



- Phil Dyer**  
Mayor
- Harry LaRosiliere**  
Mayor Pro Tem
- Lee Dunlap**  
Deputy Mayor Pro Tem
- Pat Miner**  
Place 1
- Ben Harris**  
Place 2
- Mabrie Jackson**  
Place 3
- Lissa Smith**  
Place 4
- Jean Callison**  
Place 7

October 30, 2009

The Honorable Keith Self, Collin County Judge ✓  
 The Honorable Matt Shaheen, Collin County Commissioner  
 The Honorable Jerry Hoagland, Collin County Commissioner  
 The Honorable Joe Jaynes, Collin County Commissioner  
 The Honorable Kathy Ward, Collin County Commissioner  
 Bill Bilyeu, Collin County Administrator

Dear Judge, Commissioners and Mr. Bilyeu:

Please find enclosed comments regarding your proposed TIF policy. Please let me know if any clarification may be needed.

Regarding the Tax Abatement Agreement, my comments remain as originally presented.

I look forward to being with you Monday evening for any clarification.

Sincerely,

Thomas H. Muehlenbeck  
City Manager

Thomas H. Muehlenbeck  
City Manager

Enclosure

### Comments on County TIF Policy

The proposed policy applies to amendments to existing TIF project finance plans. While the county should have the ability to review and consider amendments to an existing TIF finance plan, the full set of proposed requirements should not apply. For example, while it may be appropriate to consider how the amendment affects the county and the conditions of its participation, it should not be necessary to re-justify the district as if it were a totally new proposal. Likewise, arbitrarily lowering the existing participation contribution to the new maximum 50% cap could significantly impact projected revenue available to the TIF.

The policy still states audits may be conducted at any time convenient to the county. We believe the time should be mutually convenient to the city and the county. The county should, however, have access to TIF financial records at any time during normal office hours.

The policy calls for a cost/benefit analysis and demonstration of a net financial benefit to the county during the term of its (the county's) participation. While the TIF should pay its own way (fully fund its projects obligations), taxing jurisdictions may not receive a direct financial benefit during the duration of the TIF. Further, benefit should be measured more broadly – quality of life, stabilization of values, improved conditions and public welfare, jobs, economic reinvestment. For example, a TIF district may purchase a brownfield site and remediate harmful environment contamination. The site may be banked for future redevelopment that does not occur until years after the TIF is terminated. Thus, the financial benefit is delayed, but the project has real near-term benefit to property owners and residents near the site.

The policy calls for the plan to be "project specific." This may be possible for some TIFs where the project is clearly known in advance, but a TIF may be created as an incentive for creating private investment projects that are unknown at the time the TIF is created. This would certainly be true of a TIF created to stimulate redevelopment. The county's participation should not be linked to specific projects. If all participating jurisdictions did this, it would create significant administrative problems and complicate the use of a TIF to back the issuance of either public or private debt.

The city strongly recommends against requirements for studies and projections other than those specified by state law. Should special studies be required in addition to those required by state law, the county should directly pay or reimburse the city for the cost. Several of the studies required by the policy could not be performed until specific project details were known. This information may not exist at the time the TIF is established.

The provision that a TIF that has not achieved 50% of the projected value within 5 years may be subject to renegotiation or cancellation is unrealistic. The TIF may or may not have any significant impact on values during this period. It is quite likely that the initial TIF projects may only be under construction at this stage. It is also likely that the initial projects will be financed by public or private loans, as the TIF will not generate substantial revenue in its early years. These loans are dependent on the commitment of long-term participation by the governmental entities.