



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

12E. Preview Date: October 2, 2006

SUBJECT: DEVELOPER REQUEST FOR PROPERTY TAX EXEMPTION

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient, and accountable in support of the district's mission.

FISCAL NOTE: 75% Property Tax Exemption Requested

**ANTICIPATED
DATE FOR ACTION: October 23, 2006**

Background Information:

- The Shelter Group is a national development and property management company headquartered in Baltimore, Maryland, that specializes in multi-family and senior living communities.
- The developer is planning a project to develop 13.4 acres into a 214-unit senior adult apartment complex to be known as Park View at Fossil Creek and situated on the southwest corner of Basswood and North Riverside.
- The developer is requesting that 75% of the property value associated with the project be exempt from property taxes under Section 11.1825 of the Texas Property Tax Code.
- Under Section 11.1825, a non-profit owner of real property is eligible to receive an exemption if the property is used for the purpose of constructing low-income housing to qualified individuals, in this case, adults age 55 and over.
- The developer proposes to finance the project using tax-exempt bonds and other tax credits; they have presented a letter from the Tarrant Appraisal District that states that, based on the information provided to the TAD by the developer, it appears that the project will likely qualify for exemption.

Administrative Considerations:

- Areas for consideration include the following:
 - Section 11.1825 requires an owner to submit to the governing body of the taxing unit a written request for approval of the property tax exemption.
 - The preliminary determination by the TAD that the project appears likely to qualify for the exemption does not affect the granting of the exemption.
 - That is still a matter for the governing body to determine whether it will grant the exemption or not.
 - The proposed site is part of an 18 acre tract of land that is zoned multi-family
 - The developer’s submittal includes several scenarios that illustrate the financial impact on the school district based on their assumptions regarding development of the entire 18 acre tract of land.
 - The developer believes, and the administration agrees, that a senior adult apartment complex will significantly limit any impact on student growth resulting from the multi-family project.
 - The administration is not aware of any previous tax exemptions that have been granted by the district’s governing body pursuant to the section of the Property Tax Code that authorizes such exemptions.

- Representatives from The Shelter Group are planning to be present to discuss their proposed project and answer questions from the Board.

- It is expected that this item will be presented on October 23 as an action item.

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Respectfully submitted,

Bill Stone, Asst. Supt.
Business Operations