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## Town Approves New Incentives for New Businesses

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Flower Mound officials unanimously approved a new economic development and incentive policy Monday night with the aim of helping the town compete for commercial developments.

A six-member advisory committee formed in February recommended the revamped policy to council saying it will more effectively market the town and fast-track approval of project incentives.

The policy is designed to provide a clear incentive scale by detailing varying tax and fee abatements. It also sets a timetable for new projects receiving incentives, which was strongly supported by council members. The timetable, they say, will provide a monitoring mechanism to make sure that developers are meeting their goals.

"This really solidifies [the incentive policy]," councilmember Paul Stone said of the new policy. "It puts more requirements on developers and more protection on the community."

While she agreed with the goal, councilmember Laurie Long expressed concerns with the implementation of tax abatements.

"I understand why these items are provided but I am a little concerned with adding tax abatements," Long said. "We are about to increase taxes and here we would be giving taxes away."

Melissa Glasgow, the town's director of economic development, responded that the new plan does not take more taxes away, it simplifies the process, she said.

"The incentive program we have now calls for tax rebate," Glasgow said. "This is in essence the same thing except that we are not collecting those taxes, which is more helpful with the process... Overtime we will see the net benefit of the incentives provided."

Under the new incentive policy, developments with assessed property values of less than \$30 million will qualify for either tax or fee abatements, whereas projects of \$30 million or more would qualify for both.

The minimum value threshold for tax abatements consideration has been increased to \$10 million and additional tax abatement may be given to projects creating more than 100 full-time jobs, providing an average salary greater than \$40,000 and designated as "green" development, Glasgow added in her presentation to council.

Among other changes, the new policy streamlines the incentive application process by allowing officials to offer abatements earlier in the process. It requires developers of large projects seeking waivers from certain SMARTGrowth criteria to do so with town planners, not economic development officials.

While this clause worried some planning commissioners who thought that this particular issue should have been discussed and reviewed by the SMARTGrowth committee as well, council members gave it a nod. The new process does not make waivers to the SMARTGrowth criteria easier to get, they said. Rather it speeds up the process while providing a more thorough review process by going to planning and zoning and then council.

SMARTGrowth is the town's comprehensive set of development standards designed to preserve rural character while promoting growth in Flower Mound.

Until now, the process to request waivers was done in conjunction with financial incentives, making it costly and redundant for developers who go in circles between town's department, Glasgow has said in earlier meetings.

Officials hope that the revised policy will encourage developers as they go through the town's sometimes lengthy and costly zoning process by laying out financial benefits awaiting approved projects.

However, the new policy lowered some of the town's goals regarding the tax base.

After reviewing the current town's tax base performance for both commercial and industrial developments, the goals were combined and lowered from 25 percent to 14 percent to be reached for 2008. The goals to be reached in 2010 will now be 16 percent and 20 percent for 2012.

"The reductions were made to better reflect economic activity and higher than expected residential property tax valuations," Glasgow said in her presentation.

Council member Long asked Glasgow if combining those two goals would mean more industrial activity in town. Glasgow said that it was not the intent and that those two were combined to simplify the way the town reports its commercial taxable value.

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