



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: July 9, 2024

Reference: PUBLIC HEARING:
To receive public comment concerning the City of Coppell's guidelines, criteria and procedures for tax abatement agreements effective 2024 - 2026, and to consider a Resolution adopting the guidelines, criteria and procedure for tax abatement agreements; and authorizing the Mayor to sign.

2040: **Create Business and Innovation Nodes**

Introduction:

The purpose of this memo is to request Council consideration and approval of a resolution adopting the guidelines and criteria for tax abatements.

Background:

Chapter 312 of the Tax Code contains the statutes that govern tax abatements in the State of Texas. Each taxing unit that wants to provide tax abatements must adopt a resolution that indicates the intent to participate in tax abatement agreements. Each taxing unit must also adopt tax abatement guidelines and criteria by which tax abatement requests will be evaluated. These guidelines and criteria can either be very general to provide flexibility to consider any tax abatement request or very specific to limit the quantity of requests. Before adoption of the guidelines, criteria and resolution, a public hearing must be held to allow public comment concerning the guidelines and criteria. The guidelines and criteria are effective for a period of two years.

This public hearing and the adoption of guidelines and criteria for tax abatements satisfies the requirements listed in Chapter 312 of the Tax Code. Holding this public hearing and adopting guidelines and criteria does not obligate the city to approve any tax abatement agreements. These are just the requirements if a taxing entity wants to be able to offer tax abatement agreements. Each tax abatement agreement will be brought forward for consideration and approval by City Council prior to an offer being made.

The guidelines and criteria must provide an opportunity for tax abatements for both new facilities and structures as well as the expansion or modernization of existing facilities and structures. The

City of Coppell has provided an opportunity for both new businesses, facilities and structures as well as existing businesses, facilities and structures to be considered for a tax abatement agreement in the current guidelines and criteria. The current guidelines and criteria have been in existence for several years because they were written in a manner that allowed the most flexibility for tax abatements for new construction, new businesses without new construction and the expansion and modernization of existing facilities and structures.

Legal Review:

The City Attorney drafted the Resolution.

Fiscal Impact:

N/A

Recommendation:

Staff recommends holding the public hearing and approving a Resolution re-adopting the City's current guidelines and criteria for tax abatements to meet the requirements of Chapter 312 of the Tax Code.