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November 11, 2011

The Honorable Judge Keith Self  
Collin County Commissioners' Court  
Collin County Administration Building  
2300 Bloomdale Rd., Ste. 4192  
McKinney, TX 75071

Dear Judge,

First, the City of McKinney and I applaud you for furthering your efforts to create economic development and jobs within Collin County. Second, let me offer some thoughts on the exclusion of properties that are currently within TIRZ zones within the County.

I appreciate the issue of the County's participation of 50% of property taxes within the various Zones that you currently participate in, added to the proposed 50% abatement through the 50/3 plan would not allow the County to directly collect any incremental tax revenue off of these affected properties for the first three years. However, in the case of the two TIRZ zones in McKinney at least, the County taxes collected off of the incremental value is restricted to go only to public improvements, such as the reconstruction of FM 546 and other infrastructure projects. As you know, while under no obligation to do so, it has generally been the practice of the County to participate financially in such roadway infrastructure projects, regardless of whether or not the project is located in a TIRZ.

I view the County's 50% participation within the Zones as an effective way to ensure redevelopment emphasis is placed on areas within the County and various Cities that the Cities and County have agreed are in our mutual best interest. I am concerned that the approval of a policy, which will have the unintended consequence of creating a disincentive to private investment within Zones, will hamper our ability to move the Zones forward in the way originally intended.

While I appreciate the very real direct revenue issue for the County, I also believe that it would be difficult to explain why private investment in the Zones, which have specifically been designated as target areas to develop, carries with it a higher tax burden to new and expanding businesses. If it would help to further restrict the projects which the County's financial participation could be used for within the Zones, I believe that the Boards of our two Zones at least, would seriously consider such further restriction. We simply want to find an acceptable

**City of McKinney**

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method to continue our emphasis on development within the Zones without creating a higher tax burden on the businesses that choose to locate there.

Attached is a Council adopted resolution formally requesting that properties within TIRZ zones in McKinney not be categorically excluded from the 50/3 program. If you have any questions about this matter, please do not hesitate to contact me.

Thank you,

A handwritten signature in black ink, appearing to read 'Jason Gray', with a long horizontal flourish extending to the right.

Jason Gray  
McKinney City Manager

cc: Bill Bilyeu, County Administrator, Collin County