

The Neighborhood Empowerment Zone (NEZ) Program Saves You Money on Construction and Rehabilitation

What is the NEZ Program?

The City of Laredo created the NEZ Program to improve City Council Districts III and VIII by encouraging private investment in housing, businesses, and services in NEZ areas. The NEZ Program is the vehicle by which incentives like building permit fee waivers and municipal property tax abatements can be granted to homeowners, investor-owners and developers proposing new construction projects or rehabilitation projects that are located within the NEZ area.

How can I apply for NEZ Incentives?

Apply at the Building Development Services Department located at 1413 Houston Street. When you apply for a building permit, and if required, a zoning change, staff will assess your project at that time to determine if it is NEZ eligible. If it meets all criteria, you will receive notice that your project has been certified to receive NEZ incentives.

How long will it take before I know if I am certified to receive NEZ Incentives?

Five to seven days.

What are some of the criteria for becoming certified to receive NEZ Incentives?

- The property must be located in the NEZ area.
- The proposed rehab must be 20% or more than the Webb County Appraisal District improvement value of the property.
- The property must be zoned correctly.
- The property is a permanent structure, and not a mobile structure.
- The owner / developer is not delinquent in paying taxes and does not have any City liens against any property they own.

Are there any fees associated with participating in this program?

Yes. The application for residential tax abatements is \$100. The application fee for multi-family, commercial, industrial, community facilities and mixed-use development projects is one-half of one percent (0.5%) of the proposed projects Capital Investment, with a \$150 minimum not to exceed \$1000. If you are approved for tax abatements, City

staff will work with you to finalize the tax abatement agreement with the City.

What if I qualify but do not wish to participate in the NEZ program?

The owner of the property will be required to sign an NEZ Disclaimer acknowledging that they were informed about the program but declined to participate. Proof of ownership and a copy of the warranty deed will be required.

Basic incentives available in an NEZ

Municipal Property Tax Abatement

The following properties and projects may qualify for municipal property tax abatements:

- Owner-occupied property
- Investor-owned single family property
- Single family development project
- Multi-family development project
- Commercial, industrial or community facilities development project
- Mixed-use development project

Two types of tax abatement programs will be available

- **a five year program based on eligibility criteria**
- **a ten year program based on eligibility criteria**

Fee Waivers

The following fees are waived for **qualified properties or projects:**

- a) Building Permit
- b) Plan Review
- c) Plumbing Permit
- d) Electrical Permit
- e) Mechanical Permit
- f) Fire Inspection
- g) Right-of-Way Permit (curb and street cut)
- h) Floodplain Fees
- i) Water Permit Fees
- j) Sprinkler System Permit Fees
- k) Plat application fee (including concept plan, preliminary plat, final plat, short form replat)
- l) Demolition Fee
- m) Zoning application fee

Fees (a) through (f) listed above are automatically waived. Fees (g) through (m) will be waived on a case by case basis.



For more information on the Neighborhood Empowerment Zone Program, please call the Building Development Services Department at 956.794.1625.