itemized construction estimates and/or bid documents).

Staff will review the RIZ application and all supporting documentation. Once eligibility is determined, a letter of receipt will be mailed to you. If your receipt letter requests an additional office consultation, please call to schedule the meeting. You will need to bring any of the above items that were not attached to your application as well as other documents concerning your project, ownership and/or cost.

After applying for the RIZ:

1. If found eligible, you will be notified and a certification will be submitted on your behalf, by the Community Development Division, to the Permit Counter. The certification will provide proof that your project is eligible for permit fee and impact fee waivers. If applying for Program 2, you will be required to sign a Tax Refund Agreement with the City of Baytown (prior to the certification being submitted to the Permit Counter on your behalf).
2. In order to receive your permits, the Chief Building Official and/or Planning Department may require additional information regarding your project.
3. The Permit Counter will notify you when your permits are ready to be picked up.

After Project Completion (in order to receive the Program 2 incentives):

1. Schedule an office consultation with the Community Development Division.
2. Provide a Certificate of Completion for the project for which the Program 2 incentives are sought.
3. Pay the property ad valorem taxes prior to the delinquency date on an annual basis.
4. Submit proof of payment and a request for a refund in the subsequent tax year to the Community Development Division.
5. A refund check will be mailed to the property owner.
6. Late refund requests will not be considered.



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Program 1 Fact Sheet

Basic Incentive Program

How can this program help me?

1. Waiver of Permit Fees: The following fees may be waived for eligible improvements in a reinvestment incentive zone:
 - Building permit fees as enumerated in Section 2-595(2)(a) and (b) of the Code;
 - Electrical permit fees as enumerated in Section 2-595(2)(d) and (e) of the Code
 - Plumbing permit fees as enumerated in Section 2-595(2)(f) and (g) of the Code;
 - Mechanical permit fees as enumerated in Section 2-595(2)(h) of the Code;
 - Miscellaneous permit fees as enumerated in Section 2-595(2)(i) of the Code; and
 - Plan review fees as enumerated in Section 2-595(2)(j) of the Code.
2. Waiver of Impact Fees: Impact fees may be waived in accordance with Section 114-99(d) of the Code of Ordinances, which can be found at www.municode.com.

Is my project eligible?

Be sure your property falls within the Reinvestment Incentive Zone, as identified in the map found on the Planning and Development Services web page. Additionally, your proposed improvements must meet all standards in the City Code of Ordinances found on www.municode.com. Next, determine which category your improvement falls under:

1. Improvements on an existing structure: Residential and commercial improvements are eligible, if the construction cost is at least 20% of the appraised value of the existing improvements.
2. New Construction: New construction is eligible, with a minimum investment of \$65,000 for a residential improvement, or a minimum investment of \$100,000 for a commercial improvement. The construction must comply with the masonry, architectural and site design standards listed in sec. 3.10 and sec. 3.11 in the ULDC.
3. Ineligible Improvements: Your improvement project may not be approved if any of the following apply:
 - You owe a debt to the City;
 - Your improvement received assistance through the Owner-Occupied Housing Rehabilitation Program within the last 5 years;
 - Your improvement is subject to a 380 Economic Development Agreement;
 - Your improvement is subject to a previous Tax Abatement Agreement with the City;
 - You have received assistance through the City's Façade Program within the past 5 years; *unless* the value of the façade grant is added to the base value when determining the refund agreement in Program 2.

Still have more questions?

Please contact the Planning and Development Services Department at 281-420-5390.



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Program 2 Fact Sheet

Tax Refund Incentive Program

How can this program help me?

1. Refund of municipal ad valorem: A refund may be issued effective with validation date specified in the tax refund agreement. Refunds will be processed based upon the following schedule:

Year 1	100%
Year 2	100%
Year 3	80%
Year 4	60%
Year 5	50%
Year 6	0%

and based only upon the incremental value increase of the improvement as determined by the Harris County Appraisal District (HCAD). Property owned by a tax-exempt organization is not eligible for Program 2 tax refund incentives.

Note: if a modernization project includes facility replacement, the abated value will be equal to the value of the new unit(s) *less* the value of the old unit(s).

How will my refund be processed?

You will submit documentation for a refund during the year following your improvements. To be entitled to your refund, you must pay all ad valorem taxes due to the City prior to the delinquency date, and show proof thereof with your request. If eligible, your refund will be calculated as follows:

$$\begin{aligned}
 &(\text{HCAD Improvement Value for Current Year} - \text{HCAD Improvement Value for Base Year}) \\
 &\quad \times \\
 &\quad \text{Applicable Abatement Percentage} \\
 &\quad \times \\
 &\quad \text{City Tax Rate}/\$100 \text{ valuation}
 \end{aligned}$$

NOTE: Late refund requests will not be considered.

Is my proposed improvement eligible?

Be sure your property falls within the Reinvestment Incentive Zone, as identified in the maps found on the Planning and Development Services web page. Additionally, your improvements must meet all standards in the City Code of Ordinances found on www.municide.com. Next, determine which category your improvement falls under:



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Program 2 Fact Sheet

1. Improvements on an existing structure: Residential and commercial improvements are eligible, if the construction cost of the improvement is at least 20% of the appraised value of the existing property. However, further qualifications include:
 - a) Residential Improvements – The project must increase the appraised value of the property by at least \$20,000 within the first two tax years after completion.
 - b) Commercial Improvements – The project must increase the appraised value of the property by at least \$75,000 within the first two tax years after completion.

2. New Construction: New construction is eligible, with the following qualifications:
 - a) Residential Improvements – You must invest at least \$65,000 *and* the project must increase the appraised value of the property by at least \$65,000 within the first two tax years after completion.
 - b) Commercial Improvements – You must invest at least \$100,000 *and* the project must increase the appraised value of the property by at least \$100,000 within the first two tax years after completion.
 - c) The construction must comply with the masonry, architectural and site design standards listed in sec. 3.10 and sec. 3.11 in the ULDC.

3. Ineligible projects: Your project will not be approved if any of the following apply:
 - You owe a debt to the City
 - You have received assistance through the Owner-Occupied Housing Rehabilitation Program within the last 5 years;
 - Your improvement is subject to a 380 Economic Development Agreement;
 - Your improvement is subject to a Tax Abatement Agreement with the City;
 - You have received assistance through the City's Façade Program within the past 5 years, *unless* the value of the façade grant is added to the base value when determining the refund agreement in Program 2.

Still have more questions?

Please contact the Planning and Development Services Department at 281-420-5390.