

RESOLUTION NO. 2021-04

A RESOLUTION OF THE CITY OF CENTER, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INCENTIVES POLICY TO PROMOTE ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; ESTABLISHING GUIDELINES AND CRITERIA FOR APPROVAL OF TAX ABATEMENTS AND OTHER INCENTIVES AND ECONOMIC DEVELOPMENT PROGRAMS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Texas Development Corporation Act of 1979, now codified in Chapters 501-505 of the Texas Local Government Code, and cited as the Development Corporation Act (Act), authorizes communities to collect Type A and / or Type B economic development sales and use taxes; and

WHEREAS the residents of the City of Center, Texas (City) on January 15, 1994 passed an election approving the collection of 0.25% sales and use tax for the benefit of a Type A Economic Development Corporation (Type A Sales Tax); and

WHEREAS, the City Council of the City (Council) on January 17, 1994 passed Resolution 94-1 ratifying said election and adopting the Type A Sales Tax effective as of October 1, 1994, establishing the *City of Center Economic Development Corporation (CEDC)* as a Type A Economic Development Corporation; and

WHEREAS, the Council on September 12, 1994 and the CEDC Board of Directors (Board) on October 17, 1994 approved Bylaws for the CEDC; and

WHEREAS, the Articles of Incorporation for the CEDC were filed with the State of Texas on November 14, 1994; and

WHEREAS the residents of the City of Center, Texas (City) on August 10, 1996 passed an election approving the collection of 0.50% sales and use tax for the benefit of a Type B Economic Development Corporation (Type B Sales Tax) with the proceeds thereof to be limited to street and road and related improvements within the City, and the maintenance and operating costs associated with such projects; and

WHEREAS, the City Council of the City (Council) on August 12, 1996 passed Resolution 96-8 ratifying said election and adopting the Type B Sales Tax effective as of January 1, 1997, establishing the *City of Center Street Improvements for Economic Development Corporation (SIEDC)* as a Type B Economic Development Corporation; and

WHEREAS, the Council and the SIEDC Board of Directors (B-Board) on October 14, 1996 approved Bylaws for the SIEDC; and

WHEREAS, the Articles of Incorporation for the SIEDC were filed with the State of Texas on August 28, 1996; and

WHEREAS, Chapter 312 of the Texas Tax Code, cited as the Property Redevelopment and Tax Abatement Act, authorizes municipalities to grant tax abatements upon establishing guidelines and criteria for tax abatement agreements; and

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes municipalities to establish and provide for the administration of programs that promote economic development and stimulate business and commercial activity in the City; and

WHEREAS, Section 501.158 of the Texas Local Government Code states that a corporation may not provide a direct incentive to or make an expenditure on behalf of a business enterprise under an authorized project until the corporation enters into a performance agreement with the business enterprise; and

WHEREAS, the City adopted an *Economic Development Policy and Incentives* (EDPI) on August 25, 1997 by Resolution 97-7; ratified and amended said policy on August 10, 2009 by Resolution 2009-12; and further amended said policy on October 25, 2010 by Resolution 2010-28; and

WHEREAS, the City adopted the following programs, amending the EDPI by their inclusion: a

Workforce Training and Development Assistance Program approved on August 27, 2014 by Resolution 2014-1; a *Small Business Development Program* approved on March 27, 2015 by Resolution 2015-1; a *Documented Sites Program* approved on April 22, 2015 by Resolution 2015-2; and a *Business Improvement Grant Program* approved by Board action on January 22, 2016; and

WHEREAS, the City desires to amend and restate all of the above economic development policies and programs as a comprehensive *Incentives Policy* (Policy) attached as Exhibit A; and

WHEREAS, the City hereby elects to be eligible for tax abatement as provided for in the guidelines and criteria established in the Policy; and

WHEREAS, the City desires to attract high-quality long-term investment and the creation of new jobs and to stimulate business and commercial activity in the City; and

WHEREAS, the City recognizes that it may be necessary to provide economic development incentives utilizing public resources in addition to the Type A Sales Tax; and

WHEREAS, the City recognizes the importance of retaining existing businesses, attracting new businesses, and providing for the redevelopment of sub-standard properties; and

WHEREAS, the Board of the CEDC on March 19, 2021 considered and recommended approval of the Policy to the Council; and

WHEREAS, upon full review and consideration of the *Incentives Policy* attached as Exhibit A, and all matters attendant and related thereto, the Council is of the opinion that the Policy will assist in implementing programs whereby economic development will be promoted and business and commercial activity will be stimulated in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CENTER, TEXAS, THAT:

SECTION 1.

The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2.

The City Council finds that the guidelines and criteria of the Policy will promote economic development and stimulate business and commercial activity in the City.

SECTION 3.

The City Council hereby adopts the Policy authorizing the City to participate in tax abatement and other incentives and take other specified actions, in accordance with the guidelines and criteria outlined in the Policy.

SECTION 4.

The guidelines and criteria of the Policy, having been reviewed by the City Council of Center and found to be acceptable and in the best interest of the City and its citizens and businesses, are hereby approved.

SECTION 5.

This Resolution shall become effective from and after its passage.

PASSED AND APPROVED this the 12th day of April, 2021.

David Chadwick, Mayor

ATTEST:

Brianna Suell, City Secretary

EXHIBIT A
Incentives Policy

Center, Texas
Incentives Policy

WHEREAS, the Board of the City's Type A Economic Development Corporation, on March 19, 2021 (A-Board) considered and recommended approval of this Incentives Policy (Policy) to the Center City Council (Council); and

WHEREAS, upon full review and consideration of this Policy, the Council is of the opinion that this Policy will assist in implementing programs whereby economic development will be promoted and business and commercial activity will be stimulated in the City.

BE IT KNOWN, that the Council on April 12, 2021 approved Resolution 2021-04 adopting the following guidelines and criteria as the City of Center's Incentives Policy.

Section 1.
Introduction & Goals

It is the intent of this Policy to provide guidelines and criteria, requirements, and procedures to evaluate and approve any Incentives deemed necessary by the City for the furtherance of its economic development and community goals. This Policy shall include provisions for Tax Abatement as well as use of Type A and Type B economic development sales tax funds, general funds of the City, and any other resources as approved by the Council. Incentives may be considered for both new facilities and for the Expansion or Modernization of existing Facilities and structures. Nothing herein shall imply or suggest that the City is under any obligation to provide any Incentive to any Applicant. The Council retains the right to evaluate applications and grant Incentives, if any, as deemed appropriate on a case-by-case basis without the necessity of amending any contrary provisions of this Policy. Following are the goals of this Policy:

- 1.1. When in the best interests of the City, provide Incentives to existing businesses that will enhance the commercial viability and sustainability of existing commercial properties in the City;
- 1.2. When in the best interests of the City, provide Incentives to attract desired businesses or developers to invest in the City;
- 1.3. Increase the non-residential ad-valorem tax and / or sales and use tax revenue base for the City; and
- 1.4. Ensure that all policies, procedures and any resulting Performance Agreements related to the provision of Incentives to stimulate economic development shall comply with all applicable state statutes.

Section 2.

Definitions

The following definitions shall apply to the terms used in this Policy.

Act: Shall mean the Development Corporation Act, now codified in Chapters 501-505 of the Texas Local Government Code.

Agreement: Shall mean a Performance Agreement as defined herein.

Agreement in Principle (AIP): Shall mean a non-binding draft of performance requirements of a Project and any Incentives to be offered by the City.

Applicant: Shall mean the Property owner or business occupant signing the Incentives Application.

Application: Shall mean the Incentives Application as maintained by Staff.

Appraisal District: Shall mean the Shelby County Appraisal District.

