



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		12/14/2015		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Toshia Kimball -x- 7479				
CAPTION				
A Resolution of the City of Plano, Texas, approving the Policy Statement for Tax Abatement of the City of Plano thereby establishing criteria for evaluating incentive applications; establishing procedural guidelines and criteria governing tax abatement agreements; and providing an effective date.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16	Prior Year (CIP Only)	Current Year	Future Years
		TOTALS		
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(s): N/A				
COMMENTS: This item has no fiscal impact. STRATEGIC PLAN GOAL: Approving the Policy Statement for Tax Abatement relates to the City's goal of Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
This is to approve the Policy Statement for Tax Abatement. The Tax Abatement Policy must be approved every two years in accordance with City of Plano policy. The existing tax abatement guidelines and criteria were adopted on November 14, 2011 and amended on January 23, 2012, and January 13, 2014.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Resolution				
Policy Statement Tax Abatement				

A Resolution of the City of Plano, Texas, approving the Policy Statement for Tax Abatement of the City of Plano thereby establishing criteria for evaluating incentive applications; establishing procedural guidelines and criteria governing tax abatement agreements; and providing an effective date.

WHEREAS, tax abatement guidelines and criteria are effective for two (2) years from the date of adoption; and

WHEREAS, the existing tax abatement guidelines and criteria were adopted on November 14, 2011 and amended on January 23, 2012, and January 13, 2014; and

WHEREAS, the City Council wishes to adopt a Policy Statement for Tax Abatement for the City of Plano that is applicable for all tax abatement applications filed after the date of this Resolution, a substantial copy of which is attached as Exhibit "A" and incorporated herein by reference (hereinafter called "Policy"); and

WHEREAS, upon full review and consideration of the Policy and all matters attendant and related thereto, the City Council is of the opinion that the Policy should be approved.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The terms and conditions of the Policy having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, is hereby in all things approved.

Section II. The City of Plano elects to be eligible to participate in tax abatement agreements.

Section III. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 14th day of December, 2015.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

CITY OF PLANO, TEXAS

POLICY STATEMENT FOR TAX ABATEMENT

Effective 01-01-2016

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 incentives in accordance with the procedures and criteria outlined in this document. Nothing herein shall imply or suggest that the City of Plano is under any obligation to provide tax abatement to any applicant. All applicants shall be considered on a case-by-case basis.

II. Criteria

All tax abatements provided by the City of Plano must have as their underlying goal to further 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 agreement between the City and recipient.

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

III. Value of Tax Abatements

Following an assessment of the narrative response, the City Manager shall determine whether it is in the best interests of the City to recommend that a tax abatement be offered to the applicant. Additional consideration beyond the criteria will include such items as the degree to which the project/applicant furthers the goals and objectives of the community or meets or compliments a special need identified by the community.

Tax Abatement shall be offered in two categories: 1) Real Property and/or 2) Business Personal Property. Real Property abatements will be offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement will apply to the assessed value of improvements made. Business Personal Property abatements will be offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement will apply to the assessed value of new personal property brought into the taxing jurisdiction. Assessed value as used in this Policy Statement shall mean the taxable value of Real Property improvements and Business Personal Property as determined by the county appraisal district in which the property is located.

Once a determination has been made that a tax abatement should be offered, the percentage of abatement and term of the abatement will be determined based upon information provided in the narrative response.

IV. Application

- A. Applicant shall complete the attached "Application for Tax Abatement."
- B. Applicant shall prepare a plat showing the precise location of the property to which the tax abatement applies, all roadways within 500 feet of the site, and all existing land uses and zoning within 500 feet of the site, and the address of the property. Twenty-one (21) days prior to the public hearing, the applicant must provide a metes and bounds property description and a general address of the property.
- C. Applicant shall complete all forms and information detailed in items A through B above and submit them 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).
- D. Any information provided by applicant on the Application Form 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 information it wishes to protect from release that is

considered proprietary or confidential. The City will notify the applicant if a request is made for information indicated as confidential by the applicant so that the applicant may assert to the Texas Attorney General its right to be withheld from release.

