



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

9C. **Action** **Date: November 13, 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**

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.

Administrative Considerations:

- 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 qualifying non-profit organization is Housing Services Incorporated, Dallas
- Under Section 11.1825, the governing body is required to do one of the following within 60 days of receiving a request for exemption:
 - Approve the exemption in the amount of 50% as provided for in the statute; or
 - Approve the exemption in a reasonable amount other than 50%; or

- Deny the exemption if the governing body determines one of the following:
 - The taxing unit cannot afford the loss of ad valorem tax revenue that would result from approving the exemption; or
 - Additional housing for individuals or families meeting the income eligibility requirements in Section 11.1825 is not needed in the territory of the taxing unit
- If the owner and property meet the requirements of Section 11.1825, the owner is entitled to an exemption in the amount of 50% of the appraised value of the property
 - The developer has requested an exemption in the amount of 75% of the appraised value of the property
 - The tax exemption does not start until the project is completed
 - The exemption expires if the property is not developed for the purposes required in the statute within three years after the property is acquired by the owner
- The administration has reviewed the Application for Constructing or Rehabilitating Low-Income Housing Property Tax Exemption that was submitted by the developer to the Tarrant Appraisal District
 - The administration concurs that the information submitted in the application indicates that the project will likely qualify for the exemption
- The proposed site is part of an 18 acre tract of land that is zoned multi-family
 - 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

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The administration recommends that the Board consider the request from The Shelter Group / Housing Services Incorporated for a property tax exemption and vote to either (1) approve the request for an exemption of 75% of the appraised value of the property, or an amount no less than 50%, or (2) deny the exemption request by determining either (a) the district cannot afford the loss of ad valorem tax revenue that would result from approving the exemption; or (b) additional housing for individuals or families meeting the income eligibility requirements in Section 11.1825 is not needed in the district.

Respectfully submitted,

Bill Stone, Asst. Supt.
Business Operations