Base Year Value: Shall mean the assessed value of the Facility on the 1st of January preceding the execution of a Performance Agreement.

Benefits: Any combination of group benefits for health care, dental care, vision care, disability insurance, or life insurance.

Board-A: Shall mean the Board of the Type A Economic Development Corporation of the City.

Board-B: Shall mean the Board of the Type B Street Improvements for Economic Development Corporation of the City.

City: The City of Center, Texas. Where "City" is used in this Policy as an action to be taken or an Incentive to be offered, City shall include the A-Board or B-Board as authorized or permitted by State Law.

Code Violations: Shall be as defined in the City's adopted building or zoning codes.

Construction Costs: The cost of permits, fees, construction materials, and installation labor. All other associated costs are deemed excluded, including, but not exclusively, the following costs: design, engineering, construction document preparation, bidding, and construction financing.

Council: The City Council of the City.

County: Shall mean Shelby County, Texas.

Effective Date: The date this Policy was approved by the Council.

Expansion: Shall mean the addition of buildings, structures, fixed equipment or machinery for the purpose of increasing production capacity.

Facility: Shall mean the Property, building and Improvements.

Freeport Exemption: If adopted by the City, the Freeport Exemption from ad valorem taxation applies only if qualifying goods, wares, merchandise, ores, and certain aircraft and aircraft parts have been detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabricating.

Grants: Funds provided by the City for a particular Project in accordance with this Policy.

Impact Fees: Fees adopted by the City in accordance with Chapter 395 of the Texas Local Government Code.

Improvements: Shall mean the New Construction or Modernization of buildings, interiors, site work, Public Works Improvements, parking and drives, landscaping, irrigation, lighting and specifically excluding land and / or Business Personal Property.

Incentives: Shall be as defined in Section 5 herein.

Minimum Performance Requirements: Shall be as defined in Section 6 herein.

Modernization: Shall mean the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of the operation, and extends the economic life of the Facility. This shall not include reconditioning, refurbishing, repairing or completion of deferred maintenance on the Facility or its equipment.

New Construction: Shall mean the first-time construction of Improvements utilizing newly purchased materials, and specifically excluding any remodeling or renovations undertaken after issuance of the first Certificate of Occupancy.

Payroll: The company's total expenditures for all employees for the month immediately preceding the Application, multiplied by twelve (12).

Performance Agreement: Shall mean a written agreement summarizing the performance requirements of a business or developer and the Incentives to be provided by the City upon fulfillment of those performance requirements (e.g Tax Abatement Agreement, Chapter 380 Agreement).

Policy: Shall mean this Incentives Policy.

Primary Job: A job that is 1) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets, infusing new dollars into the local economy; and 2) included in an acceptable sector of the North American Industry Classification System (NAICS) as identified in Section 501.002 (12) of the Act.

Project: The initiative or investment to be provided in accordance with the performance standards of any Performance Agreement providing Incentives. To the extent that any Type A funds are to be used as Incentives, the Project shall meet the definitions provided in the Act.

Project Applicability: Shall be as defined in Section 7 herein.

Property: Shall mean the physical parcel of land for which Incentives are being granted.

Property – Business Personal: Shall mean the tangible and movable items used in the course of business not permanently affixed to, or part of, the real estate. Examples of Business Personal Property (BPP) include: furniture, machinery and equipment, computers, vehicles, inventory and supplies.

Property - Real: Shall mean the Property and the Improvements constructed on the Property.

Public Works Improvements: Shall mean improvements that upon completion and acceptance shall be owned and maintained by the City. (e.g. water, sewer, streets, drainage)

Recapture (aka Claw-back): A provision in a Performance Agreement that states how and to what extent any Incentives provided must be paid back to the City if the required performance criteria are not met.

Staff: The City Manager or their designee.

Tax Abatement: Shall mean the full or partial exemption from paying ad valorem taxes on real property or tangible personal property in accordance with provisions of Chapter 312 of the Texas Tax Code.

Tax Abatement Agreement: Shall mean an agreement to provide Tax Abatement as authorized by Chapter 312 of the Texas Tax Code. It may also be referenced herein as a Performance Agreement.

Section 3.

General Eligibility

The following shall establish the minimum eligibility for receiving Incentives identified in this Policy.

- 3.1. Properties: Only properties meeting the following requirements at the time an Application is submitted shall be eligible to receive Incentives outlined by this Policy.
 - 3.1.1. Within the City: Property must be located within the City's municipal boundaries unless provisions for annexation into the City are part of the Performance Agreement.
 - 3.1.2. Zoning: Property must be zoned for the proposed uses.
 - 3.1.3. Taxes: Property shall be in good standing as it relates to taxes due to the City.
 - 3.1.4. Liens: Property shall be in good standing as it relates to any liens held by the City.
 - 3.1.5. Ownership: Property owners must provide sufficient proof of ownership.
 - 3.1.6. Code Violations: Property must not have any outstanding code violations with the City.
 - 3.1.7. Construction Commencement: Construction for the Facility must not have commenced prior to the approval of a Performance Agreement.
- 3.2. Businesses: Only businesses meeting the following requirements shall be eligible to receive Incentives outlined by this Policy.
 - 3.2.1. Taxes: The business shall be in good standing as it relates to taxes due to the City.
 - 3.2.2. Property Owner Approval: Businesses, if not the owner of the property to be occupied, must provide a copy of their lease agreement and support of the Incentives Application from the Property owner prior to City approval of the Application.
 - 3.2.3. Length of Operations: Existing businesses must have maintained operations in the City for two (2) years consecutively in order to receive Incentives. This does not preclude any new business from eligibility to receive Incentives.
- 3.3. Statutory Limitations: It is the intent of the City to comply with all statutory limitations on the use of any Type A sales and use tax funds for Projects as authorized by the Act.

Section 4.

Priorities

The City has determined that the following are priorities for the Incentives potentially granted pursuant to this Policy. The evaluation of the merits of any Application shall take into consideration whether or not the Application also meets these priorities.

- 4.1. Businesses: The following are the City's preferences for providing Incentives to certain types of businesses in the City.
 - 4.1.1. High Priority: In general, those businesses that generate high-paying jobs and have a limited impact on the natural environment.
 - A. Businesses with a high percentage of employees with a bachelor's degree;
 - B. Businesses with a high percentage of employees that are paid above the average weekly wage;
 - C. Manufacturing businesses that use advanced skills with a large employee base;
 - D. Technology services;
 - E. High sales tax generators;
 - F. Retail and restaurants; and

G. Good utility customers, particularly the use of water, electric, gas and sanitary sewer.

4.1.2. Low Priority:

- A. Businesses that do not provide high wages or benefits;
- B. Business that create significant truck traffic on local streets.

Section 5.
Incentives

Following are Incentives that the City, on a case-by-case basis, could consider granting for specific Projects depending on the merits of the Project. Incentives, including Tax Abatement, are available to new Facilities and structures and the Expansion and Modernization of existing Facilities and structures. This shall include the redevelopment of existing properties. Applicability for each type of Incentive shall be as shown in Section 7 herein. Any Incentives provided pursuant to this Policy shall not reduce the Base Year Value of the Facility.

5.1. Financial – Ad Valorem Taxes: The City may consider granting the following Incentives relative to Ad Valorem Taxes.

- 5.1.1. Real Property Tax: The City may consider abating the taxes on Real Property by approval of a Tax Abatement Agreement or by approval of a Performance Agreement granting back Real Property taxes paid to the City.
- 5.1.2. Business Personal Property Tax: The City may consider abating the taxes on Business Personal Property by approval of a Tax Abatement Agreement or by approval of a Performance Agreement granting back Business Personal Property taxes paid to the City.
- 5.1.3. Inventory Tax: The City grants relief of inventory taxes through their Freeport Exemption if adopted. Inventory that is not eligible for Freeport Exemption is also not eligible for Incentives pursuant to this Policy.
- 5.1.4. Tax Stabilization / Incremental Increase: In a situation where an existing Facility may be Expanded or Modernized, the City may consider stabilizing the ad valorem taxes collected as of the date of completion and / or an incremental yearly increase to market rates. This shall be accomplished by granting back the increase in taxes paid to the City.