- E. Certain information provided to the City in connection with an application may be confidential and not subject to public disclosure until the incentive agreement is executed. The City of Plano, will respond to requests for disclosure as required by law and will assert exceptions on its behalf to disclosure as it deems relevant. The City will make reasonable attempts to notify the applicant of the request so it may assert its own objections to the Attorney General.

V. **Application Review Steps**

- A. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- B. The City Manager may use City personnel and third parties to assist in the application review process.
- C. Upon review, the City Manager will determine whether he/she will recommend proposed tax abatement to the applicant subject to final Council approval. The proposed incentive by the City Manager is not binding upon the City Council to grant a tax abatement. It is a conditional offer subject to the City Council's approval.
- D. Upon receipt of the proposed offer to be recommended to the City Council, the applicant will have ninety (90) days to accept, decline or request an extension of the proposed offer. All responses and requests shall be made in writing to the City Manager. In certain circumstances, the City Manager may alter the time frame.
- E. Upon written acceptance by the applicant of the proposed offer, the recommendation of the City Manager with all relevant materials will be forwarded to the City Council.

- F. The City Council of Plano may consider a resolution calling a public hearing to consider establishment of a Reinvestment Zone.
- G. The City Council of Plano may hold the 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.”
- H. The City Council of Plano may consider adoption of an ordinance designating the area described in the legal description of the proposed project as a commercial/industrial tax abatement zone.
- I. The City Council of Plano may consider adoption of a resolution approving the terms and conditions of a contract between the City and the applicant governing the provision of the tax abatement.
- J. The governing body of Collin County may independently consider participating in a separate tax abatement agreement between the County and the applicant. Independent School Districts and Collin County Community College are either prohibited by law or have elected not to participate in tax abatement agreements.
- K. 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.
- L. 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. The applicant should be aware that because of mandatory publication requirements, compliance with the governing body’s calendar, and other matters, the process for obtaining approval for a tax abatement with the City of Plano governing body may take as long as six weeks. 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:

1. No Business Personalty shall be relocated from any other City of Plano created Reinvestment Zone;
2. Job creation and/or retention shall not be a requirement for tax abatement agreements including any tax abatement agreements in effect at the time of adoption of this policy.
3. Right of inspection to the premises must be provided to ensure compliance with the agreement;
4. 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;
5. The value of all Real Property improvements and Business Personal Property will be the assessed value as determined by the appropriate county appraisal district;
6. The term of a tax abatement agreement may not exceed ten (10) years as required by law; and
7. The right to terminate a tax abatement agreement in the event of a material breach of the agreement.
8. Written annual certification by the Chief Financial Officer, President and/or other 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 Agreements

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) for associated administrative costs.

CITY OF PLANO, TEXAS

APPLICATION FOR TAX ABATEMENT

NOTE: PLEASE CLEARLY IDENTIFY ANY INFORMATION YOU DEEM TO BE CONFIDENTIAL OR PROPRIETARY. THE CITY WILL ATTEMPT TO PROTECT ANY INFORMATION MARKED CONFIDENTIAL OR PROPRIETARY AND WILL NOTIFY THE APPLICANT OF ANY REQUESTS FOR DISCLOSURE.

Project Information

1. Applicant Company's Name:
Company's Representative:
Title:
Mailing Address:
City, State, Zip:
Telephone Number:
Email Address:
Website Address:

2. Tenant's Representative:
Title:
Company:
Mailing Address:
City, State, Zip:
Telephone Number:
Email Address:

3. Property Owner:
Property Owner's Representative:
Title:
Company:
Mailing Address:
City, State, Zip:
Telephone Number:
Email Address:

4. Property Address and/or location description:

5. Property Legal Description (attach metes and bounds):

6. Located within:
City of Plano
Plano Independent School District
Lewisville Independent School District
Frisco Independent School District
Collin County
Denton County
7. Company description and overview (including headquarters location, year founded, products and services, and annual revenue and growth).
8. Applicant business is:
Public
Private
9. State of Incorporation:
10. Is a recent annual audit available?
If yes, please submit a copy with application.
If no, financials to be provided upon request.
11. Applicant company's four digit NAICS Industry Code: (if known)
12. Description of project:
13. Will any zoning changes be necessary to accommodate the project?
If yes, please provide additional information:
14. Does the applicant company plan to utilize Plano-based companies in the design, construction and on-going operations of the facility?
15. Date projected for occupancy of project/initiation of operations:
16. Will applicant company occupy:
Existing space:
Space currently planned or under construction:
Proposed new facility:
17. Acreage of proposed site:
18. Square footage of proposed occupied space:

19. Proposed type of occupancy:

- Owner Occupied
- Landlord/Tenant

If leasing, what is length of lease?

