

ORDINANCE NO. 22-M-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING CHAPTER 21 COMMUNITY DEVELOPMENT OF THE CITY OF SCHERTZ CODE OF ORDINANCES BY ADDING ARTICLE III ENTERPRISE ZONES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Schertz, Texas (the “City”) has previously adopted guidelines and regulations for community development and established the Schertz Economic Development Corporation to accomplish said public purpose; and,

WHEREAS, the State Legislature has previously established the state enterprise zone program to establish a process that clearly identifies severely distressed areas of the state and provides incentives by state and local government to induce private investment in those areas by removing unnecessary governmental regulatory barriers to economic growth and to provide tax incentives and economic development program benefits; and,

WHEREAS, territory in the municipal boundaries and in the extraterritorial jurisdiction of a municipality is considered to be in the jurisdiction of the municipality for purposes of establishing an enterprise program; and,

WHEREAS, before nominating a project or activity of a qualified business in Schertz for designation as an enterprise project, the City Council of the City of Schertz must hold a public hearing and, by ordinance, must identify and summarize briefly any local incentives available; and,

WHEREAS, the City Council held a public hearing on February 1, 2022 at which interested persons were allowed to speak and present evidence for or against the City’s participation in the program; and

WHEREAS, the City Council hereby finds that establishment of an enterprise zone program is in the best interest of the community and would enhance and further the community development of Schertz.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. Chapter 21-Community Development of the Schertz Code of Ordinances is hereby amended by adding Article III Enterprise Zones as set forth in the attached Exhibit A.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All ordinances or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 4. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

This Ordinance shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED on first reading this 1st day of February 2022.

PASSED AND ADOPTED on second and final reading this 8th day of February 2022.

CITY OF SCHERTZ, TEXAS

Mayor Ralph Gutierrez

ATTEST:

City Secretary Brenda Dennis

EXHIBIT A

CHAPTER 21-COMMUNITY DEVELOPMENT OF THE CITY OF SCHERTZ CODE OF ORDINANCES IS HEREBY AMENDED BY ADDING ARTICLE III ENTERPRISE ZONES AS SET FORTH BELOW:

Article III. - Enterprise Zones

Sec. 21-50. Definitions

In this article, the following terms shall have the meanings assigned to them in this section unless the context clearly requires otherwise:

Enterprise project. The term “enterprise project” shall mean a project or activity designated as an enterprise project pursuant to the Texas Enterprise Zone Act and within the jurisdiction of the City as said jurisdiction is defined by the Texas Enterprise Zone Act.

Enterprise zone. The term “enterprise zone” shall mean an area within the jurisdiction of the City as said jurisdiction is defined by the Texas Enterprise Zone Act and designated as an enterprise zone pursuant to the Texas Enterprise Zone Act.

Nominated projects or activities. The term “nominated projects or activities” shall mean any project or activity nominated by the City for status as an enterprise project.

Qualified business. The term “qualified business” shall have the meaning assigned to that term in the Texas Enterprise Zone Act.

Qualified employee. The term “qualified employee” shall have the meaning assigned to that term in the Texas Enterprise Zone Act.

Texas Enterprise Zone Act. The term “Texas Enterprise Zone Act” shall mean Texas Government Code Chapter 2303.

Sec. 21-51. Intent to participate in the Texas Enterprise Zone Program; Existing enterprise zones reconfirmed.

It is the intent of the City Council that the City of Schertz shall participate in the Texas Enterprise Zone Program as provided in this article.

Sec. 21-52. Incentives available in enterprise zones.

To the fullest extent allowed by law, the following local incentives, at the election of the City Council, may be made available to projects or activities in an enterprise zone, including without limitation nominated projects or activities of qualified businesses in an enterprise zone:

- (a) The city may abate taxes on the increase in value of real property improvements and eligible personal property that locate in an enterprise zone. The level of abatement shall

be based upon the amount of capital investment by the business receiving the abatement, the extent to which the business receiving the abatement creates jobs for qualified employees, and any other applicable criteria set forth in the City's Amended and Restated Criteria and Guidelines for Tax Abatement, as same may from time to time be amended by the City Council.

(b) The City may provide:

1. Incentives thru its economic development corporation as allowed by law;
2. Grants or incentives through Chapter 380 agreements;
3. Other tax deferrals, tax refunds or tax incentives.
4. Local Sales Tax Refund
5. Freeport Exemption
6. Upon a recommendation from the Schertz Economic Development Corporation, Economic Development Sales Tax (4B) Contribution

(c) The City may create Tax increment Reinvestments zones to aid in the revitalization of areas with Tax Increment Financing.

(d) The City may provide regulatory relief to businesses, including:

1. Zoning changes or variances;
2. Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
3. Streamlined permitting.

(e) The City may provide enhanced municipal services to businesses, including:

1. Improved police and fire protection
2. Institution of community crime prevention programs; or
3. Special public transportation routes or reduced fares.

(f) The City may provide improvements in community facilities, including:

1. Capital improvements in water and sewer facilities;
2. Road repair; or
3. Creation or improvement of parks.

(g) The City may provide improvements to housing, including:

1. Low-interest loans for housing rehabilitation, improvement, or new construction; or
2. Transfer of abandoned housing to individuals or community groups.

- (h) The City may provide business and industrial development services, including:
1. Low-interest loans for business;
 2. Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
 3. Provision of publicly owned land for development purposes, including residential, commercial, or industrial development; The City may sell real property owned by the City and located in the enterprise zone in accordance with Section 2303.513 of the Texas Government Code.
 4. Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
 5. Promotion and marketing services.
- (i) The City with cooperation with local educational institutions may provide job training and employment services to businesses, including:
1. Retraining programs;
 2. Literacy and employment skills programs;
 3. Vocational education; or
 4. Customized job training.

Sec. 21-53. Enterprise zones designated as reinvestment zones for tax abatement.

The enterprise zone areas within the city are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Sec. 21-54. Designation of enterprise zone liaison.

The Executive Director of the Schertz Economic Development Corporation shall serve as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development & Tourism through the Economic Development Bank and enterprise project(s) and to oversee enterprise zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.