5.2. Financial – Sales Tax Grants / Reimbursements: Through approval of a Performance Agreement, the City may provide Grants of all or a portion of the following sales and use taxes. Where the Project is a retail development, for the purposes of evaluating and granting incentives in accordance with this Policy, sales and use taxes shall be measured net of any business relocations occurring within the City. i.e. if a retail business is currently operating in the City, and relocates to the new development, it's sales taxes shall be excluded from the calculation of new sales taxes generated.

- 5.2.1. General Fund Sales Tax: The sales and use taxes going to the City's general fund.
- 5.2.2. Development Corporation Sales Tax: The sales tax going to the City's Type A Economic Development Corporation or Type B Street Improvement for Economic Development Sales Tax funds.
- 5.2.3. Street Fund Sales Tax: The sales and use taxes going to the City's Type B Street Improvement for Economic Development Sales Tax funds may be used for qualifying street improvements made by the Applicant.
- 5.2.4. Alcohol Sales Tax: The sales taxes collected by the City from the sale of alcohol in the City, if applicable.

- 5.3. Financial - Fee Reductions / Credits: The City may consider the reduction or credit of all or a portion of the following fees. This shall not include any charges by third-parties assisting the City with implementation of services provided by the fees unless so provided in an approved Performance Agreement.
- 5.3.1. Impact Fee - Water: Any water Impact Fee charged by the City. This shall not include the “pass-through” Impact Fees owed to any other Agency.
- 5.3.2. Impact Fee - Wastewater: Any wastewater (aka sanitary sewer) Impact Fee charged by the City. This shall not include the “pass-through” Impact Fees owed to any other Agency.
- 5.3.3. Impact Fee - Roadway: Any roadway Impact Fee charged by the City.
- 5.3.4. Road Participation Fee: Any roadway participation fee charged by the City.
- 5.3.5. Drainage Improvement Fee: Any fee charged for the improvement of drainage facilities in the City.
- 5.3.6. Park Dedication Fee: Any fee charged for the improvement of park systems in the City.
- 5.3.7. Building Permit Fee: Any fee related to the review of non-Public Works construction plans and building plans required for the issuance of a building permit.
- 5.3.8. Plan Review Fee: Any fee related to the review and administrative processing of construction plans for Public Works Improvements.
- 5.3.9. Inspection Fee: Any fee related to the inspection of the Improvements.
- 5.4. Financial - Misc.: The City may consider the following miscellaneous financial Incentives.
- 5.4.1. Equipment Purchase: Funds provided to assist with or provide for the purchase of equipment that increases production for the business.
- 5.4.2. Lease Guarantee: An Agreement by the City to guarantee any part of a real estate lease for a desired business.
- 5.4.3. Forgivable Loan: An agreement by the City to provide a loan whose repayment may be forgiven under particular circumstances.
- 5.5. Employment-Related: The City may consider the following employment-related Incentives.
- 5.5.1. Cash for Employment: Any provision where the City provides for one-time payments to the Business for each new employee of a certain classification established at a new or existing Facility in the City.
- 5.5.2. Employee Recruitment Assistance: Any provision where the City provides assistance with the recruiting of new employees to a new or existing facility in the City.
- 5.5.3. Employee Training Assistance: Any provision where the City provides assistance in the training of new employees employed at a new or existing facility in the City.
- 5.6. Infrastructure Assistance: The City may consider the following infrastructure assistance Incentives.
- 5.6.1. Water Line Extensions: Participation in all or a portion of the costs of extending water distribution lines to the Facility.
- 5.6.2. Sewer Line Extensions: Participation in all or a portion of the costs of extending sanitary sewer lines to the Facility.
- 5.6.3. Roadway Improvements: Participation in all or a portion of the costs of roadway improvements serving the Facility.
- 5.6.4. Storm Drainage Improvements: Participation in all or a portion of the costs of storm drainage improvements at or downstream of the Facility.

- 5.6.5. Utility Extensions (Electric, gas, phone, telecom, etc.): Participation in all or a portion of the costs of extending utility services to the Facility.
- 5.6.6. Franchise Utility Undergrounding: Participation in all or a portion of the costs of placing franchise utility services underground to the Facility.
- 5.7. Development Cost Participation: The City may consider participation in the following development cost Incentives.
 - 5.7.1. Demolition: Participation in all or a portion of the costs of demolishing existing structures on a property.
 - 5.7.2. Environmental Mitigation: Participation in all or a portion of the costs of mitigating environmental issues on a property.
- 5.8. Process Related: The City may consider the following process-related Incentives. In all instances, any accelerated or unique process shall meet all statutory requirements.
 - 5.8.1. Fast-track Zoning: Provisions allowing an accelerated consideration of zoning entitlements for the Project.
 - 5.8.2. Fast-track Permitting: Provisions allowing an accelerated review of building and construction plans for the Project.
 - 5.8.3. Fast-track Inspections: Provisions allowing for City inspector(s) to fast-track inspections throughout construction of the Project.
 - A. Exemptions: This shall not include the costs of “call-back” inspections, weekend inspections, or holiday inspections.
 - 5.8.4. Dedicated Inspections: Provisions allowing for City inspector(s) to be dedicated solely or primarily to the Project either at critical times or throughout construction of the Project. This may or may not include a requirement for on-site office space to accommodate the inspector.
 - A. Exemptions: This shall not include the costs of “call-back” inspections, weekend inspections, or holiday inspections.
- 5.9. Economic Development District Establishment: In instances where the Project is of a significant scope and scale, the City may consider the establishment of unique economic development districts (e.g. Tax Increment Reinvestment Zone, Public Improvement District).
- 5.10. Hotel Occupancy Tax: The City may consider the use of Hotel Occupancy Tax pursuant to Chapter 351 of the Texas Tax Code.
- 5.11. Support for State Incentives: The City may consider providing support for the Project in the application and processing of State of Texas incentives.
- 5.12. Support for Federal Incentives: The City may consider providing support for the Project in the application and processing of Federal incentives (Opportunity Zones, New Market Tax Credits, etc.).

Section 6.

Minimum Performance Requirements

The following shall identify the Minimum Performance Requirements for each project classification. These requirements are new construction, revenues or employees attributable to the Project.

Project Classification	Min. New Construction Cost	Min. New FTE Employees	Min. Total Payroll ²	Min. New Taxable Sales ¹	Notes / Examples
Corporate	\$5,000,000	10	\$350,000	-	• Significant office uses, e.g. Corporate HQ or regional HQ
Industrial	\$5,000,000	10	\$350,000	-	• Owner occupied, industrial / logistics business
Retail	-	-		\$1,000,000	•
Hotel / Conf. Center	\$5,000,000	-		-	• Hospitality or entertainment venues including hotels and conference centers
Development	\$5,000,000	-		\$5,000,000	• New development

¹Generated annually, ²Does not include benefits

Section 7.

Applicability Matrix

The following Applicability Matrix shall provide a framework for identifying the potential Incentives that are applicable to various classifications of Projects as identified above. Term and amount of Incentives shall be determined on a case-by-case basis.

