

First Year on Us

Why?

Vision: "Kyle is dedicated to setting the stage for development success-in economic development as well as real estate development."

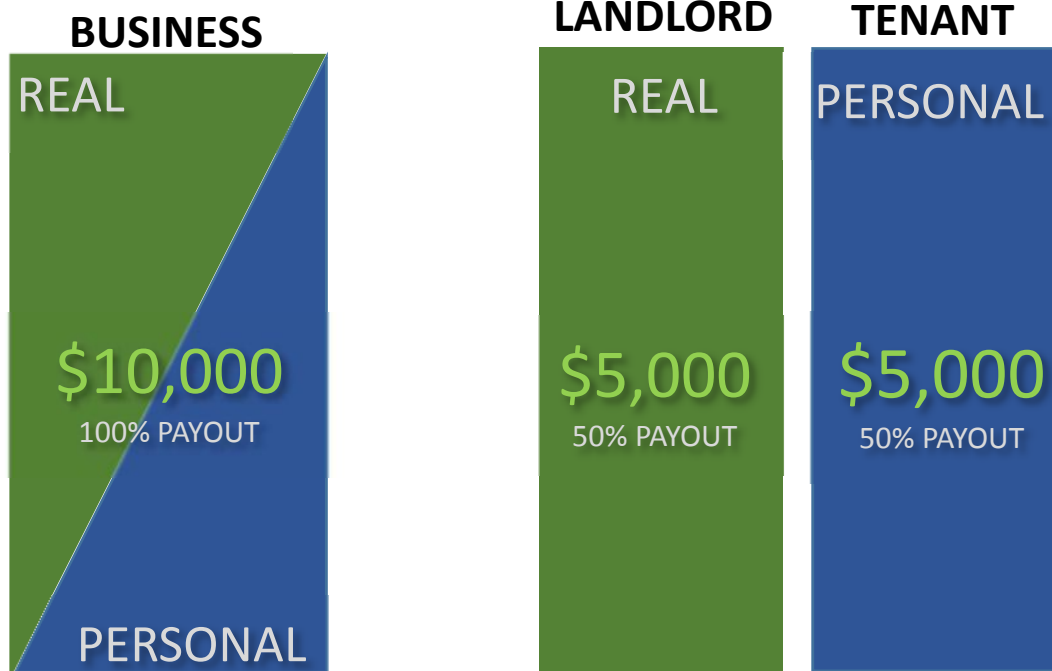
Economic Development is the creation of wealth through diversification and generation of new tax dollars. Through creating new tax dollars, an enhanced and diverse local economic ecosystem becomes prosperous, efficient and grows with the community allowing for new and improved opportunities for local residents and businesses.

The "First Year on Us" program is designed with the goal of promoting equity and consistency in our commercial economic development policies. This program seeks to provide a partnership through financial assistance, however, not subsidies, to commercial property and business owners seeking to make a positive impact and investment in their commercial property and buildings within the City of Kyle.

How?

Under the "First Year on Us" commercial development plan, owner occupied businesses may apply for a one-time tax rebate up to \$10,000 for improvements on real and personal property that increase the value of said property. Meaning, the City of Kyle will rebate one dollar for every new tax dollar generated as a direct result of investment and improvements to commercial property. The current tax rate for the City of Kyle is 0.5848. Based upon the current tax rate, \$200.00 of investment equals \$1.17 of new tax dollars. Non-owner occupied businesses and developers may apply for the same credit up to \$5,000.

OWNER OCCUPIED



- Central Business District 1 (CBD1), Central Business District 2 (CBD2), Retail and Service (R/S), Warehouse (W) Construction Manufacturing (CM), Entertainment (E), Community Commercial (CC) and Neighborhood Commercial (NC) commercial zoning districts only (no home businesses)
- Excluded in *TIRZ # 1*, *SCC KP*, and *HPI*
- Cannot be combined with a developer agreement that includes city incentives
- Improvement value only as calculated by HAYS CAD (no land, no existing property, normal annual appreciation not eligible)

Credit for first year in YR 1 or YR 2 at owner discretion.

The City will provide a reimbursement of property tax up to a total of \$10,000 for permanent capital improvements that increase value to the City tax rolls. These improvements may not be of an in-kind or temporary nature including paint, signage and landscaping, etc.

The First Year on Us Program will only reimburse applicants after the project is determined to have been completed, contractor and vendor(s) are deemed to be paid in full and it has been determined to have added to the assessed value of the property in accordance with the City annual tax assessments.

