



**SEAGOVILLE ECONOMIC DEVELOPMENT
CORPORATION**

PRE-INCENTIVE POLICY GUIDELINES

GENERAL PURPOSE AND OBJECTIVES

The Seagoville Economic Development Corporation ("SEDC"), in collaboration with the City of Seagoville ("City"), is committed to the retention, expansion, and relocation of quality commercial/industrial and retail development. These efforts will improve the local economy through improved job opportunities, increased capital investment and diversification of the economic base.

On a case-by-case basis, financial incentives that stimulate the local economy may be considered. Reimbursable, performance-based incentives that expand and diversify the community's economic base will be structured through public-private partnership agreements.

METHODOLOGY

All applications shall be considered on a case-by-case basis. Incentives may be provided to facilitate development that otherwise would not occur. An incentive may only be applied for prior to construction. If a building permit has been issued, an incentive will not be considered.

CRITERIA

The information requested in this application pertains to fiscal, community and employment impacts. These will be reviewed to determine whether to recommend incentives to be offered to the Applicant. A cost-benefit analysis that determines the public-private feasibility of the project will be performed. At least three (3) criteria will be reviewed to determine the extent of an incentive:

- Jobs – quality (average annual payroll plus benefits) and quantity (number of jobs); and/or
- Capital Investment – real estate, facilities, furniture, fixtures, and equipment; and/or
- Hotel Occupancy Tax – if applicable; and/or
- Sales Tax – if applicable.

Other considerations can include:

- Comprehensive Plan – degree to which the project furthers community goals and objectives; and/or
- Impact on growth, employment, expansion of the tax base; and/or
- Community and economic development improvements.

AVAILABLE INCENTIVES

City and SEDC incentives for qualifying companies may include:

- Permit and Fee Waivers;
- Infrastructure improvement reimbursements (road, water/wastewater, etc);
- Property tax abatement;
- Sales tax reimbursement;
- Workforce education / training allowance;
- Other

EXISTING BUSINESS RETENTION / EXPANSION

Incentives to retain existing business, which propose to improve or redevelop property, enable the City Council to consider property tax abatements and/or other incentives. Property tax abatement is only applicable to increased valuation of the improvements over the appraised value of the property. This will be determined prior to improvements based upon appraisal district assessment in the year the tax abatement agreement is executed.

EXCEPTIONS

On a case-by-case basis, an incentive that may not specifically comply with the above referenced conditions, but either encourages existing business expansion or attracts prospective business relocation and that satisfies community goals and/or objectives can be considered.

APPROVAL

Applicants are considered on a case-by-case basis. Any incentives recommended for approval by the SEDC Board will be presented to the City Council for consideration. Even though a project may meet the criteria as set forth in this Policy, an application maybe denied at the discretion of the SEDC/City.

PERFORMANCE

Incentives are performance based. For example, a project that is granted a property tax abatement but does not satisfy the terms of the agreement will forego the full amount of abatement to be received for that given year. Other incentives may not be paid up front but may be structured as a reimbursement over a specific period of time. Performance goals will be outlined in an agreement and can include, but are not limited to, job creation, capital investment, sales tax and/or hotel occupancy tax generation.

ANNUAL EVALUATION

The SEDC shall perform an annual evaluation of each incentive agreement to ensure compliance with the agreement. This report will be generated after new taxable values are received in July of each year.

PROCEDURAL GUIDELINES

An incentive applicant is encouraged to locate or expand facilities within the City limits. In doing so, they shall comply with these procedural guidelines.

Completion of the Application

Applicant shall complete the "Economic Development Incentives Application." The application should include a statement regarding the applicant's desire for consideration of available incentives listed in the Economic Development Incentives Policy.

Application shall include the following:

- ✓ precise property location;
- ✓ identification of all roadways within 500 feet of the site;
- ✓ complete legal description;
- ✓ existing uses and conditions of real property;
- ✓ proposed improvements and uses;
- ✓ proposed site plan and elevations, if applicable;
- ✓ any proposed changes in zoning; and,
- ✓ compatibility with the City plans, applicable building codes and ordinances.

Applicant shall complete all forms and information detailed in the application and submit all information to:

Executive Director
Seagoville Economic Development Corporation
702 N. Highway 175
Seagoville, TX 75159

The application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested.

Consideration of the Application

The SEDC Executive Director or designee will review the application with the Applicant and SEDC Board Members.

Input from the Applicant, Executive Director and/or SEDC Board Members will form the basis of a cost-benefit analysis. Once the assessment is complete, a presentation to the entire SEDC Board will be scheduled. This will afford the application to be reviewed at a regular or special meeting(s). Additional information may be requested as needed.