Potential Incentive	Project Classification					
	Corporate	Industrial	Retail	Hotel / Conf. Center	Development	Expansion
Tax Abatement	X	X	-	X	-	-
Ad Valorem Tax Grants	X	X	-	X	-	X
Sales Tax Grants	-	-	X	-	X	-
Constr. Sales Tax Grants	X	X	X	X	X	X
Fee Reductions / Credits	X	X	X	X	X	X
Misc. Financial	X	X	-	X	-	X
Employment Related	X	X	-	X	-	X
Infrastructure Assistance	X	X	X	X	X	X
Dev. Costs	X	X	X	X	X	X
Process Related	X	X	-	X	X	X
E.D. Districts	X	X	X	X	X	-
HOT	-	-	-	X	X	X
State / Federal Assistance	X	X	X	X	X	X

Section 8.
Administrative Procedures

The Applicant shall follow the Administrative Procedures noted below to apply for Incentives as identified herein.

- 8.1. Pre-Submittal: All Applicants are encouraged to meet with Staff prior to preparation of an Application. Applicants should contact the office of Economic Development to set up a meeting.
- 8.2. Application Requirements: The submittal of an Application is required prior to any evaluation of the request for Incentives. The Application shall include the following information.
 - 8.2.1. General Information:
 - A. The name of the Project. Note, Staff can provide a temporary confidential project name if desired.
 - B. The intended use (e.g. Call center, corporate / regional office, professional office, retail, distribution).
 - C. If the Project is a relocation, consolidation or expansion of existing facilities, identify the location of the existing facilities.
 - D. An overview of the Company.
 - E. The NAICS Code of the Company's business.
 - F. A description of the experience and qualifications of the Project Team.
 - G. The type of Project (i.e. retention, expansion, own / lease, new development).
 - 8.2.2. Property Information:
 - A. Property address.
 - B. Lot / Block / Subdivision name if platted. If not platted, a legal description will be required prior to executing any Agreements.
 - C. Appraisal District Property ID numbers.
 - D. Current Appraisal District valuations for all parcels.
 - E. Acreage.
 - F. Current owner and proof of ownership (e.g. deed, appraisal info)
 - 8.2.3. Eligibility of Property: Address the eligibility requirements in Section 3.1.
 - 8.2.4. Eligibility of Business: Address the eligibility requirements in Section 3.2.
 - 8.2.5. Priorities: Address the priorities in Section 4.0.
 - 8.2.6. Project Data:
 - A. Business name.
 - B. Describe the type of building proposed (e.g. number of stories, style, materials)
 - C. Describe the development concept (e.g. single building or campus setting, open space, surface or structured parking)
 - D. Describe the extent that any infrastructure component is enhanced or expanded.
 - E. Provide timing estimates for major milestones of the Project.
 - F. Provide estimates of Project data by phase and date, including but not limited to:
 - i. List the kind, number, use, square footage and location of all the proposed improvements on the property.

- ii. Total capital investment including acquisitions, Improvements, building costs and equipment.
 - iii. Estimated Appraised Value of all Improvements.
 - iv. Acquisition cost of all Business Personal Property
 - v. Estimated Appraised Value of all Business Personal Property.
 - vi. Number, type, quality and wage levels of new Full-Time Equivalent (FTE) employees.
 - vii. New Payroll added.
 - viii. Average employees' annual salary.
 - ix. Employees with salary \$50,000 or greater.
 - x. Benefits provided to employees.
 - xi. Taxable sales from the Facility.
 - xii. Hotel Occupancy Tax generated (if applicable).
- 8.2.7. Requested Incentives: The Applicant shall itemize the Incentives referenced in Section 5 that they are requesting from the City. These are to be prioritized by order of preference by the Applicant.
- 8.2.8. Required attachments and / or exhibits:
- A. Legal description of the Property.
 - B. Proof of ownership, or copy of contract option or offer.
 - C. Photos of existing conditions
 - D. Drawings, renderings, plans of the proposed Improvements.
 - E. Current ad valorem tax appraised value estimates by the applicable appraisal district showing appraised values for three similar type and size projects within the County.
 - F. If Applicant is not the Property owner:
 - i. Written approval of the Application from the owner
 - ii. Copy of the signed lease agreement
- 8.2.9. Amendments: Staff may amend the form of the Application as needed to more efficiently evaluate the merits of the requested Incentives.
- 8.3. Review & Evaluation: Following are criteria to review and evaluate the Application.
- 8.3.1. Review Criteria:
- A. Completeness of Application: Completeness of the Application; including all required documentation.
 - B. Priorities: Does the Application include a high-priority business classification?
 - C. General Eligibility: Does the Project meet the General Eligibility requirements?
 - D. Revenues: What are the net tax revenue benefits to the City, both Ad Valorem and Sales Taxes?
 - E. Employment: How many people will be employed by the Project? What are the education level requirements for employment? Are the wages to be paid higher than the average in the area?

- F. Impacts: An estimation of the positive and negative impacts that the Project might have.
 - i. Cannibalization of Existing Businesses: To what extent does the Project cannibalize the profitability of an existing business?
 - ii. Private Investment Catalyst: To what extent does the Project act as a catalyst for future private investment?
 - iii. City Services: To what extent does the Project have a positive or negative impact on the Services or infrastructure of the City?
- 8.3.2. Staff Evaluation and Recommendation: The coordinating Staff member shall convene a team of the appropriate Staff members to evaluate the Application. Upon review, Staff shall prepare a recommendation to forward to the City or appropriate Board.
 - A. Site Visit: Prior to formal evaluation of the Application, the Applicant shall allow Staff the opportunity to visit the Property to verify its status prior to any Incentives.
 - B. Return on Investment / Break-even Analysis: Staff shall analyze the return on the investment of Incentives for the Project and / or the timing required for new revenues to “break-even” with the cost of the proposed Incentives.
 - i. Larger Projects: Where the scale, investment and / or jobs created is significantly large or potentially impactful, the City may utilize Consultants as noted in the next section, or third-party impact analysis modules to estimate benefits and impacts. If this is required, additional information from that shown on the Application may be requested from the Applicant to ensure a comprehensive analysis.
 - C. Consulting Services: To the extent that a consulting service is deemed necessary by the City to aid in their evaluation (e.g. financial impacts / cost-benefit analysis, infrastructure impacts or capabilities), the City may require that the Applicant participate up front in the cost of obtaining these services.
- 8.4. Preliminary Discussions: Upon receipt of a satisfactory Application, and preparation of a Staff Recommendation, Staff shall hold preliminary discussions with approving bodies as follows.
 - 8.4.1. A / B Boards: Where funds to be used for any Incentive herein are subject to authorization of the A or B Board, the Board shall consider the request for Incentives and make a recommendation to the Council.
 - 8.4.2. Other Allied Agencies: Staff will reach out to other allied agencies (e.g. County, College, ISD) to ascertain whether or not they have also been approached to provide incentives for a project, and if so, what level of incentives are being contemplated. It is a desire of the City to understand the impacts (good and bad) of a proposed project and the level of support that might be provided by any agency in the community and / or region.
 - 8.4.3. Council: The Council shall be briefed on the merits of the preliminary Incentives request and the recommendation of the Board, if any, and advise Staff whether or not to proceed with negotiations of an Agreement in Principle.
- 8.5. Agreement in Principle: The Economic Development Staff shall lead the negotiation and drafting of a non-binding Agreement in Principle (AIP) memorializing in writing the Project’s performance requirements and the Incentives to be provided by the City. This shall include engagement of Project representatives, the A and B Boards, City Council and their legal representatives if appropriate. Evolution of changes in the AIP shall be documented via redline/strikeout drafts as progress is made.

