



## MEMORANDUM

**To:** Mayor and City Council

**From:** Mindi Hurley, Director of Community Development

**Date:** April 26, 2022

**Reference:** PUBLIC HEARING: To receive public comment concerning the City of Coppell's guidelines, criteria and procedures for tax abatement agreements effective 2022 – 2024.

**2040:** **Create Business and Innovation Nodes**

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### **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.

### **Analysis:**

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.

At this time, staff recommends holding the public hearing and re-adopting our current guidelines and criteria for tax abatements to meet the requirements of Chapter 312 of the Tax Code. These guidelines and criteria will be effective from 2022 – 2024. Staff will workshop the tax abatement guidelines and criteria at a later date when there is more clarity around the desires of City Council and the community from Vision 2040. If there is a desire to change the guidelines and criteria at that time, staff will make the appropriate changes and bring them back for adoption.

The public hearing notice was published in The Rambler on Saturday, April 16, 2022.

### **Legal Review:**

N/A

**Fiscal Impact:**

None

**Recommendation:**

Staff recommends holding the public hearing.