



Office of the Mayor

Phil Dyer
MAYOR

September 14, 2009

Mr. Joe Jaynes, Commissioner
Collin County
Administration Building
2300 Bloomdale Road, Suite 4192
McKinney, TX 75071

Dear Commissioner Jaynes:

Thank you for the opportunity to offer our review on the proposed TIF-TIRZ Policy and Tax Abatement under consideration by Collin County.

TIF-TIRZ Policy

- The Policy states that Collin County has the right to audit books and records of every TIF District at a place and time of its convenience. All information related to the establishment and administration of a TIF District, including financial information, is public record open to inspection. Financial reporting to the Texas Comptroller and participating jurisdictions is required by law. While the City does not object to an audit, the time and place should be mutually agreed upon.
- The Policy requires a cost benefit analysis demonstrating that the County will receive a net financial benefit. This requirement is redundant with the studies required by state law to establish a TIF District.
- The Policy states the district may not serve to primarily enhance the value of a private enterprise. We find this policy runs counter to the purpose found in state law, which is to facilitate economic reinvestment within the designated district. We believe the policy should be omitted or reconsidered to more closely align with the interest of the legislation.

- The Policy states that it might not be a primary goal of the TIF to relieve a municipality of its obligation to maintain or grow its infrastructure. We believe the establishment of a TIF reinforces the commitment to maintain and grow its infrastructure to serve the district. These are the very actions that increase the prospect for economic reinvestment by the private sector.
- Related to this policy is a statement that says the municipality is to demonstrate that funding would be inadequate without County participation. We believe this issue is not the adequacy of funding, but the benefit of combining funding of multiple taxing jurisdictions to meet the common goal of reversing decline and encouraging reinvestment beneficial to all.
- The Policy limits County participation to transportation projects. We believe many other eligible projects would not only encourage reinvestment, but they may well generally benefit citizens of the County. We believe the County should consider each project on its own merit rather than narrowly restricting its spending to a single category.
- The Policy also limits projects to those that would ordinarily be provided in unincorporated areas of the County. Since cities normally have higher infrastructure standards than the minimum standards for rural development, we believe this policy should be reconsidered.
- The Policy requires County funding to be assigned to specific well defined projects. This limitation is consistent with the authority provided by state law, but it may reduce needed flexibility as plans for improvements in the district evolve and are refined.
- The Policy does not permit the use of County funds for the ongoing administration of the TIF. These costs are very low (less than 1% of total expenses); nevertheless, it seems reasonable that the cost be paid in an amount proportionate to each jurisdiction's financial participation.
- The Policy reflects a County requirement that if the TIRZ has not reached 50% increased value at year five of the project, the County may unilaterally cancel its participation. We feel this request is unrealistic and unnecessary.

Tax Abatement Policy

- The Policy attempts to set a definition for major investment based on population of over/under 50,000. We believe to set a standard only based on population ignores other important factors: value of personal property; number of jobs brought to the county; and median salary.
- The Policy reflects that the creation of new value only deals with real property and improvements. Personal property, in some cases, could have a greater value and tax roll impact than real property.
- The Policy appears to treat applications from unincorporated areas the same as incorporated areas. We feel a distinction should be made because in an incorporated area, documentation, annual reports, etc., are collected by the municipality. Requesting the company to report the same information to two taxing authorities may not be the most efficient method to administer compliance.

Mr. Jaynes, thank you for your efforts in this important endeavor. Our comments are made with the idea of strengthening your policy.

Sincerely yours,



Phil Dyer
Mayor

cc: City Council
City Manager
Plano Economic Development Board