- 8.5.1. Preliminary Approval: Staff shall seek preliminary approval of the AIP from Project representatives, the appropriate Board, and City Council prior to preparation of a Performance Agreement.
- 8.6. Performance Agreement: A Performance Agreement shall be required for all Projects receiving Incentives from the City in accordance with the following.
- 8.6.1. Preparation: The Economic Development Staff shall work with legal representatives for the City to prepare a Performance Agreement substantially conforming to the provisions of the Agreement in Principle.
- A. Allied Agency Engagement: Though not a party to any City Performance Agreement, Staff shall engage and keep informed any allied agencies (County, School District) contemplating their own incentives for the Project.
- 8.6.2. Tax Abatement Minimum Requirements: Any Performance Agreement including Tax Abatement shall include the following at a minimum:
- A. Improvements: List the kind, number and location of all the proposed improvements on the Property.
- B. Base Year Value: Provide that the Agreement does not include any reduction in Base Year Values.
- C. Access: Provide access to and authorize inspection of the property by City employees to ensure that the improvements or repairs are made according to the specifications and conditions in the Agreement.
- D. Uses: Limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect.
- E. Recapture Provisions: Provide for the recapture of property tax revenue lost or any Incentives provided as a result of the Agreement if the owner of the Property fails to make the improvements or repairs as provided by the Agreement.
- F. Term: Describe the term of the Agreement.
- G. Certification: Require the owner of the Property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the Agreement.
- H. Cancellation / Modification: Provide that the City may cancel or modify the Agreement if the property owner fails to comply with the Agreement.
- 8.6.3. Responsiveness: The offer of Incentives by any Performance Agreement shall expire ninety (90) days from the date it is provided to the Applicant unless extended in writing by the City. The expiration of any offered Performance Agreement shall not preclude continued negotiations toward the development of an alternative Agreement.
- 8.6.4. Approvals: Evaluation and any subsequent approval shall be on a case-by-case basis pursuant to the introductory paragraph of Section 1 herein. All Performance Agreements, including any Tax Abatement Agreement, shall follow and comply with all statutory requirements for notice, hearings and readings where applicable. The following shall be required for approval of Incentives.
- A. Board Recommendation / Approval: Where funds to be used for any Incentive herein are subject to authorization of either the A or B Board, the Board shall consider the request for Incentives and make a recommendation to the Council. In instances where the Council has previously approved the expenditures, either through approving the

Board's budget or other means as allowed by the Act, the Board shall be the final approval of the Incentive request.

- B. Council: Unless final approval is authorized by the Board as noted above, the Council shall make the final decision regarding the merits of the Application and the appropriate Incentives to be provided, if any.

- 8.6.5. Compliance Reporting: All Performance Agreements shall include requirements for reporting compliance with the provisions of the Agreement prior to disbursement of incentive funds.

Section 9.

Applicant / Owner Certifications

The following Applicant / Owner Certifications shall be included in the submitted Application.

- 9.1. Application Accuracy: The information provided in this Application, and all that may have been affixed hereto, is true and correct, and that the City may rely on all of the information contained herein, and all that may have been affixed hereto, as being true and correct.
- 9.2. Performance Agreement: I (we) acknowledge that a Performance Agreement will have to be executed prior to receiving any Incentives.
- 9.3. Discretionary Rights: I (we) acknowledge that the City has the absolute right of discretion in deciding whether or not to approve any Incentive relative to this Application, whether or not such discretion is deemed arbitrary or without basis in fact.

Section 10.

General Provisions

- 10.1. Flexibility: The terms and conditions of this Policy are to be considered guidelines during deliberation and evaluation. The City reserves the right to modify the terms and conditions herein at any time, including for any pending application, and may approve a Tax Abatement Agreement or Performance Agreement and the Incentives related thereto, on terms and conditions contrary to the guidelines of this Policy.
- 10.2. Section or Other Headings: Section or other headings contained in this Policy are for reference purposes only and shall not affect in any way the meaning or interpretation of this Policy.
- 10.3. Severability: In the event that any provision of this Policy is illegal, invalid, or unenforceable under present or future laws, the remainder of this Policy shall not be affected thereby.

Section 11.

Supplementary Programs

The following supplementary incentive programs have been adopted by the City and are included and restated in this Incentives Policy.

- 11.1. Appendix A – Documented Sites Program: Approved on April 22, 2015 by Resolution 2015-2.
- 11.2. Appendix B – Small Business Development Program: Approved on March 27, 2015 by Resolution 2015-1.
- 11.3. Appendix C – Workforce Training and Development Assistance Program: Approved on August 27, 2014 by Resolution 2014-1.
- 11.4. Appendix D – Innova Business Improvement Grant Program: Approved by Board action on January 22, 2016.

Appendix A
Documented Sites Program
(Page 1 of 2)

RESOLUTION No. 2015-2

A RESOLUTION CREATING THE DOCUMENTED SITES PROGRAM AND AUTHORIZING THE INCLUSION OF THIS PROGRAM INTO THE ECONOMIC DEVELOPMENT POLICY AND INCENTIVES.

WHEREAS, New business creation is one of the goals of the Center Economic Development Corporation; and,

WHEREAS, the reduction of risk and speed to market are of the utmost importance in a site selection process; and

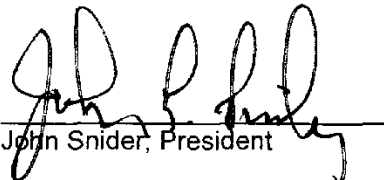
WHEREAS, the absence of information on a particular site can create risk and slow down or halt potential investment in the community; and

WHEREAS, the goal of the program is to create a portfolio of tracts of land that have certain documentation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTER ECONOMIC DEVELOPMENT CORPORATION THAT:

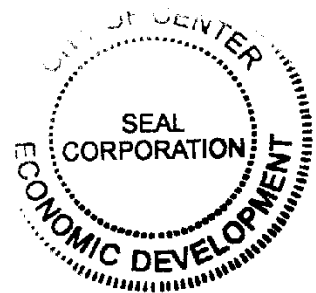
1. The Center Economic Development Corporation now creates the Documented Sites program. under guidelines as explained in Exhibit A.

PASSED and APPROVED on the 22nd day of April, 2015.


John Snider, President

ATTEST:


David Chadwick, Secretary



Appendix A
Documented Sites Program – Policies and Procedures
(Page 2 of 2)

Goal

The purpose of this program is to create a portfolio of sites either inside the City or in the ETJ that would have a certain level of documentation. The goal is to reduce the risk level associated with the site selection process and to facilitate the speed of the transaction so that a prospect can quickly start operations. The Center Economic Development Corporation Board also sees this program as a means to enhance the City's marketability to outside investors.

Site Eligibility

Tracts of land identified as "Industrial" in the Future Land Use Plan will receive first consideration. The property owner must enter into an Assistance Agreement with the EDC, in which they must provide a survey and list a not-to-exceed price. The Assistance Agreement will also serve as a development agreement for annexation purposes. If a tract of land is inside the City Limits, the property owner must agree to sponsor a rezoning application.

The property owner must present evidence of clear title ownership of the land for inclusion in the portfolio. The property owner must also produce a valid property survey with a metes and bounds description. Further, the property owner must agree to a written not-to-exceed sales price valid for one calendar year.

Site Studies

- Phase I environmental
- Endangered species determination
- Cultural resources determination
- Flood plain delineation or letter stating that the property is outside of the floodplain
- Soil sample analysis to determine that the site is free of contaminants

Site Survey

- Topographical survey
- Highway access survey. Identify location of highway access points and preparation of stamped document and study to accompany TxDOT highway access application.
- Any required water runoff impact or mitigation analysis

Utility Work

- Using existing City of Center data determine the best method for extending water and wastewater service to the site. If utilities are at the site, document the size of the infrastructure and its capacity. Create construction documents, if necessary, for the enlargement of the utility to meet fire flow standards. The design will be such a way that the utility line size can be easily altered.
- Document the sources of electricity to the site. If none, identify procedures for extending service.
- Document telecommunication access; identify procedures and plans for upgrades if necessary.
- Document natural gas service access.

