
City Council Regular Meeting

DEPARTMENT: Economic Development

FROM: Alex Philips, Economic Development Director

MEETING: October 2, 2023

SUBJECT:

Consider approval of a resolution adopting the guidelines and criteria for the Economic Development incentives program. (*Staff Presenter: Alex Philips, Economic Development Director*)

SUMMARY:

The Local Government Code Title 12, Subchapter A, Chapter 380 states "the governing body of a municipality may establish and provide for the administration of one or more programs to stimulate business and commercial activity in the municipality." A program is required prior to entering into Chapter 380 agreements and tax abatements.

The program, also known as the incentive policy, is required to be adopted every two years. The existing incentive policy was passed by City Council on September 21, 2020. The proposed policy continues what was approved in 2020 that includes information in regards to wages that have to be met to qualify as well as the additional information on the application, which gives staff the guidance needed in the beginning of the process to better determine an incentive package that best fits the company needs. The qualifying standards for Retail and Commercial Developments that were approved in 2020 are unchanged in this renewal.

The incentive policy is meant to guide the efforts of City staff and City Council in offering and granting incentives during the recruitment and retention process for companies in Burleson. The policy preserves the ability to consider each abatement application separately and evaluate the community interest in participating with the project through incentives.

- Policy is able to capture all Commercial or Retail development to be qualified that it brings something that is missing from the community and exceeds \$5M in taxable sales
- Value of an abatement shall not exceed 50 percent investment by the business in eligible property
- Johnson County median wage as well as a living wage requirement
- Minimum capital investment of \$10M as well as request for sales tax numbers
- Application includes more detailed information requests when asking for wages
- Application also asks for signatures stating all of the information is factual

- The application gives us better information up front on a potential project and will aid in a better timely response to the applicant.

Project Qualifications

- The project expands the local tax base
- The project creates permanent full time employment opportunities:
 - With 25% of employees paid above the Johnson County median wage as calculated by the U.S. Bureau of Labor Statistics, and:
 - All employees above the greater of:
 - Average living wage (2 Adults/2 Children) for Johnson County, Texas as calculated by the following link: <http://livingwage.mit.edu/counties/48251>
 - Or 65% of the Johnson County median wage as calculated by the U.S. Bureau of Labor 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 which may not specifically comply with these guidelines and criteria.

OPTIONS:

- 1) Approve as presented
- 2) Approve with changes
- 3) Deny

RECOMMENDATION:

Staff recommends approval as presented

PRIOR ACTION/INPUT (Council, Boards, Citizens):

List date and description of any prior action related to the subject

FISCAL IMPACT:

N/A

STAFF CONTACT:

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