

THE CITY OF ALTON DEVELOPMENT CORPORATION

ECONOMIC DEVELOPMENT INCENTIVES PROGRAM GUIDELINES 2018-2019

SECTION I. PURPOSE

It is the policy of the City of Alton Development Corporation (CADC) to provide incentives to selected private businesses that make or will make a measurable difference in achieving economic growth and development, expanding and diversifying the tax base and creating new quality jobs within the City of Alton, pursuant to Chapter 380, Texas Local Government Code.

The purpose of this policy is to define the financial incentives and to establish standards by which they will be implemented. New businesses or expansion of existing businesses may be considered for financial incentives.

Incentives cannot be transferred as a result of a change in the majority ownership of the business without the expressed written consent of the CADC. Any new owner desiring to receive incentives shall file a new application for an economic development incentive. It shall be the responsibility of the business to notify the CADC of any such substantive change.

The City of Alton Development Corporation is under no obligation to approve any requested incentive and no right to these incentives is either intended or implied.

SECTION II. STRATEGIC OBJECTIVES

The City of Alton Development Corporation, through the implementation of this and other policies, shall endeavor to accomplish the following strategic objectives:

1. The CADC will pursue a stable, year-round economy with unemployment rates at least as favorable as the rest of Texas, with an emphasis on targeting quality jobs. A quality job is defined as a job that pays a wage or salary equal to or greater than the current Hidalgo County Median Wage as computed annually by the Texas Workforce Commission and provides health insurance benefits to employees.

Note: Median wage - \$19,582/yr or \$9.41 per hour.

2. The CADC will support the business retention and expansion of existing businesses within the city of Alton.

3. The CADC will support large private commercial recreational and tourism ventures that attract a Regional or National client base and that will enhance the community's quality of life, fill a services void, or serve the youth of the community.
4. The CADC will support the development of designated redevelopment areas including neighborhood redevelopment strategy areas and targeted infill areas within the city of Alton.
5. The CADC supports the attraction and retention of companies that have strong Regional and National markets for their products or services.
6. The CADC is especially interested in attracting businesses within the **industry clusters** identified in the Industry Cluster Analyses for the Rio Grande Valley: manufacturing, transportation, logistics and warehousing, professional services, food services, retail, tourism, recreation and entertainment, health services and medical technologies with an emphasis job creation and increasing the sale tax base.

SECTION III. GENERAL CRITERIA

The CADC may provide incentives for any business or commercial development project if that project, in the opinion of the CADC:

1. Will substantially enhance the economic health of the city of Alton;
2. Will result in a net increase or retention of jobs in the city of Alton, will add to the tax base, and will otherwise improve or enhance the economic welfare of the residents or businesses of the city of Alton; or
3. Demonstrates the potential to generate revenues to the city of Alton which outweigh costs associated with incentives.

In addition, the following criteria must be satisfied.

The project must:

1. Show a clear demonstration of public purpose and economic benefit through advancement of the CADC's economic goals which include expanding the tax base, creating quality jobs, increasing private capital investment in the community, spurring development in targeted city locations; or encouraging development of targeted businesses or clusters desirable to enhance the city's economy;

2. Include solid evidence provided by the business that demonstrates the business financial stability and capacity to complete the project;
3. Be in compliance with all local, state and federal laws.

The business, in order to receive any such incentives from the CADC will make available credible information, including but not limited to capital investment and employment projections, to enable the CADC to prepare a fiscal impact analysis. The recipient will also make available an update of this data available annually after business operations have begun. The decision to provide any economic development incentives will be considered on a case-by-case basis, in accordance with the criteria set forth in this policy, and at the discretion of the CADC Board of Directors and the City of Aton City Commission.

SECTION IV. QUALIFICATION CRITERIA

In order to be eligible for incentives, a project must meet qualifying standards in at least ONE of the categories below.

Category 1- Quality Jobs:

- a. Wages
20% of jobs must be at or above median county wage (\$9.41an hour)
- b. Number of Jobs:
Credit for number of jobs will be based on the wage levels above.

Note: Only jobs meeting median county wage will be counted.

Category 2 - Business Type

- a. Market of service or product is Regional, National or Global, or;
- b. Company is within identified industry cluster per latest information from Texas Workforce Solutions.

QUALIFICATION CRITERIA (Answer each item completely)

These criteria will be used by the CADC's Evaluation Committee in formulating a recommended incentive package and amount.

1. The proposed business is included within one of the city's targeted business clusters (Describe type of business be proposed and/or expanding or being retained).
2. Number of new jobs to be created. Number of jobs being retained. Total number of jobs.
3. Extent to which the business will pay wages higher than the county's median wage and provide exceptional employee benefits.
4. Degree to which the public infrastructure and/or capital improvements to be financed with assistance from the CADC are regional or determined to contribute to existing or future infrastructure plans.
5. Degree to which the business will contribute to the CADC's strategy of economic diversification by introducing a cluster business or industry which is both desirable and currently under-represented in the city's economy. What is your business providing to Alton?
6. Degree to which products manufactured or services provided are exported out of the city.
7. Degree to which required goods and services will be purchased by the prospective business from other neighboring cities and county businesses.
8. Degree to which a critical or very beneficial service will be provided to the geographic area of proposed business location.
9. Degree to which the proposed project location is consistent with existing city land use zone classifications. Request zoning information from the City Planning Department.
10. Extent to which the business will not generate significant new air emissions and/or other negative environmental impacts.
11. The type of business, level of private investment, past record of the company, and other relevant factors indicate a low risk of failure to comply with the terms of a CADC business incentive agreement.

