



RE-ADOPTION OF TAX ABATEMENT GUIDELINES AND CRITERIA

PH-20-012

April 28, 2020

RE-ADOPTION OF TAX ABATEMENT GUIDELINES AND CRITERIA

- ❑ In order to offer tax abatement, the City is required to establish guidelines and criteria governing this economic development incentive. The Tax Code provides that tax abatement guidelines and criteria are effective for two years from the date of adoption.
- ❑ The previous guidelines and criteria for tax abatement were approved on May 9, 2017 and expired on May 9, 2019.
- ❑ The re-adoption of the guidelines and criteria for tax abatement does not limit the City Council's discretion in determining whether to enter into other tax abatement, nor does it create any expectation of approval.

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- The attached tax abatement guidelines and criteria revises the duration of tax abatements from five (5) years to ten (10) years, which is consistent with the City's approved Economic Development policy. The length of duration for any tax abatement incentive is at the discretion of the City Council, up to ten (10) years.
- Additionally, the text contained within Sections IV and V of the document have been revised to reflect the most recent changes to Chapter 312 of the Tax Code.
- The scoring criteria and the percentage of abatement calculations are not being revised.

ALTERNATIVES

- ❑ The City Council has two (2) alternatives. The City Council may:
- ❑ Disapprove the City's eligibility (under state law) to participate in tax abatements and not adopt the Tax Abatement Guidelines and Criteria; or
- ❑ Approve the City's eligibility (under state law) to participate in tax abatements and re-adopt the Tax Abatement Guidelines and Criteria

Recommendation

- Staff recommends that the City Council re-adopts the tax abatement guidelines and criteria. The duration of the approval will last for a period of two (2) years.