



**DALLAS COUNTY
COMMISSIONERS COURT
DEPARTMENT OF PLANNING & DEVELOPMENT**

December 16, 2025

TO: Commissioners Court
FROM: Luis Tamayo, Director of Planning & Development
SUBJECT: 2025 Tax Abatement Report

BACKGROUND

Please find below the report with the status of the 108 tax abatements that the County has authorized since it first began providing such assistance in 1988. The format of this report is similar that used in the past and only includes those abatements that have formally been authorized with a court order.

DESCRIPTION OF TAX ABATEMENT ACTIVITY

Although numerous projects were brought to Planning & Development for consideration, the County provided only one new tax abatement in 2025. While below the historic average for the number of projects, approving one or no new projects has happened in seven other years since the program's inception. The abatements that have been authorized since 1988 have been for projects located in the following cities:

ABATEMENTS BY CITY

City	# Abatement Projects	City	# Abatement Projects
Dallas	66	Mesquite Lancaster Hutchins DeSoto Grand Prairie* Carrollton Sachse	3
Irving	11		2
Richardson	6		2
Garland	4		1
Wilmer	4		1
Coppell	3		1
Farmers Branch	3		1
* Counted in Grand Prairie but the project is also partially located within the City of Dallas			

TAX ABATEMENT TYPE AND LOCATION

Dallas County's abatement policy offers special consideration for projects located in "priority" or "strategic" areas that have not seen as much as growth as other parts of the County. In recent years there has been a grouping of abatements provided to projects in the inland port area. Historically, however, about three-fourths of the authorized abatements have been provided for projects located in or near what are considered the County's major economic centers. Such activity would seem to confirm what existing research conducted elsewhere indicates – that although tax incentives can influence location decisions among comparable sites, they are generally not sufficient to shift business to a location with poor infrastructure, an inadequate school system, a lack of access, a shortage of skilled labor, etc.

Of the one hundred and eight provided abatements, seventy-three have been for "Economic Development" projects under the County's abatement policy. That is, they involve the expansion, construction, or relocation of buildings, facilities, or offices and the creation of new jobs. Of these projects, eighteen have been for manufacturing; sixteen have been for firms in the technology, software, or semi-conductor industry; fifteen have been distribution centers; and thirteen have been for firms in the financial sector. The remaining projects have been associated with hotel renovation/conversion, and other industries and activities as shown below.

ABATEMENT PROJECTS BY TYPE

TYPE OF ABATEMENT PROJECT	# PROJECTS	% TOTAL PROJECTS
Economic Development <ul style="list-style-type: none">• Telecom/hi-tech• Financial sector• Hotels• Distribution centers• Manufacturing• Other	16 13 4 15 18 7	14.8% 12.0% 3.7% 13.9% 16.7% 6.5%
Housing (non-historic preservation)	7	6.5%
Housing (with historic preservation)	16	14.8%
Other Historic Preservation	11	10.2%
Educational Facilities	1	0.9%
Totals	108	100%

The abatement projects that do not fit into the "Economic Development" category have been for projects involving the construction of new housing / conversion of existing buildings into housing, the renovation / preservation of historic buildings, and the construction of higher education facilities.

Thirty-one (28.7%) of the 108 authorized abatements have been for projects located south of I-30, twenty-four (22.2%) have been for projects located in downtown Dallas, and forty-nine (45.4%) have been for projects within either downtown or about one mile of it. These forty-nine downtown-area abatement projects have involved the renovation/conversion of non-historic structures into hotels (four), the relocation of corporate offices (five), the construction of new offices (four), the establishment of a regional data center (one), the construction of new housing / the conversion of non-historic buildings into housing (seven), the conversion of historic buildings into housing (twenty-one), and the renovation / conversion of historic buildings into retail, offices, or hotels (seven).

ABATEMENT UTILIZATION

Of the 108 abatements granted since 1988, sixteen, or just under 15% of abatements, were never used because a project was not completed, cancelled, or failed to start. For the ninety projects that have been completed, the authorized abatement was either fully or partially utilized in sixty of them. This means that thirty (33.3%) of the ninety completed did not use the granted abatement. That a third of the abatements for completed projects have never been used is not unusual; staff has seen studies where between one-fifth and one-third of the abatements in other areas go unused.

Ninety (83.3%) of the 108 abatement projects have been constructed granted tax abatements (regardless of the abatement use) and another 2 projects are currently underway awaiting to start to use their abatement. These are Canadian Solar's panel assembly facility and the Lineage cold storage facility in Hutchins.

Of the sixty projects where an abatement has been utilized, forty (66.7%) fully used the abatement until it expired, and another eleven (18.3%) used the abatement for at least one year before its use was discontinued - either because of ineligibility or some other issue. The remaining nine abatements are still being used and have expiration dates ranging from the end of 2026 to the end of 2035.

IMPACT ON FINANCE

To date, the completed projects have generated an increase of about \$6.7 billion in the County's tax base. Of that, \$760 million is presently being generated by nine projects with active abatements. An additional two projects are underway, adding \$73.1 million to the tax base before their abatement period begins.

Overall, the total amount of assessed value that was abated in 2025 is equivalent to about 0.13% of the County's taxable value. This figure has been stable over the last 5 years and generally declining over the past decade as projects have reached the end of their abatement periods. The percentage continues to be much lower than the 1% figure that existed in 2006 when eighteen abatements, all of which have since expired, were active.

CONCLUSION

Based on the analysis conducted for this report, it appears that the County's tax abatements continue to be successful in facilitating an increase in the County's tax base, that the percentage of new value generated from active projects that is abated continues to decline, and that the percentage of the County's tax base associated with active abatements has generally remained stable for the past several years.

Staff will continue to monitor the performance of the County's tax abatements and to keep the Court apprised as to the status and impact of these incentives.

Please advise if any additional information is needed.

attachment

cc: Ronica Watkins, Budget Officer
Timothy Hicks, Auditor
John Ames, Tax Assessor/Collector
Joe Mayer, Hospital District