20. Applicant business is: (Click all that apply)

- Existing** Plano company
- New** company to Plano
- Expanding
- Relocating from another city in Texas
- Relocation from out-of-state or country

21. If company is currently located in Plano:

When does their current lease expire?

What is the square footage of currently occupied space?

22. Type of tax abatement requested:

- Real Property improvements
- Business Personal Property improvements

23. Specify other economic assistance requested:

Employment Impact

1. Number of Full Time Equivalent (FTE)* employed by applicant company at occupancy and to be maintained throughout the term of the agreement (exclusive of contract employees):

*FTE means one or more job positions located at the Property which individually or when combined total 2080 hours (inclusive of holidays, vacation and sick leave) annually.

2. Future FTE employment (if applicable):
Projected FTE employment (milestone) of _____ by _____ (indicate date)
Projected FTE employment (milestone) of _____ by _____ (indicate date)

3. Is this an existing business in Plano?
If yes, what is the FTE employment that will be retained in Plano by this project?

4. Does the applicant company anticipate hiring contract employees?
If yes, what is the number of FTE contract employees?
What is the median annual salary of the FTE contract employees?

5. If applicable, what is the number of FTE positions that will be relocated to Plano from applicant company's other locations?
Provide location(s) the positions are being relocated from:

6. Indicate the applicant company's FTE employment in each category (at occupancy):
Executive
Professional
Managerial
Technical
General Staff
Production Workers _____
Total

7. What will be the median annual salary of company's FTEs (at occupancy)?

8. Projected annual payroll at occupancy:

Fiscal Impact

	Initial Year	In Year (If applicable)	In Year (If applicable)
<p>1. What is the estimated fair market value of the Real Property (RP) improvements (<u>exclusive of land</u>) that will be added to the tax base?</p> <p>The RP taxable value shall be determined by the Collin Central Appraisal District.</p>			
<p>2. What is the estimated fair market value of the Business Personal Property (BPP) improvements that will be added to the tax base?</p> <p>The BPP must be owned by Company and will not include inventory or supplies nor be relocated from any other property currently located in the City of Plano. The BPP taxable value shall be determined by the Collin Central Appraisal District.</p>			
<p>TOTAL CUMULATIVE IMPROVEMENTS</p>	\$	\$	\$

3. If applicable, what is the annual value of inventory eligible for Freeport Exemption?

4. If applicable, what is the annual value of sales that will be subject to sales tax collection by the City of Plano?

5. Will additional infrastructure investment be required from the City of Plano at the proposed site(s)?

If yes, detail required improvements including cost estimates.

Community Impact

1. Please summarize the overall economic impact on the City of Plano (sales, Real Property and Business Personal Property improvements, employment, business sector, etc.).
2. Please estimate the annual number of room-nights* in the City of Plano the applicant company anticipates generating.

*Room-nights are the number of hotel rooms booked x the number of nights, i.e. four rooms booked for five nights equals 20 room-nights.

3. Please describe the necessity in requesting property tax abatement. Describe the competitive, financial or other issues associated with this application.

Certifications

Certification of No Undocumented Workers

Chapter 2264 of the Texas Government Code requires that each business that submits an application to receive a public subsidy include in the application a statement certifying that the business, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving a public subsidy, the business, or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f), the business shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Section 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development department notifies the business of the violation.

I hereby certify that _____ is in compliance with Chapter 2264 of the Texas Government Code.

Signature:

Name:

Title:

Company:

I hereby certify that I have read the City of Plano Policy Statement for Tax Abatement and the information provided in this application is, to the best of my knowledge and belief, true and correct.

Date:

Signature:

Name:

Title:

Company:

Note:

Insertion of '/s/' above the name is acceptable evidence of an electronic signature by the person so signing.