Improvements must be compatible with the character and architecture of the individual property, and must meet current City standards, review and certificate of occupancy. Improvements to properties should be seen as an opportunity to substantially enhance the appearance of the properties and adjacent streetscapes. Properties should be oriented to the pedestrian and provide visual interest both day and night. Effort should be made to promote accessibility and create a property identity unique to Kyle and the respective neighborhood.

Initial consultation with City staff is necessary in order to help avoid misunderstanding as to the eligibility of proposals. City staff may provide guidance regarding improvements specific to individual storefronts. The applicant may hire his/her own licensed design professional(s) to work on the project from start to completion.

What?

Encouraged improvements:

Restoration of exterior details in historical significant buildings and removal of elements that conceal architectural details.

New storefront construction, appropriately scaled within an existing building, that is in conformance with all applicable provisions and requirements of the City of Kyle Building and Development Code.

New commercial construction that meets all provisions and requirements of the City of Kyle Building and Development Code.

Improvements to commercial property that elevate the taxable value of the property and meet the objectives of the First Year on Us program.

Who?

Applicants must be commercially zoned property owners for owner occupied commercial properties within the City of Kyle city limits. Or, the owner of a commercially zoned property, not owner occupied, may apply for half of the benefit, while the tenant may apply for the remaining half of the benefit within the City of Kyle city limits.

Tenants must have written approval from property owners to make any substantial changes to the property and participate in the program.

Any nonconforming use on the property must be permanently removed as part of the improvement.

Property owners must be current on all municipal taxes prior to participation in the program.

Property owners must be in good standing in regards to all fees and departments within the City of Kyle.

Improvements made prior to formal approval will not be eligible for the program.

Understanding that the overall objective of the First Year on us Program is to improve and develop commercial property, the City has the discretion to decline an application while suggesting enhancements that would enable future acceptance. City has the right to change or terminate program at any time.

EXAMPLES OF INVESTMENT/TAX GENERATION (REBATE)			
<u>INVESTMENT</u>	<u>CITY TAX RATE</u>	<u>CITY PROPERTY TAX</u>	<u>REBATE</u>
\$200.00	0.5848	\$1.17	\$1.17
\$2,000.00	0.5848	\$11.70	\$11.70
\$10,000.00	0.5848	\$58.48	\$58.48
\$50,000.00	0.5848	\$292.40	\$292.40
\$100,000.00	0.5848	\$584.80	\$584.80
\$200,000.00	0.5848	\$1,169.60	\$1,169.60
\$500,000.00	0.5848	\$2,924.00	\$2,924.00
\$1,000,000.00	0.5848	\$5,848.00	\$5,848.00
\$1,500,000.00	0.5848	\$8,772.00	\$8,772.00
\$1,709,986.32	0.5848	\$10,000.00	\$10,000.00

Application Requirements

In order to be considered for the “First Year On Us” rebate program, completed applications with original signatures must be submitted to the City of Kyle Department of Economic Development at Kyle City Hall, 100 W. Center St., Kyle, Texas. Applications and supporting documentation must be fully completed and attached in order for applications to be considered.

Documents Required:

- Application
- Proof of Ownership for Owner Occupied Properties -or- Proof of Ownership and Written Approval for Improvements by Owner and Proof of Commercial Lease by Tenant.
- Copies of all municipal approvals, permits and receipts of fees paid, documented and signed by the appropriate municipal agent.
- Copies of receipts shown paid in full for all improvements being claimed or included in the First Year on Us application.
- Applicant must be current on all City of Kyle accounts including utilities.
- Applicant must be in good standing on all taxes to date.
- Hays County tax assessment records for the year of application and prior year to reflect improvements equal an increased appraised taxable value for the City of Kyle.

First Year on Us Rebate Program Application
City of Kyle, Texas

Property Owner Information

Owner Name:

Hays CAD R#:

Physical Address:

Mailing Address:

Telephone:

Contact Person:

Email:

Is the property Owner Occupied?

Business Information

Business Name:

Federal Employer ID Number:

Mailing Address:

Telephone:

Contact Person:

Email:

Business Hours:

Additional Documents Required:

Please provide a comprehensive list of ALL permits and fees, copies of all paid permits and fees, detailed description of improvements with itemized costs and paid receipts for completed improvements.

Also, include Hays County tax assessment records for the year you are applying for as well as the previous year to verify that cost of improvements equals an increase in appraised taxable value for the City of Kyle.