

RESOLUTION NO. 22-010

A RESOLUTION OF THE CITY OF SOUTHLAKE, TEXAS, ADOPTING A TAX ABATEMENT POLICY; ESTABLISHING GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS; ELECTING TO CONTINUE ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the future economic viability of the City of Southlake depends on the ability to attract new investments through the location of new businesses and the expansion and modernization of existing businesses; and

WHEREAS, the City Council has determined that the creation and retention of job opportunities that result from new economic development is in the best interest of the City of Southlake; and

WHEREAS, the establishment of economic development incentives such as tax abatements may encourage enhancement of the local economy; and

WHEREAS, the City Council wishes to adopt new guidelines and criteria governing tax abatement agreements; and

WHEREAS, the guidelines and criteria adopted herein authorize tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures; and,

WHEREAS, a public hearing before the City Council of the City of Southlake, Texas, was scheduled and held April 5th, 2022, and the City at such public hearing invited any interested person to appear and speak for or against the adoption of a tax abatement policy.

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

SECTION 1)

The City Council does hereby adopt a Tax Abatement Policy, attached hereto as Exhibit A and incorporated herein for all purposes. This Tax Abatement Policy shall govern all tax abatement matters considered by the City from and after the date of this Resolution, until said policy expires or is repealed or amended as provided by law.

SECTION 2)

The Tax Abatement Policy is effective for two (2) years from the date of adoption. During that period, the Tax Abatement Policy may be amended or repealed only by a vote of 3/4 of the members of the City Council. Said Tax Abatement Policy is intended as a guide for use in developing tax abatement programs and agreements under the provisions of Chapter 312 of the Texas Tax Code.

SECTION 3)

The City of Southlake intends to consider providing tax abatements and hereby elects to become eligible to participate in tax abatement.

SECTION 4)

The adoption of the Tax Abatement Policy and the City's election to become eligible to participate in tax abatement as provided herein shall not be construed to require the City of Southlake to approve any proposed tax abatement agreement which meets the requirements of the policy. Tax abatements shall be reviewed on a case-by-case basis and shall be granted only where the City Council determines in its sole discretion that the tax abatement is in the best interest of the citizens of Southlake.

SECTION 5)

This Resolution shall become effective upon passage.

PASSED AND APPROVED this the 5th day of April 2022.



John Huffman
Mayor

ATTEST:



Amy Shelley, TRMC
City Secretary



EXHIBIT A

CITY OF SOUTHLAKE TAX ABATEMENT POLICY

I. GENERAL PURPOSE AND OBJECTIVES

The City of Southlake is committed to the attraction of high-quality development in all parts of City to expand and diversify the tax base and to provide for ongoing improvement in the quality of life for its residential and corporate citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City will, on a case-by-case basis, give consideration to providing tax abatements as a stimulus for economic development in Southlake. It is the policy of the City that said consideration will be provided in accordance with the procedures and criteria outlined in this document. Nothing herein shall imply or suggest that the City is under any obligation to provide tax abatements or other financial incentives to any applicant.

II. APPLICABILITY

This tax abatement policy ("Policy") establishes guidelines and criteria for tax abatement programs and agreements under the provisions of Chapter 312 of the Texas Tax Code.

III. GUIDELINES AND CRITERIA

A. Any consideration for tax abatement shall be reviewed by the City Council of the City of Southlake. The City Council shall consider tax abatements for new construction, whether it is (1) new facilities or structures or (2) the expansion or modernization of existing facilities or structures.

B. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community as described in the City of Southlake Economic Development Comprehensive Plan, as well as the relative impact on growth, employment, expansion of the tax base, and economic development.

C. The City of Southlake may offer real and/or business personal property tax abatements for qualifying projects that meet the thresholds listed as follows:

1. New Facilities or Structures: The project must be reasonably expected to produce a minimum added value of Thirty Million Dollars (\$30,000,000) in real and personal property improvements within the City and create a minimum of 1,000 full-time jobs, with an average annual total compensation of \$60,000.

2. Expansion or Modernization of Existing Facilities or Structures: The project must be reasonably expected to produce a minimum added value of Ten Million Dollars (\$10,000,000) in real and personal property improvements within the City of Southlake and create a minimum of 500 new full-time jobs with an average annual total compensation of \$50,000.

The thresholds as described above are considered guidelines for establishing the tax abatement agreement terms. The City will determine amount and term of abatement for each

individual project, and nothing herein shall imply or suggest that the City is under any obligation to provide an abatement or financial incentives to any applicant or project.

IV. EXCEPTIONS

In order to encourage the retention and/or expansion of existing business or attract businesses which satisfy a community goal or objective, or meet a special need of the community, the City Council may, on a case-by-case basis, recommend an incentive which may not comply with the values and terms contained within this Policy.

V. APPROVAL

All applicants are considered on a case-by-case basis and all abatements are subject to final approval of the City Council. Even though a project may meet the criteria as set forth in this Policy, an application may be denied at the sole discretion of the City.

XI. PERFORMANCE

All tax abatements provided to an applicant are performance-based. Should a project granted tax abatement not satisfy the terms of the agreement, the City Council may terminate the agreement and pursue all remedies available in the agreement.

XII. ANNUAL EVALUATION

Upon completion of construction, the City shall perform an annual evaluation of each abatement agreement to ensure compliance with the agreement.

XIII. EXPIRATION AND GUIDELINES

This Policy is effective upon the date of its adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the City Council of Southlake to determine whether the goals of the abatement program have been achieved. Based upon that review, the Policy may be modified, renewed or eliminated. Prior to the date for review, as defined above, this Policy may be modified by a three-fourths vote of the City Council, as provided for in Chapter 312 of the Texas Tax Code.