


City Council Regular Meeting

DEPARTMENT: Development Services
FROM: Tony D. McIlwain, Development Services Director
MEETING: June 15, 2026

SUBJECT:

Hold a public hearing and consider and take possible action on a resolution designating and creating the Bureson Neighborhood Empowerment Zone number one designated as Bureson NEZ #1: Hillery Heights-Montclair Addition. *(Staff Contact: Tony D. McIlwain, AICP, CFM, Development Services Director) (No Planning and Zoning Commission action was required for this item)*

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
 <p>Beautiful, Safe, & Vibrant Community</p>	<p>3.1 Encourage a clean and healthy community</p>

SUMMARY:

A Neighborhood Empowerment Zone (NEZ) is a municipal planning and development program/tool that allows a municipality to designate a defined geographic area for the purpose of providing municipal property tax abatements, fee waivers, release of city liens, etc. These incentives are designed to promote affordable housing, economic development and expanded services, and are available to property owners who build or rehabilitate property within a NEZ.

City Council approved a NEZ incentive policy that provides for the waiving of certain permit fees, priority plan review and permitting, and lien release for projects meeting eligibility criteria. Staff reviewed several areas of the city and recommended the Hillery Heights-Montclair Addition community as the first target area for a NEZ designation to aid with the rehabilitation of residential structures.

Below is some information on the target area:

- Approximately 500 residential lots

- Some structures are over 60 years old
- Average 2024 property appraisal valuation of \$218,787

Staff conducted a public meeting regarding the Neighborhood Empowerment Zone on May 7th. The meeting took place in Council Chambers. Staff provided notification of the meeting to all property owners within the Hillery Heights-Montclair Addition target area. Notification was made via direct mail.

Twenty-one residents attended the May 7th public meeting. Residents made the following comments regarding the proposed NEZ:

- Why are you picking our neighborhood?
- Will this be applicable to rental property/investors?
- Did the city consider other incentives like underground utilities?
- When will this be implemented?
- Did we consider changing street signs to designate historical / mature area?
- Is there a cost to participate?
- This is gentrification; an improved housing stock raises taxes to benefit city
- The 20% new construction or eligible rehabilitation criteria is too high.

APPROVAL OF A NEZ WILL ALLOW THE FOLLOWING INCENTIVES:

For NEZ applicants, the following fee waivers, including, but not limited to, are reviewed and may be granted on a case-by-case basis. Please note, impact fees are not eligible for waivers.

1. Building Permit fees
2. Demolition fees
3. Electrical Permit fees
4. Irrigation Permit fees
5. Mechanical Permit fees
6. Plan Review fees
7. Plat Application fees
8. Plumbing Permit fees
9. Sign Permit fees
10. Zoning Application fees

Lien Release

The lien release affords property owners a release of liens attached to properties as a result of demolitions or expenditures associated with cutting high grass and/or nuisance abatements. The release of such liens would only be considered in conjunction with eligible new construction or renovation of eligible facilities within the target area.

Priority Plan Review and Permitting

Certified projects are moved up to the next available review timetable for plan review and permitting.

NEZ ELIGIBILITY CRITERIA IS AS FOLLOWS:

1. The property must be located within active NEZ.
2. The property owner must submit a completed NEZ application to the city before any eligible improvements are made to the property.
3. The property owner must not be delinquent in paying property taxes for any property they own within the city.
4. The property owner must not have any active liens filed against any city property owned by them outside of the NEZ. "Liens" includes but is not limited to: weed liens, nuisance abatement liens, demolition liens, and board-up/open structure liens.
5. The property owner must perform *new construction* or *eligible rehabilitation* on the property equal to a minimum **20%** of the *base value* of the property.
6. A qualifying project must contain an exterior, aesthetic improvement/component that benefits the neighborhood (ex. garage doors, roof, fencing, exterior siding)
7. The property is in conformance with applicable city zoning, urban design standards, and landscaping requirements. Any property owner seeking a variance or waiver to any city development standard must secure said variance or waiver approval prior to submission of a NEZ application.

For purposes of this section, "*base value*" is the value of the real property, excluding land, as determined by the Johnson County or Tarrant County Appraisal Districts, as of January 1, prior to the effective date of the incentive agreement.

For purposes of this section, "*eligible rehabilitation*" includes only physical improvements to real property. Eligible Rehabilitation does NOT include personal property (such as furniture, appliances, equipment, and/or supplies).

For purposes of this section, "*new construction*" is a newly constructed improvement requiring a permanent foundation. This excludes accessory structures such as sheds and incidental out buildings.

RECOMMENDATION:

Staff recommends approval of the resolution designating and creating the Burleson Neighborhood Empowerment Zone number one designated as Burleson NEZ #1: Hillery Heights-Montclair Addition.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

August 4, 2025: Council received a briefing on Neighborhood Empowerment Zones and directed staff to proceed with identifying incentives.

January 5, 2026: Council received a briefing on the proposed Neighborhood Empowerment Zone Incentive policy.

February 16, 2026: City Council approved a Neighborhood Empowerment Zone (NEZ) incentive policy.

May 7, 2026: Staff conducted a public meeting with residents of the community.

REFERENCE:

CSO#6055-02-2026

FISCAL IMPACT:

Proposed Expenditure/Revenue: n/a

Account Number(s): n/a

Fund: n/a

Account Description: n/a

Procurement Method: n/a

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