



Economic Development Incentive Policy

CITY COUNCIL

9/23/2024

Incentive Policy Background

- Chapter 380 of the Local Government Code requires that Cities adopt their Incentive Policy every two year by public hearing
- In 2020, City Council approved the policy without any changes to the 2018 policy
- In 2022, the City Council updated the policy to include the BTX Home Improvement Rebate Program
 - The Program provides incentives (up to \$5,000) to certain eligible owner-occupied homeowners to make improvements to their home
 - Homes must be at least 25 years old
 - The CAD appraised value must be less or equal to 70% of the FHA single-family mortgage limit in the County for the current year of the application
 - Since its inception, the program has distributed \$25,392.75 toward \$103,863 in improvements



Incentive Policy Details

- The policy requires Commercial or Retail development to add new to market uses and users and exceed \$5 million in taxable sales to qualify
- Value of an abatement shall not exceed 50% of the investment by the business in eligible property
- Minimum capital investment of \$10 million
- The project expands the local tax base



Incentive Policy Details Cont.

- The project creates permanent full time employment opportunities:
 - With 25% of employees paid above the Johnson County median wage (\$48,474) and
 - All employees paid above the greater of average living wage (2 adults/2 children) for Johnson County, Texas as calculated by (\$52,811): <http://livingwage.mit.edu/counties>;
 - Or, 65% of the Johnson County median wage as calculated by the U.S. Bureau of Labor and Statistics
- The project in all likelihood would not otherwise be developed
- The City Council retains the right to, on a case-by-case basis, consider an abatement or incentive outside of the guidelines



Requested Action

Hold a public hearing and consider approval of a resolution adopting the guidelines and criteria for the Economic Development incentives program

Questions / Comments

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