COLLIN COUNTY

Budget & Finance
2300 Bloomdale Road
Suite 4100
McKinney, Texas 75071
www.collincountytx.gov

COURT COMMUNICATION ITEM

Item Description

Discussion and any action regarding request from Blue Cross Blue Shield to increase percentage of tax abatement applicable to the Tangible Personal Property to ninety percent (90%) for tax year 2010.

Background on Item

Tax Abatement Zone No. 26 between the City of Richardson, Collin County and KDC-Galatyn Investments was approved on December 12, 2006. Per Court Order #2006-114-12-12 (AI # 25947) Collin County agreed to a tax abatement based on amounts equal to 50% for Real Property and Business Personal Property for a period of ten (10) years. The tax abatement began in 2007.

Financial Information

Per article IV paragraph 4.3, the tax abatement agreement is for an average of fifty percent (50%) for 10 years with the ability to flex up to ninety percent (90%) in a year with offset in subsequent years. The Owner / Lessee may elect to increase the amount of the percentage of tax abatement for any given year provided they submit a written notice to the Taxing Units prior to January 1 of the year in which the increase is to apply.

For tax years 2007, 2008 and 2009 the tax abatement was 50%. Blue Cross Blue Shield is requesting a 90% tax abatement applicable to the Tangible Personal Property for tax year 2010. In order to maintain a 50% average tax abatement over the 10 year period, the abatement will be reduced to 10% for one tax year during the abatement period. The Tax abatement will revert back to 50% for 2011 unless Blue Cross Blue Shield notifies the taxing units for a request of a different amount.