



**KARNES CITY, TEXAS  
DOWNTOWN INCENTIVE PROGRAM**

**General**

This policy was developed by the City of Karnes City to promote and enhance economic development within the City’s downtown. It provides two types of incentives, one for new construction and one targeting new businesses that locate in the City’s downtown. This policy, as approved by City Council, vests City staff with the authority to offer the incentives, as expressly set forth in this policy. Chapter 380 agreements will be utilized as the primary type of agreements between the parties and the City. Staff has no authority to offer or execute any agreement beyond the parameters as set forth in this policy. Requests for incentives above the levels in this policy will have to be made directly to the City Council.

**Geographic Boundaries**

The incentives provided by this policy shall only be applicable with the area of Karnes City shown on Exhibit A to this policy.

**Tax Rebate Policy**

Property Tax: A reimbursement of City property taxes, in excess of the real property value of the property at the time the property owners requests the reimbursement as listed on the Karnes County Appraisal District Rolls, on real property will be granted when the proposed rehabilitation and/or improvement(s) of a non-residential or mixed use, of 10,000 or less square feet, increases the value of the existing real property by a minimum of fifty (50) percent.

The reimbursement will be calculated on the appraised value of improvements as follows:

<u>Year</u>	<u>1</u>	<u>2</u>	<u>3-5</u>
Reimbursement	100%	100%	80%

Design fees will only be included in the abatement if a registered architect has designed the project.

Sales Tax: A reimbursement of City sales tax on sales from any new retail businesses, of 4,000 or less square feet located in a permanent structure will be granted as follows:

<u>Year</u>	<u>1</u>
Reimbursement	100%

An "Agreement for Disclosure of Confidential Tax Information" must be filed with the State of Texas Comptroller in order for the City to rebate City sales tax. Sales tax rebates can and will only occur on businesses that generate sales tax. Sales tax rebates will generally occur one quarter after the end of the rebate period. This is due to the processing time of sales tax information at the State Comptroller. A business participating in this policy must be in business at the time of the rebate to be eligible to receive the rebate.

**Development Fee Reduction Program**

The following fees will be reduced by 80% for the following development applications:

- Preliminary Plat, Final Plat, Amended Plat and Replat
- Abandonment of public right of way or easements
- Dedication of a public right of way or easement
- Building Permit fees

The following fee will be reduced 100% for the following development application:

- Demolition of any non-historic building or structure

**Expedited Permitting**

Permits meeting all submission requirements will be processed within five (5) working days when they are submitted.

**Process**

Proposed businesses interested in applying for assistance through the City's program must file an application. City Staff may approve an agreement with the business and/or property owner, if the business or property owner meets everything as specified in the policy.