



**TITLE :** Consider/Discuss/Act on a Resolution Readopting the City of McKinney Comprehensive Policy Statement on Economic Development and Community Redevelopment Incentives (Tax Abatement Policy)

**DATE:** August 21, 2012

**DEPARTMENT:** Administration

**CONTACT:** Jason Gray, City Manager

**ITEM SUMMARY:**

- State law requires that cities offering tax abatements adopt a tax abatement policy every two years.
- McKinney's policy was last readopted in August 23, 2010.
- A set of criteria and abatement standards are detailed in the policy, authorizing Council to grant a 25% abatement for certain projects from a one- to ten-year period, based upon the expected taxable valuation of the project. The policy also allows the Council to vary these standards on a case by case basis.
- No changes in the policy are proposed at this time.
- Changes may be made to the policy at any time after readoption by a  $\frac{3}{4}$  majority of the Council.
- Staff is currently developing a more extensive Economic Incentive Policy for future consideration and adoption.

**SPECIAL CONSIDERATIONS:**

- No new tax abatement agreements may be entered into by the City until the policy is readopted.

**FINANCIAL SUMMARY:** None

**BOARD OR COMMISSION RECOMMENDATION:** N/A