Development Concepts

Considering the size of the lot, prepare conceptual drawings of the siting of a building (50K square feet) with other facilities such as streets, parking lots, highway access, landscaping areas, etc.

Process

The City will use the future land use map to identify those areas targeted for industrial development and then contact those land owners to gauge their interest in participation in the program. The inclusion of any property not identified in the future land use map will require Board approval. The land owner and the Center EDC will enter into a contractual agreement to perform the work and meet other contractual obligations.

Appendix B
Small Business Development Program
(Page 1 of 4)

RESOLUTION No. 2015-1

A RESOLUTION CREATING THE SMALL BUSINESS DEVELOPMENT PROGRAM AND AUTHORIZING THE INCLUSION OF THIS PROGRAM INTO THE ECONOMIC DEVELOPMENT POLICY AND INCENTIVES.

WHEREAS, New business creation is one of the goals of the Center Economic Development Corporation; and,

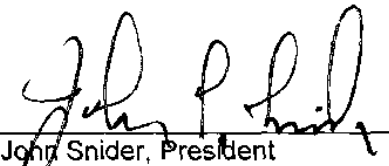
WHEREAS, There are numerous methods to achieve this goal; the Center Economic Development Board has agreed to create a small business development program; and

WHEREAS, The goal of this program is to encourage local entrepreneurs to start their own business and locate them in Center.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTER ECONOMIC DEVELOPMENT CORPORATION THAT:

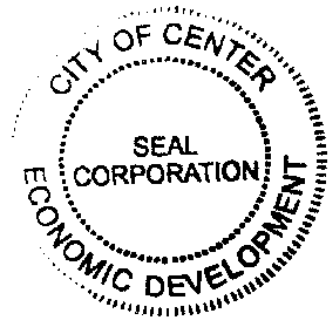
1. The Center Economic Development Corporation now creates the Small Business Development Program for eligible entrepreneurs under guidelines as explained in Exhibit A.

PASSED and APPROVED on the 27th day of March, 2015.


John Snider, President

ATTEST:


David Chadwick, Secretary



Appendix B
Small Business Development Program
(Page 2 of 4)

EXECUTIVE SUMMARY

This proposal is for the creation of a small business development program. This approach seeks to realize all the potential benefits of a traditional business incubator but at a fractional cost. The program could develop into a community game changer, creating an entrepreneurial eco-system which attracts outside investment and position Center as a great place for business.

DEFINITION

A small business development program is an economic and social development process designed to advise potential start-up companies, and through a comprehensive business assistance program, help them establish and accelerate their growth and success.

MISSION STATEMENT AND PURPOSE

The Center Economic Development Corporation Board finds that the development and operation of a small business development program is consistent with the mission of the Corporation. The small business development program assists new businesses by providing business counseling, business services and real estate subsidies

The purpose of the small business development program is to enhance the success of new and fledgling businesses through education, training and support services.

Program clients will receive training, business and financial planning assistance, identification of sources for financial support and information on resources available in the community. This will create an entrepreneur eco-system to fuel economic growth in the community.

STAFFING AND MANAGEMENT

The Economic Development Coordinator will be responsible for the administration of the small business development program and will develop additional operating procedures which are consistent with the policies established by the CEDC Board. The Coordinator will report to the City Manager

The Coordinator will use these guidelines for screening applications, recommending clients, operating the program, and implementing the exiting process. All agreements will be approved by the Center Economic Development Corporation Board.

ELIGIBILITY

The selection of clients for the small business development program will be a direct reflection on the goals, priorities, and focus of the Center EDC Board. The basic considerations for program entry shall be as followed:

- Does the company appear to have the potential to make a significant impact on the community? Additional consideration will be made for those businesses generating large amounts of sales tax revenue.

Appendix B
Small Business Development Program
(Page 3 of 4)

- The clients must project a firm commitment to the proposed business
- The clients must have participated in some form of basic business training. This eligibility criteria can be satisfied either by completing a basic business course offered through a SBDC, applicable college work or on the job experience.
- Do the clients have the personal characteristics whereby they would be a sound investment?
- To what degree is the business unique, innovative or new to the area?
- The proposed business must create at least 20 jobs within 5 years.

The small business development program will not allow certain types of businesses to participate. Local service businesses such as personal services, retail establishments, restaurants, entertainment venues, hair salons, or auto mechanic shops will not be allowed. Businesses that produce a high value service or manufacture a product to import money from outside the community are the intended beneficiary of this program.

Further, the client must agree that in order to continue in the program that they must agree to operate their business in Center.

BENEFITS AND SERVICE TO CLIENTS

The small business development program will provide reimbursement to clients based on the following schedule

	Assistance Offered	Annual Assistance Not To Exceed
Year 1	Creation of marketing and growth business plan, incorporation costs, general legal costs, accounting costs, intellectual property filing costs, marketing research and brand development	TBD
Year 2	Quarterly subsidy 50% lease payment	TBD
Year 3	Quarterly subsidy 40% lease payment	TBD
Year 4	Quarterly subsidy 30% lease payment	TBD
Year 5	Quarterly subsidy 20% lease payment	TBD
	Total Assistance to Client	TBD

In order to qualify and receive their quarterly lease payment, clients shall agree to quarterly meetings with the Coordinator.

From time to time, the program will present educational events for clients to attend. Participation may not be mandatory but will be encouraged.

The Program will not pay for the following costs: Legal costs associated with a litigation, claims or legal disputes; research and development costs; personal costs or personal reimbursements; taxes to any government entity; franchise fees or licenses; personal or business travel expenses; trainings expenses or costs.

CLIENT ENTRY AND EXIT PROCEDURES

A pre-entry interview for screening purposes is required. A pre-entry application shall be completed and submitted to the Coordinator. The completed application is reviewed by the

Appendix B
Small Business Development Program
(Page 4 of 4)

Coordinator and presented to the Center EDC Board for program acceptance. Upon acceptance into the program, the client will sign an agreement.

The maximum length of participation in the program is 5 years. According to the National Business Incubator Association, the average time for a business to be located in an incubator is 3 years. During the assistance period, the company must reach job creation targets in order to remain in the program based on the following table.

	Job Creation Target – by end of year
Year 1	30-40%
Year 2	40-50%
Year 3	55-65%
Year 4	75-85%
Year 5	100%

A job is defined as a full time equivalent (FTE) or one person or a combination of positions working at least 2,000 hours per year. Fulltime self-employment in the business may be included.

If the business appears to be struggling, the Coordinator can demand an intervention be made. This can take the form of additional counseling or other measures to help the business get back on track.

Within the 5 year period, a business owner may be asked to leave the program if progress toward graduation is not being achieved, i.e. not meeting job targets, or fulfilling their other financial responsibilities. The client may also exit the program if they elect to move their business outside of Center. The client may exit the program if they fail to meet the terms of any corrective action plan for 4 consecutive quarters. The Center EDC Board reserves the right to recoup its investment in any legal means available.

The client may, at the Center EDC Board's sole discretion, be a candidate for graduation after achieving one or more of the following benchmarks.

