

Citizens,

The City of Corsicana has received confirmation that a major employer in the City is contemplating a move. Documents obtained from the City of Dallas indicate the Home Depot U.S.A., Inc. has been offered an incentive package to establish a warehouse in the Metroplex. The warehouse located in Corsicana will be relocated to the City of Dallas and Desoto area by August 2012. Details of the package offered by the City of Dallas include a new building, roadway infrastructure improvements, and a 75% personal property tax abatement.

The arrangement is a collaboration between the City of Dallas, the Desoto Economic Development Corporation, PR Crow I-20, LLP and Home Depot U.S.A., Inc. During a meeting on April 27, 2011, City of Dallas approved 380 Economic Development Agreement which authorized \$2,475,000 for Daniieldale Road improvements. During the same meeting, a reinvestment zone was created and 75% business personal property abatement was approved for 10 years. Dallas County also dedicated \$1,300,000 to finance improvements to Daniieldale Road and the DeSoto Economic Development Corporation dedicated \$300,000 for the same project. In addition, \$500,000 was dedicated from private landowners in DeSoto.

All tax abatements have a 10 year life which is the maximum limit allowed by the State of Texas. Home Depot is in the fifth year of a ten year abatement incentive offered by the City of Corsicana. Tax abatements can only be given on the increase in value created by the company. Therefore, there are no additional abatement opportunities that the City of Corsicana can legally extend to the company to try and keep them here in Corsicana. The original agreement was amended in 2009 to accommodate Home Depot. It appears the company has been lured away by a new 10 year abatement package offered by Dallas. Moreover, it appears to be a distribution industry trend of shopping abatement for a ten year period and then moving operations.

The City intends to seek repayment of all incentives offered to Home Depot. In addition, plans are underway to market the facility to other businesses with a need for warehousing in Corsicana.

Chuck McClanahan

Mayor