Incentive review, consideration and recommendation of the SEDC Board will be collaborative with the Applicant. If the application is recommended for approval, the SEDC Board will direct the SEDC to prepare a Performance Based Incentive Agreement and Resolution. This will be prepared and reviewed with Applicant's Counsel and SEDC Executive Director. Once completed it will be made a formal part of the SEDC Board's recommendation to City Council for ultimate approval.

In considering a request for tax abatement, the City may be required to first hold a public hearing to consider establishing a tax increment zone in accordance with Chapter 312 of the TEXAS TAX CODE. The SEDC shall hold a public hearing and determine whether the project is feasible, practical, desirable, affordable, and will benefit the City after the expiration of the incentive agreement.

Once a public hearing is called to consider the request for incentives, the application shall be regarded as a matter of public record and will be available for inspection by the public.

Projects receiving financial incentives may be required to seek site plan approval from the Planning & Zoning Commission and City Council.

The SEDC/City reserves the authority to enter into incentive agreements at differing percentages and/or terms as set forth in guidelines of this Policy.

Definitions

"Abatement" shall mean full or partial exemption of ad valorem taxes for eligible properties in a reinvestment zone designated as such for economic development purposes. Abatement may be granted for either the real property improvements or business personal property, but not both unless otherwise allowed in this Policy.

"Average Annual Salary" shall mean summed annual salary of each full time employee divided by the number of full time employees.

"Base Year Value" shall mean the taxable value of the applicant's real property and business personal property (including inventory and supplies) located in a designated reinvestment zone on January 1 of the year of the execution of the agreement as determined by the Central Appraisal District.

"FTE Position" or "FTE" shall mean (a) one Full-Time Position or (b) two or more Part Time Positions filled by individuals working for the Company a combined total of at least 1800 hours during the Grant Year either under contract or as an employee.

"Full-Time Position" shall mean a position for which an individual is scheduled to work at least 1800 hours in a twelve-month period during the Grant Year for the Company either under contract or as an employee.

"LEED" shall mean U.S. Green Building Council's Leadership in Energy and Environmental Design programs.

"Primary Employer" shall mean a business whose revenue is generated from products, sales and services sold outside Seagoville City Limits.

"Reinvestment Zone" shall mean an area designated for the purpose of tax abatement as authorized by Subchapter B, Property Redevelopment and Tax Abatement Act, Title 3, Local Taxation, of the TEXAS TAX CODE.



**SEAGOVILLE ECONOMIC DEVELOPMENT
CORPORATION
INCENTIVE APPLICATION**

Name of Applicant: _____ Date: _____

Contact Name: _____

Address: _____

Phone: _____ E-mail: _____

Project/Company Name: _____

Project Location: _____

Company's Primary Business: _____

Project located in Tax Increment Finance District (TIF)? Yes No

Please provide the following information based on the completed project at full operation. Phase in equal annual increments unless indicated otherwise by the applicant. All values should be those shown on the appraisal district tax rolls. Please provide supporting documentation where appropriate.

Incentive Request Level and Request(s) Allocations (Real Estate, Facilities, Furniture, Fixtures & Equipment):

Necessity of Incentive Request (Describe the competitive, financial, or other issues associated with this request):

Project financially feasible without requested incentive: Yes No

Relocation: _____ New facility expansion: _____

If relocation, please state current location: _____

New construction: _____ Shell Building: _____ Build-to-Suit: _____

Existing space: _____ Lease: _____

Applicant: _____ Owner: _____ Tenant: _____

Operations to be performed, product(s)/service(s) produced, distributed: _____

Projected date for Groundbreaking: _____ Grand Opening: _____

Site acreage: _____ Current assessed value of land: _____

Job Creation

Number of permanent full time employees: _____ Average salary: _____

Benefits: Health Insurance _____ Retirement _____ Other _____

Capital Investment

Site Size: _____ Acres

Estimated assessed value of land after construction or purchase price of land: _____

Number and square footage of proposed facility(s): _____

Estimated assessed facility value after construction: _____

Estimated assessed value and description of business personal property: _____

Type of development and percentage of anticipated uses: _____

Number of water meters and irrigation meters and their sizes (for new construction): _____

Estimated gallons per day: Water _____ Wastewater: _____

Point-of-Sale designation for construction or equipment purchases: _____

Estimated project construction and equipment costs: _____

Estimated value of year-end inventory and percentage subject to triple freeport exemption: _____

Sale and/or Hotel Occupancy Tax (if applicable)

Annual estimated retail sales and percentage subject to City sales tax: _____

Annual estimated hotel sales subject to City hotel occupancy tax: _____

Land Use & Zoning

City's Comprehensive Plan compliance with applicable codes and ordinances: _____

LEED certified project? Yes No

Other factors that need to be taken into consideration: _____

