

CITY OF PLANO, TEXAS

POLICY STATEMENT FOR TAX ABATEMENT

Effective 11-08-2021

I. General Purpose and Objectives

The City of Plano is committed to the promotion and retention of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Plano will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in Plano.

The City of Plano will consider providing a tax abatement as an incentive in accordance with the procedures and criteria outlined in this Policy Statement. Nothing herein shall imply or suggest that the City of Plano is under any obligation to provide tax abatement to any applicant.

II. Criteria

All tax abatements provided by the City of Plano must have as their underlying goal the furtherance of economic development in Plano. The goals to be achieved by the granting of the tax abatement should be measurable and be binding upon the recipient of the tax abatement as set forth in an incentive agreement between the City and recipient(s).

Any person, organization or corporation seeking a tax abatement to foster a location, improvement or expansion of operations within the city limits of Plano must comply with the Policy Statement. Nothing within this Policy Statement shall imply or suggest that Plano is under any obligation to provide any incentive to an applicant.

Considerations beyond the application's criteria will include such items as the degree to which the project furthers the goals and objectives of the community or meets or compliments a special need identified by the community.

III. Tax Abatement Categories

Tax Abatement is offered in two (2) categories: 1) Real Property and/or 2) Business Personal Property ("Business Personalty"). Real Property abatements may be offered to applicants that pursue the construction of new, expanded or significantly improved facilities in which to house the applicant's project. The tax abatement will apply to the assessed value of Real Property improvements made. Business Personalty abatements may be offered to applicants that pursue the occupancy of a new or significantly improved existing facility. The abatement will apply to the assessed value of new Business Personalty brought into the taxing jurisdiction. Business Personalty may not be moved from another Plano location to the applicant's proposed site.

Assessed value, as used in this Policy Statement, shall mean the taxable value of Real Property and/or Business Personalty improvements as determined by the county appraisal district in which the property is located.

Following an assessment of an application, the City Manager shall determine whether it is in the best interest of the City to recommend a tax abatement. If a recommendation is made to extend a tax abatement, the percentage of a proposed abatement and term will be determined based upon information provided in the incentive application.

IV. Application Steps

Information provided in the incentive application may be subject to release to the public pursuant to the Texas Public Information Act. It is the responsibility of the applicant to clearly identify proprietary and/or confidential information it wishes to protect from release. The City will notify the applicant if a request is made for information indicated as "proprietary" and/or "confidential" so that the applicant may assert its own objections to the Texas Attorney General regarding its right to withhold information from release.

A. Applicant shall complete the "Application for Incentives" ("Application") and submit it to the Plano Economic Development Department, City of Plano, 5601 Granite Parkway, Suite 310, Plano, Texas 75024. Applicant shall also submit a copy of the Application to the Director of Finance, City of Plano, P. O. Box 860358, Plano, Texas 75086-0358 (email: finadmin@plano.gov).

B. Applicant shall prepare and submit a metes and bounds (legal description) of the property.

V. Application Process

- A. All information in the Application will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- B. Project representatives participate in a Staff Meeting on Incentives to discuss the Application contents and incentive request.
- C. The City Manager may use City personnel and third parties to assist in the Application review process.
- D. Upon review, the City Manager will determine whether he/she will recommend a proposed tax abatement to the applicant. The proposed incentive recommendation by the City Manager does not bind the City Council to grant a tax abatement. It is a conditional recommended offer and subject to the City Council's final approval.
- E. Upon receipt of the proposed City Manager's incentive recommendation, the applicant will have ninety (90) days to accept, decline or request an extension of the recommendation. All responses and requests shall be made in writing to the City Manager. In certain circumstances, the City Manager may alter the time frame.
- F. Upon written acceptance by the applicant of the recommended incentive, a proposed incentive agreement and any relevant materials may be placed on a future City Council of Plano meeting agenda.
- G. The City Council of Plano may consider a resolution calling a public hearing to consider establishment of a Reinvestment Zone.
- H. The City Council of Plano may hold a public hearing and determine whether the project is "feasible and practical and would be of benefit to the land to be included in the zone and to the municipality after the expiration of the tax abatement agreement."
- I. A minimum of forty-five (45) days prior to the public hearing, the applicant must provide a metes and bounds (legal property description) and a general address of the property. To meet the requirement of state law, notice of the public meeting where a Reinvestment Zone and a tax abatement will be considered must be published at least 30 days before the scheduled City Council public hearing meeting date.

Additionally, the following information is required in the public notice:

- a. The name of the property owner and the name of the applicant for the agreement;
- b. The name and location of the Reinvestment Zone where the property subject to the tax abatement agreement is located;
- c. A general description of the nature of the improvements or repairs included in the proposed agreement; and
- d. The estimated cost of the improvements or repairs.

J. The City Council of Plano may consider adoption of an ordinance designating the area described in the metes and bounds (legal description) of the proposed project as a Reinvestment Zone.

K. The City Council of Plano may consider adoption of a resolution approving the terms and conditions of a tax abatement agreement between the City and the applicant governing the provisions of the tax abatement.

L. If the tax abatement agreement is approved, the City of Plano will send copies of the agreement to the Office of the Governor Economic Development and Tourism, Office of the Comptroller and to the State Property Tax Board each April.

M. Property taxes are assessed on January 1 of each year. It is the obligation of the applicant to ensure that all final approvals for the tax abatement agreement have occurred by December 31st of the year prior to the year the improvements are assessed. No tax abatement can be given for improvements that are on the Tax Assessor's Roll before the tax abatement is effective. It is the applicant's responsibility to ensure the follow-up of these items and approvals.

VI. Tax Abatement Agreement Terms

At a minimum, all tax abatements shall include the following provisions:

- A. No Business Personal Property ("Business Personalty") shall be relocated from any other City of Plano created Reinvestment Zone;
- B. Job creation and/or retention shall not be a requirement in the City's tax abatement agreements including any tax abatement agreements in effect at the time of adoption of this policy;
- C. Right of inspection to the premises must be provided to ensure compliance with the agreement;

D. The right of recapture of previously abated taxes if applicant fails to pay taxes for the assessed value for the Real Property and/or Business Personalty;

E. The value of all Real Property improvements and Business Personalty will be the assessed value as determined by the appropriate county appraisal district;

F. The term of a tax abatement agreement may not exceed ten (10) years as required by law;

G. The right to terminate a tax abatement agreement in the event of a material breach of the agreement; and

H. Written annual certification by the City approved designated officer of the entity receiving the incentive that it has complied with the terms and conditions of the incentive agreement.

VII. Modification of Tax Abatement Agreement(s)

Any requests by the applicant to modify the terms of the agreement subsequent to City Council action shall be accompanied by the payment of a non-refundable, modification processing fee in the amount of One Thousand Dollars (\$1,000.00) per agreement for associated administrative costs.