

**To the Mayor and Members of the City Council****April 1, 2025**

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**SUBJECT: READOPTION OF TAX ABATEMENT POLICY AND OTHER
UPDATES TO ECONOMIC DEVELOPMENT INCENTIVE POLICIES**

Chapter 312 of the Texas Tax Code authorizes cities to designate tax abatement reinvestment zones and to enter into Tax Abatement Agreements only after the city elects to become eligible to participate in tax abatement and adopts a Tax Abatement Policy that establishes guidelines and criteria governing its tax abatement program. A Tax Abatement Policy adopted by a city is effective for two years from the date of adoption. The City of Fort Worth's most recent General Tax Abatement Policy (TA Policy) was adopted pursuant to Resolution No. 5709-02-2023 (Mayor & Council Communication (M&C) 23-0152) and effective from February 28, 2023 through February 27, 2025. As such, it is necessary to update and readopt the TA Policy to ensure that it remains available to the City as a tool for economic development.

In conjunction with the biannual adoption of the TA Policy, staff also typically reviews and recommends changes to the City's other incentive policies. Therefore, staff also recommends incorporating various updates to the City's policy for Economic Development Program Agreements (380 Policy), previously amended and adopted by Resolution No. 5722-03-2023 on March 21, 2023, as authorized by Chapter 380, Texas Local Government Code.

Staff recommends amending the TA Policy and 380 Policy to a) increase the minimum required average salary from \$55,000 to \$60,000, b) require certain proof of project funding, c) update the list of Fort Worth Target Areas, and d) remove certain unused or obsolete programs and provisions.

An M&C will be placed on the April 22, 2025 agenda for City Council consideration to adopt the updated TA Policy and 380 Policy. A copy of the policies will be provided as an attachment to the M&C.

For further questions, please contact Ori Fernandez, Assistant Director of the Economic Development Department, by e-mail to ori.fernandez@fortworthtexas.gov.

**Jesus "Jay" Chapa
City Manager**