- Client has experienced significant revenue growth and/or profitability allowing the client to continue operation without further assistance.
- Client company employs 30 or more full time employees to work at their facility.
- Client is acquired by another company. Participation in the program is not automatically transferable.
- Client, if a corporation, initiates an initial public stock offering (IPO).
- Expiration of 5 years from date of the agreement.
- If the company moves outside the Center city limits

Appendix C
Workforce Training and Development Assistance Program

RESOLUTION No. 2014-1

A RESOLUTION CREATING THE WORKFORCE TRAINING AND DEVELOPMENT ASSISTANCE PROGRAM AND AUTHORIZING THE INCLUSION OF THIS PROGRAM INTO THE ECONOMIC DEVELOPMENT POLICY AND INCENTIVES.

WHEREAS, The Center Economic Development Corporation recognizes that workforce development is a critical component of the success of its economic development mission; and,

WHEREAS, The Center Economic Development Corporation does not currently have and adopted workforce development policy; and

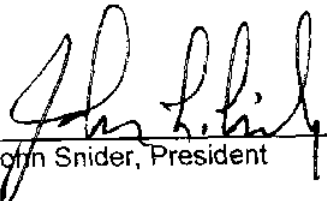
WHEREAS, Tyson Foods is seeking an application to the Texas Enterprise Zone program for assistance with a large maintenance project and will receive additional points if there is a publicly supported workforce development program in place; and

WHEREAS, It may become necessary in the future to replicate this program for another business.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTER ECONOMIC DEVELOPMENT CORPORATION THAT:

1. The Center Economic Development Corporation now creates the Workforce Training Assistance and Development Program for eligible local businesses.
2. In order for a business to qualify for the program, a business must commit to training a certain number of employees and then retaining or expanding their employment base.
3. This program is to be considered an addition to the existing economic development policy.
4. The Board will consider and evaluate each proposal on its merits.

PASSED and APPROVED on the 27th day of August, 2014.


John Snider, President

ATTEST:


David Chadwick, Secretary



Appendix D
Innova Business Improvement Grant Program
(Page 1 of 4)

GUIDELINES AND CRITERIA FOR THE INNOVA BUSINESS IMPROVEMENT GRANT PROGRAM
CENTER ECONOMIC DEVELOPMENT CORPORATION

SECTION 1. PURPOSE

The purpose of this program is to promote the development and expansion of new and existing businesses within the City of Center, Texas (the 'City'), and enhance the economic welfare of the citizens of the City, by securing and retaining business enterprises and maintaining a higher level of employment, economic activity, and stability.

SECTION 2. TYPE AND AMOUNT OF GRANTS

- A. **Façade Improvement:** Improvements to building façade including, but not limited to painting, reconstruction, addition of awnings and/or remodeling. The grant amount shall be equal to 50% of the cost of such improvements, up to a maximum of \$5,000.
- B. **Property Improvement:** Improvements to currently underutilized or uninhabitable structures to bring them up to code including, plumbing and electrical improvements. The grant amount shall be equal to 50% of the cost of such improvements, up to a maximum of \$5,000.
- C. **Landscaping Improvement:** Landscaping improvements to the exterior of buildings and sites meant to enhance the aesthetic appeal and value of the property. The grant amount shall be 50% of landscaping maintenance features (e.g. sprinkler, beds, etc.) up to a maximum of \$2,000.
- D. The Center Economic Development Board reserves the right to consider and/or reject any and all applications. The Center Economic Development Board also reserves the right to use their discretion to award a grant to any project falling outside these guidelines.

SECTION 3. ELIGIBILITY

Any new business planning to locate within the City, or any business currently located within the City limits, shall be eligible for this program.

All buildings and facilities located in a commercial or industrial zone shall be eligible for this program.

Payment of City property taxes must be current for a property to be eligible.

Any proposed structural improvements will require a City pre-inspection to identify code issues.

Any applicant must resolve identified structural code issues before receiving a façade or landscaping award.

SECTION 4. GUIDELINES

- A. Proof of applicant's ownership of the subject facility or facilities, or proof that the owner of such facility has approved the application for such grant funds, shall be required.
- B. The owner of a business to be operated within a leased facility and the owner of such lease facility must apply jointly for the program. Copies of a lease agreement and proof of facility ownership shall be required.
- C. A business or property owner may apply for one (1) or more of the three (3) types of grants per physical location (address) set forth herein within any fiscal year (October 1 through September 30). A business that receives grant funding during a fiscal year shall not be eligible to receive

Appendix D
Innova Business Improvement Grant Program
(Page 2 of 4)

another grant within 36 months of completion. If in the event of shortage of funds or conflict, new applicants will receive priority.

- D. The maximum amount of funding available to any one applicant, business establishment, or property owner at one physical location (address) shall be \$12,000 per fiscal year. Such \$12,000 maximum shall only apply if all three grant types are requested and approved. Three (3) estimates will be required for the application of the proposed improvements.
- E. All grants are reimbursement grants, and will only be funded after the completion of the project in accordance with drawings and specifications approved by the Center Economic Development Corporation and after the applicant submits to the CEDC proof of paid receipts (cancelled checks, etc.) for all applicable labor, materials, and related project expenses.
- F. Reimbursement grants are a cash match for funds disbursed by the applicant. In-kind contributions may not be used as any part of the applicant's match. Only cash expenditures by the applicant may be used in calculating the cost of improvements.
- G. The applicant shall be obligated to make the improvements in accordance with the application submitted to and approved by the CEDC. The applicant shall submit drawings, renderings, and/or plans for proposed improvements. Projects located in the Historic Downtown Square shall conform with architectural features and designs as outlined in the Downtown Streetscape Master Plan. Any modifications must first receive written approval of the CEDC. Failure to obtain such written approval prior to making any such modification shall render the applicant ineligible to receive grant funding.
- H. The applicant shall be responsible for obtaining all applicable permits relating to the improvement project, and failure to do so will render the applicant ineligible to receive grant funding.
- I. The improvements, as presented in the application, must be completed in their entirety. Failure to complete all of the stated improvements shall render the applicant ineligible to receive grant funding.
- J. For landscaping projects, the applicant will be responsible for installing proper landscaping maintenance and protection features (e.g. sprinkler system, planters, bump-outs, etc.) prior to receiving grant funding. Failure to complete all of the stated improvements shall render the applicant ineligible to receive grant funding.
- K. Upon approval of a grant application, and during the construction of improvements, a representative or representatives of the CEDC shall have the right to access and inspect the work in progress.
- L. The applicant SHALL NOT BEGIN IMPROVEMENTS RELATED TO THE APPLICATION prior to receiving written approval of grant funding from the CEDC.
- M. For vacant structures, the applicant must complete the improvement project and agree that a business establishment will be open for business and in operation within six (6) months from grant approval by the CEDC board. Failure to complete the improvements and open the business establishment within the required time shall be considered a default and result in the loss of grant funds and possible reimbursement to the Center Economic Development Corporation.
- N. The applicant must agree to remain in business and to not sell or assign such business to another person or entity for a period of twelve (12) months from the date of his/her application.
- O. Approval of all applications shall be with the understanding and agreement that, in the event the business (applicant) fails to remain open, or the business or property is sold or transferred, within

Appendix D
Innova Business Improvement Grant Program
(Page 3 of 4)

twelve (12) months after the funding of the grant, the applicant shall be considered in default of its obligations under the grant and shall be required to reimburse the CEDC the grant money received, in accordance with the requirements hereof.

- P. The applicant must agree that, in the default of its obligations, the CEDC has the right to reimbursement for all attorney's fees and costs, which may be incurred as a result of any legal action required to seek reimbursement of all applicable grant funding received by applicant.

