
Richardson Policy Statement for Tax Abatement

I. General Purpose and Objectives

The City of Richardson is committed to the promotion 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 Richardson will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development in Richardson. It is the policy of the City of Richardson 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 of Richardson is under any obligation to provide tax abatement to any applicant. All applicants shall be considered on a case-by-case basis.

The following process shall pertain to review of Tax Abatement requests for the City of Richardson, Texas, only. The City of Richardson shall not be responsible for providing information to or seeking responses from other taxing entities on the behalf of any applicant.

II. Criteria

Any request for tax abatement shall be evaluated based upon a subjective review of the following criteria which each applicant will be requested to address in narrative format:

Employment Impact

How many jobs will be brought to Richardson?

What types of jobs will be created?

What will the total annual payroll be?

Fiscal Impact

How much real and personal property value will be added to the tax rolls?

How much direct sales tax will be generated?

How will this project affect existing businesses and/or office facilities?

What infrastructure construction would be required?

What is the total annual operating budget of this facility projected to be?

Community Impact

What effect would the project have on the local housing market?

What environmental impact, if any, will be created by the project?

How compatible is the project with the City's comprehensive plan?

III. Value Incentives

The subjective criteria outlined in Section II will be used in determining whether or not it is in the best interests of the City of Richardson that a tax abatement be offered to a particular applicant. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project.

Once a determination has been made that a tax abatement should be offered, the subject, value and term of the abatement will be determined by referencing one or a combination of the following options:

Option 1

Tax Abatement for Real Property

Value of Structure	Term of Abatement	Percent of Abatement
\$125,000,000 or greater	10 years	25%
\$110,000,000	9 years	25%
\$95,000,000	8 years	25%
\$80,000,000	7 years	25%
\$65,000,000	6 years	25%
\$50,000,000	5 years	25%
\$35,000,000	4 years	25%
\$20,000,000	3 years	25%
\$5,000,000	2 years	25%

Option 2

Tax Abatement for Business Personal Property

Value of Business Personal Property	Term of Abatement	Percent of Abatement
\$100,000,000 or greater	up to 5 years	60% to 80%

Option 3

The City may consider and approve a Tax Abatement for Real Property and Business Personal Property for a term and for values different than allowed by Options 1 and 2 based upon the City's evaluation of the economic development factors, including but not limited to prior development activity in the city, public infrastructure support required, expected business multiplier impact, the location of taxable inventory on the property, the amount of sales tax which the project or property will generate for the City and the amount of any rollback taxes triggered by the development or project.

IV. Procedural Guidelines

Any person, organization or corporation desiring that the City of Richardson consider providing tax abatement to encourage location or expansion of operations within the city limits of Richardson shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that Richardson is under any obligation to provide tax abatement to any applicant.

Preliminary Application Steps

- A. Applicant shall complete the attached "Application for Tax Abatement". Included in said application shall be a statement regarding the applicant's desire for consideration of a tax abatement under the options outlined in Section III of the Tax Abatement Policy.
- B. Applicant shall address all criteria questions outlined in Section II above in letter format.
- C. Applicant shall prepare a plat showing the precise location of the property and all roadways within 500 feet of the site.
- D. If the property is described by metes and bounds, a complete legal description shall be provided.
- E. Applicant shall complete all forms and information detailed in items A through D above and submit them to the City Manager, City of Richardson, Texas, P.O. Box 830309, Richardson, Texas 75083-0309.

Once an application has been submitted to the City Manager, it shall be regarded as a matter of public record and will be available for inspection by the public. Any proprietary information included as a part of the application should be so indicated, marked in advance and supplied in such a manner so as to be readily separated from the remainder of the application.

Applicant Review Steps

- F. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- G. The application will be distributed to the appropriate City departments for internal review and comments. Additional information may be requested as needed.

Consideration of the Application

- H. The City will consider the application at a regular or called meeting(s). Additional information may be requested as needed.
- I. The City Council of Richardson may consider a resolution calling a public hearing to consider establishment of a tax reinvestment zone.

- J. The City Council of Richardson 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 municipality.”
- K. The City Council of Richardson 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.
- L. The City Council of Richardson 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.