12. Business plans to continually upgrade and invest in plant, equipment, and technology and employee development.
13. Demonstrated record of successful business performance in the current location and/or in other locations.
14. Extent to which the award of economic incentives is critical to the prospective business' decision to locate in the city and/or remain in the city of Alton.
15. Extent to which the applicant has identified, and plans to address, employee child care needs for employees of the proposed business location if applicable.
16. The amount of sales tax that will be generated due to this proposed new business, retention of current business or expansion of current business.

SECTION V. ECONOMIC DEVELOPMENT INCENTIVE

Companies satisfying the minimum score and meeting the qualification standards above who wish to pursue incentives **must pay a \$600.00 non refundable application processing fee** in order to formally request incentives. Applicants requesting incentive under the **BR&E Program will be charged a \$200.00 non refundable application processing fee.** (See Appendix A – Application for Incentives)

An economic impact benefit analysis will be conducted by the CADC or its representative on every project considered for incentives. The delivery mechanism of choice for incentives will be the Chapter 380 agreement; however, the CADC reserves the right to use any other source (County, State, Federal, Foundation, etc.) in the award of incentives. As a matter of general policy, tax abatements and Chapter 380 agreements entered into as a result of this policy will not be used simultaneously unless the revenue stream from which the Chapter 380 agreement is paid is derived from sources other than property tax.

Award of incentives requires the business to meet eligibility criteria and enter into a performance base contract with the CADC, which is approved by the CADC Board of Directors and the City of Alton City Commission. The application process and incentive award is administered by the CADC office. Incentives include the following:

- Rebates based on Property Tax payments
- Rebates based on Sales Tax payments
- Assistance in pursuing grant/loan funding from the CADC or other public agencies
- Other forms of requested assistance as may be approved by the CADC

Note: Agreements may be conditioned on the completion of specific improvements to real property and/or job numbers and salaries levels being met. **The Agreements shall contain recapture clauses in the event that such conditions are not met.**

The CADC is charged with recommending to the City Commission the level of incentives based on the economic impact analysis and other factors.

City Commission will award the incentives at their sole discretion and may consider awards if extraordinary benefit can be shown to the CADC.

CONTACT INFORMATION FOR ECONOMIC INCENTIVES

City of Alton Development Corporation
Attn: Mr. Steve Pena, Chief Executive Officer
City of Alton
509 South Alton Blvd
Alton, Texas 78573-1196
Phone: (956) 432-0760
Fax: (956) 432-0766
E-mail: steve.pena@alton-tx.gov

SUNSET

This policy will sunset September 30, 2019 unless renewed or revised by the City of Alton Development Corporation (CADC).

City of Alton Development Corporation
Application for Incentives

The City of Alton Development Corporation (CADC) is pleased you have chosen our city to locate/expand your business. This document specifies the information the CADC will require to assist you in your request for economic incentives from the CADC.

Your application should be submitted as early as possible during your business planning process. Application review and approval of an incentive agreement by the CADC must be complete and approved by all parties relevant to this agreement prior to the start of project construction.

INFORMATION TO BE SUBMITTED

Contact Information

- Business name and legal status
- Name, title, address, telephone numbers, e-mail address of principal business contact during the application process

Proposed Project/Site Information (to the extent known at time of application)

- Site location, including address (if assigned)
*If business is to be located within an existing building/facility, specify the date it was built, contact information for the current owner and specify whether the proposed business plans to buy or lease the building.
- A project description and site plan locating all existing and planned buildings and facilities, ingress, egress and on-site circulation patterns (auto, truck and other, as appropriate). If improvements are to be phased over time said phasing must be indicated on the plan.
- A list of all public infrastructure required by the city planning department to be constructed as part of the development
- A list of all capital equipment to be installed on site and cost of equipment.
- Provide a statement of consistency/inconsistency of the proposed project and use with the city's existing General Plan and Zoning Ordinance.

Nature of the Proposed Business

- Identify the type of business to be conducted, and provide a description of the products or goods to be manufactured

- Provide information regarding the source and type of any raw or component products to be used on site. Are they to be purchased from within or from outside the city, county, state or country?
- Provide information regarding the intended market of any products to be produced on-site or services to be sold from the proposed business. Will they be sold inside/outside the city, county, state or country?
- Briefly describe any potential negative environmental impacts from the proposed business and how they will be mitigated.
- Describe specifically why economic incentives are important to the decision to locate and/or expand the proposed business within the city of Alton.
- Submit a list of communities where similar facilities, especially those owned/operated by your company are currently doing business.
- List any federal, state, city or other county government assistance for which the applicant has applied, and the current status of that request.
- Provide any additional information you would like the CADC to consider during its evaluation of your application.

Itemized Cost Estimates

- Building and other real property improvements Lease rate (if applicable)
- Capital Equipment
- Public Infrastructure
- Other information that you would like the CADC to consider in their determination

Employment

- Number of new full time employees to be hired and projected hiring schedule (include proposed number of employees who will be hired from within the city of Alton).
- Number of part time employees and projected hiring schedule (include proposed number of employees who will be hired from within the city of Alton).
- Number of Temp employees (include construction jobs) and projected hiring schedule (include proposed number of employees who will be hired from within the city of Alton).
- Specify wage rates and benefits to be paid all employees to be located on site.

- Describe the businesses plans for employee development and training.
- List specific skills you will be seeking from the labor force.

Note: (Answer all bullets per category in the order they were read in order for the evaluator to grade your application for incentives correctly. Place an N/A if the question is not applicable to your situation. Missing or incomplete answers will be returned to the requestor to revise and resubmit. This may delay the evaluation process for your request)

Please submit your completed application documents to:

City of Alton Development Corporation
Attn: Mr. Steve Pena, Chief Executive Officer
City of Alton
509 South Alton Blvd
Alton, Texas 78573-1196
Phone: (956) 432-0760
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E-mail: steve.pena@alton-tx.gov