



CITY COUNCIL COMMUNICATION

January 12, 2010

SUBJECT: CONSIDER RESOLUTION NO. 10-1331 RENEWING ADOPTION OF A TAX ABATEMENT POLICY AND ESTABLISHING GUIDELINES AND CRITERIA

SUBMITTED BY: Mike Collins, Director of Economic Development and Administrative Services

REFERENCE NO: Resolution No. 10-1331

ACTION REQUESTED:

Consider Resolution No. 10-1331 renewing adoption of a tax abatement policy, establishing guidelines and criteria for tax abatement agreements and electing to become eligible to participate in tax abatement.

ALTERNATIVES:

1. Approve the motion – *simple majority*.
2. Approve the motion with modifications – *simple majority*.
3. Deny the motion – *simple majority*.

SUMMARY OF SUBJECT:

The Texas Legislature during the 2009 Legislative Session reauthorized the Property Redevelopment and Tax Abatement Act within Chapter 312 of the Texas Tax Code through September 1, 2019, which establishes the authority of and the process for the various local taxing entities to grant tax abatements. As part of the reauthorization, the Texas Legislature established that the process for the various local taxing entities to grant tax abatements is the adoption by Resolution of Guidelines and Criteria. This proposed action by the City Council will be accompanied by a companion request that the City Council consider approval of an ordinance that will repeal Article VII "Guidelines for Tax Abatement in Reinvestment Zones", contained in Chapter 78 of the Euless Code of Ordinances originally adopted in November 1998.

No changes are recommended by staff to the guidelines that are included as "Attachment A". The Tax Abatement Policy is effective for two (2) years from the date of adoption. During which time, the policy may be amended or repealed only by a vote of $\frac{3}{4}$ of the City Council.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Resolution No. 10-1331

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office