

PROJECT IMPACT DATA:

The kinds of data you need to provide for evaluation are:

- What infrastructure construction will be required to serve the proposed project?
- What is the cost of this construction?
- How much real and personal property value will be added to the tax roll by the end of the abatement period?
- Will the project generate any sales tax?
- How will this proposed project affect existing business and/or office facilities?
- What will be the cost to the City of Kaufman to provide municipal services to the proposed project?
- What will be the estimated fiscal impact on the local school district? County government? Other taxing entities?
- What affect (approximately) will the proposed project have on the area's residential community? Local Housing Market?
- What environmental impact, if any, will be created by the project?
- Is the proposed project compatible with the City's Comprehensive Plan and Zoning Ordinance? Washington Street corridor goals? Will rezoning and platting/replatting be required?



The City of Kaufman is committed to the promotion and the development of the Washington Street Corridor and Downtown Central Business District, and the ongoing improvement of the quality of life for its citizens. The City seeks to offer programs that help attract investment to the area.

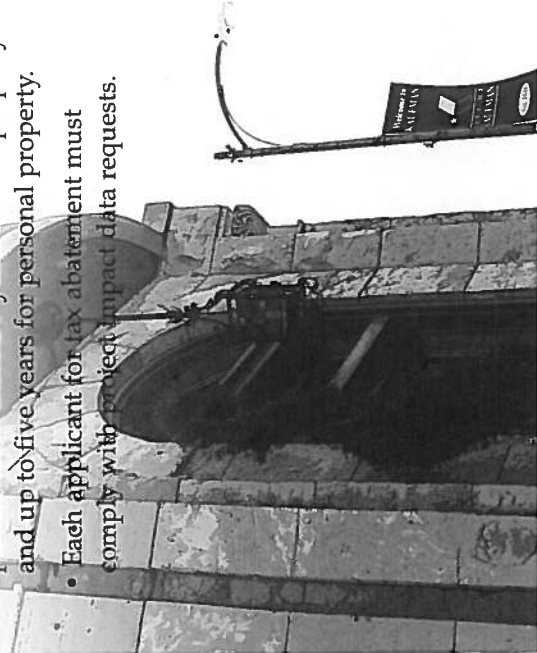
When eligible projects meet these goals by the enhancement of the city's tax base and the expansion of the local economy, the City of Kaufman will give consideration to providing a real and/or personal property tax abatement for new construction, building renovations and expansions in the Washington Street Corridor of the Downtown Central Business District. The Commercial Building Tax Abatement Program is an economic development incentive for businesses and retailers created to encourage the restoration and improvement of new and existing Commercial structures.

Guidelines:

This program is offered to the owners and tenants of real and personal property. Project consideration will include the potential impact of the project on the immediate and surrounding area. Some of the more significant policy guidelines are as follows:

- The project must make a contribution to the retention, expansion, or attraction of a business which offers a significant contribution to the downtown and Washington Street Corridor.
- The economic life of the facility and its improvements must exceed the life of the abatement agreement.
- Eligible projects are allowed uses in the Washington Street Corridor Overlay Zone and the Downtown Business District except single family use and any non-conforming use.
- A tax abatement may be granted for improvements to real and personal property. No abatements will be granted for inventory or supplies, including office equipment.
- An authorized facility may be granted an abatement on all or a portion of the increased taxable value over the initial value for a period not to exceed 7 years for real property and up to five years for personal property.

- Each applicant for tax abatement must comply with project impact data requests.



The requirements for real property tax abatements are as follows:

Abatement Amount	Abatement	Years*
\$250,000 & up	100%	7
\$200,000 - \$249,999.99	80%	5
\$150,000 - \$199,999.99	60%	5
\$100,000 - \$149,999.99	50%	4
\$50,000 - \$99,999.99	40%	4
\$25,000 - \$49,999.99	30%	3

The requirements for personal property tax abatements are as follows*:

Abatement Amount/Year	1	2	3	4	5
\$75,000 & up	50%	40%	30%	20%	10%
\$45,000 - \$74,999	40%	30%	20%	10%	
\$20,000 - \$44,999	30%	20%	10%		

*Length of abatement period is commensurate with the length of lease/occupancy terms, but shall not exceed maximum number of years listed.

Program Considerations:

Items to know before you make application are:

- The final valuation that sets the abatement is determined by the Kaufman County Appraisal District
- The figure set forth in the application (value of improvements) will become the qualification figure that will be placed in the tax abatement agreement and must be certified by the appraisal district to the City of Kaufman for the yearly tax abatement to be effective.
- The tax abatement can be granted to the owner or lessee of the property.

- The City Council may require the applicant to secure a bank letter of credit to guarantee funds are available.

Kaufman County may consider ratification of a tax abatement agreement with the applicant in conjunction with the City of Kaufman's Commercial Building Tax Abatement Program. The City will assist in the process of applying to the County.

Design Considerations:

Issues to be considered when evaluating applications are:

- When possible, the historical architecture of the downtown area should be preserved.
- Each project should repair or reconstruct original architectural features when appropriate, such as doors, windows, canopies, etc.
- The blocking or boarding of window and door should be avoided.
- Attractive rear entrances utilizing awnings, lighting, landscaping, and appropriate signage are encouraged.
- Lighting and landscaping should be carefully designed and located so as to create an aesthetically pleasing and safe environment.

Where to Get More Information

These are only highlights of the City's new program to encourage revitalization along Washington Street and on the Downtown Square. If you are a property owner or business in either of these areas and are considering major expansion or remodeling, let the City of Kaufman help you. Contact:

Director of Development Services
 City Hall
 209 South Washington Street
 Kaufman, TX 75142
 972.932.2216