SECTION 5. APPLICATION AND APPROVAL

- A. Applications filed with the CEDC shall be considered at the most expedient possible CEDC Board meeting.
- B. Applications must be made on the application form as supplied by the CEDC.
- C. Applications must be approved by the CEDC Board of Directors
- D. All applicants shall be notified, in writing, of the CEDC's decision to approve or disapprove an application.
- E. The CEDC may award grant funds to an applicant, with certain provisions, conditions, or other requirements the CEDC deems necessary and appropriate.

SECTION 6. FUNDING

- A. Upon notification to the CEDC by the applicant that a project has been completed, an inspection shall be made to confirm that such project has been completed in accordance with the application, or any approved modification thereto. Such notification shall include, but not limited to, documentation of paid receipts for materials, labor, permits, inspection reports, or any other items that the CEDC may reasonably deem necessary for determining the project's completion.
- B. Within thirty (30) days following the inspection required in Paragraph A above, and confirmation of completion of the project in accordance with the application, or any approved modifications thereto, the CEDC may authorize release of grant funds. Upon authorization, 50% of the total grant amount awarded shall be paid to the applicant. An additional 50% of grant funds will be released 30 days after the first payment for an existing business. For a new business, the remaining 50% will be released once the business has been open for 30 days.
- C. If the CEDC makes a determination that the project has not been completed in accordance with the application or any approved modifications, the CEDC shall issue a deficiency letter, informing the applicant of all areas of non-compliance. The applicant shall then have sixty (60) days from the date of the notification to bring the project into compliance. Failure to complete such modifications within the 60 day period shall be deemed a default of the applicant's obligations under the grant. Any costs associated with bringing the project into compliance are non-reimbursable under this program.
- D. If the applicant business is closed, sold, or transferred within a six-month period after funding approval is received, the applicant shall be required to reimburse the CEDC for 100% of the grant amount received.
- E. Payments due pursuant to paragraph D must be paid in full within thirty (30) days after the date of written notification by the CEDC that the applicant/owner is in default of any of the funding requirements set forth herein. The form of payment shall be a cashier's check or money order, made payable to the Center Economic Development Corporation.

Appendix D
Innova Business Improvement Grant Program
(Page 4 of 4)

SECTION 7. NOTICE

- A. The Center Economic Development Corporation shall deliver a copy of these guidelines to any applicant for his/her review and the delivery hereof does not constitute an offer of Business Improvement Grant funds.
- B. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of the Business Improvement Grant program. If any provision of the Business Improvement Grant program is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected thereby.



Center, Texas

Incentives Application

Jim Gibson, CEcD
 Assistant City Manager / Director of E.D.
 (936) 598-2941
jgibson@centertexas.org

1	GENERAL INFORMATION			
a	Project Name:			
b	Intended Use (e.g. Call center, corporate / regional office, professional office, retail, distribution):			
c	If project is a relocation or consolidation of existing facilities, identify the location of the existing facilities:			
d	Company Overview:			
e	NAICS Code: (See this link for help) http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012			
f	Project Team Experience & Qualifications:			
g	General comments from Applicant (if desired):			
	Yes	No	Type of Project	Notes
h			Retention of existing business	• Years in business at this location?
i			Expansion or modernization of existing facility	•
j			New business / to own new facility	•
k			New business / to own existing facility	•
l			New business / leasing existing facility	•
m			New business / leasing new facility	•
n			Development	•
o			Other:	•
2	PROPERTY INFORMATION			
a	Property Address:			
b	Lot / Block / Subdivision Name:			
c	Appraisal District Property ID Numbers:			
d	Current Appraisal District Valuations of all Parcels:			
e	Acres:			
f	Currently owned by:			
3	ELIGIBILITY OF PROPERTY [Section 3.A]			
	Yes	No	Item	Notes
a			Within the City?	•
b			Zoned appropriately for use?	•
c			City taxes in good standing?	•
d			No City liens existing?	•
e			Proof of ownership provided?	•
f			Outstanding code violations?	•
g			Construction has not commenced?	•
4	ELIGIBILITY OF BUSINESS [Section 3.B]			
	Yes	No	Item	Notes
a			Business taxes in good standing?	•
b			Tax paying entity?	•
c			If not owner, authorization provided?	•
d			If existing business, in City 2 years?	•

5	PRIORITIES [Section 4.0]				
	Yes	No	Preferred Business?	Notes	
a			Businesses with a high percentage of employees with a bachelor's degree	•	
b			Businesses with a high percentage of employees that are paid above the average weekly wage	•	
c			Manufacturing businesses that use advanced skills with a large employee base	•	
d			Technology services	•	
e			High sales tax generators	•	
f			Retail and restaurants	•	
g			Good utility customers, particularly the use of water, electric, gas and sanitary sewer	•	
6	PROJECT DATA [Section 8.B]				
a	Business Name:				
b	Describe the type of building proposed (e.g. # of stories, style, materials, etc.):				
c	Describe the development concept (e.g. single building or campus setting, open space, surface or structured parking, etc.):				
d	Describe the extent that any infrastructure component of the Town is enhanced or expanded:				
e	Month / Year	Timing		Notes	
f		First development application		• (zoning, site plan, etc)	
g		Desired approval date		•	
h		Ground breaking		•	
i		Phase 1 occupancy		•	
j		Phase 2 occupancy		•	
k		Phase 3 occupancy		•	
	Estimated Data by Phase and Date		Phase 1 Month / Year	Phase 2 Month / Year	Phase 3 Month / Year
l	Building(s) construction in square feet				
m	Construction cost all Improvements				
n	Estimated appraised value of all Improvements				
o	Acquisition cost of all business personal property				
p	Estimated appraised value of BPP				
q	New full-time equivalent (FTE) employees				
r	New payroll added				
s	Average employees annual salary				
t	Employees w salary \$50,000 or greater				
u	Benefits provided				
v	Taxable sales from the Facility				
w	Hotel occupancy tax generated				
x	Add notes about any item above:				
	6.n	e.g. Note here			
7	Policy Section	INCENTIVE(S) REQUESTED <i>In priority order</i>	Estimated Full Cost	Requested % Term-Yrs Amount	
a	5.?		\$		\$
b	5.		\$		\$
c	5.		\$		\$

d	5.		\$			\$
e	5.		\$			\$
f	5.		\$			\$
Add justification and / or notes about any item above:						
	7.a	e.g. Note here				
	8.4.2	Please describe any incentives or support you are requesting from other agencies (e.g. County, ISD, State):				
8 ATTACHMENTS / EXHIBITS						
	Yes	No	Item		Notes	
a			Legal description of property		•	
b			Proof of ownership		•	
c			Photos of existing conditions		•	
d			Drawing, renderings, plans of the proposed Improvements		• If not included in development application	
e			Copy of the signed lease agreement		• If Applicant is not property owner	
f			Current AV tax appraised value estimates for 3 similar projects		•	
9	Applicant / Owner Certifications: In accordance with Resolution # __ - ____ adopting the Incentives Policy, the undersigned do hereby certify the following:					
a	Application Accuracy: The information provided in this Application, and all that may have been affixed hereto, is true and correct, and that the City may rely on all of the information herein contained, and all that may have been affixed hereto, as being true and correct.					
b	Performance Agreement: I (we) acknowledge that a Performance Agreement (PA) will have to be executed prior to receiving any Incentives.					
c	Discretionary Rights: I (we) acknowledge that the City has the absolute right of discretion in deciding whether or not to approve an incentive relative to this application, whether or not such discretion is deemed arbitrary or without basis in fact.					
10	I (we) hereby affirm the Certifications noted above and approve this Incentives Application and the incentive requests identified herein.					
Property Owner			Applicant / Primary Incentives Contact			
Company:			Company:			
Signed:			Signed:			
Name:			Name:			
Title:			Title:			
W:		C:	W:		C:	
EM:			EM:			
Address:			Address:			