

Planning For Your City's Economic Development

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What is Economic Development?



- **“Maintaining a business-friendly climate has historically included the use of economic incentives, a favorable regulatory environment and competitive tax structures, but more recently high quality of life indicators have played a significant role.”**

– House Select Committee on Economic Competitiveness, March 2018

The Amazon logo is centered within a black rounded rectangle. It features the word "amazon" in a white, lowercase, sans-serif font. Below the text is the orange curved arrow, which starts under the letter 'a' and points to the right, ending under the letter 'n'.

amazon

HQ2 RFP Preferences

- Suitable building site
- Business-friendly environment and tax structure
- Incentives
- Labor force
- Logistics – transportation
- Expeditious construction timetable
- **Cultural considerations**
- **Quality of life/community**

And Speaking of Amazon...How About Retail?



City Incentives

- Property Tax Abatement
- Sales Tax Rebates
- Chapter 380 Grants
- Public Improvement Districts
- Tax Increment Financing
- Economic Development Corporations
- Municipal Development Districts

Property Tax Abatement

- Tax Code Chapter 312
- Only affects increase in appraised value
- 10-year maximum term
- 2019 Legislative Issue:

Sec. 312.006. EXPIRATION DATE. If not continued in effect, this chapter expires September 1, 2019.

Sales Tax Rebates

- Neighborhood Empowerment Zone
 - Local Government Code Ch. 378
- State Enterprise Zone
 - Government Code Ch. 2303
- 380 Agreement
 - Local Government Code Ch. 380

380 Grants

- Broadest economic development tool
- Allows grants or loans of public funds or personnel
- Must adopt a “program” before entering agreement

TIFs and PIDs

- Tax Increment Financing
 - Tax Code Ch. 311
 - Public improvements funded by new property tax revenue
- Public Improvement Districts
 - Local Government Code Ch. 372
 - Public improvements funded by assessments

Quasi-City Entities

- Economic Development Corporations
 - Local Government Code Chs. 501- 505
 - Dedicated sales tax to be used by Type A or Type B board for economic development
- Municipal Development Districts
 - Local Government Code Ch. 377
 - Dedicated sales tax to be used by MDD board for economic development

Questions?

- 2017 Economic Development Handbook
- TML Legal Department
 - legalinfo@tml.org
 - (512) 231-7400