COMPREHENSIVE GUIDELINES AND CRITERIA FOR ECONOMIC DEVELOPMENT INCENTIVES

I. INTRODUCTION

The Mt. Pleasant Economic Development Corporation (Mt. Pleasant EDC) is dedicated to promoting primary business expansion in the greater Mt. Pleasant area to build a stronger, more diversified economy which increases the economic vitality and wealth of the community.

The Mt. Pleasant EDC is the main economic engine of the City of Mt. Pleasant (City) and works proactively to invest in the future and growth of the community. Mt. Pleasant offers many competitive advantages such as location, workforce and available infrastructure, but when the need arises and when utilized with growing companies with solid business foundations, local incentives can be the key to successful economic growth.

The Mt. Pleasant EDC Comprehensive Guidelines and Criteria for Economic Development Incentives (Guidelines) are not all-inclusive, nor are they intended to provide strict interpretations of economic development incentive offerings; rather, they provide an overview of economic development incentive offerings. These Guidelines are not a contract, expressed or implied, and do not guarantee economic inducement from the Mt. Pleasant EDC or any other offering entity and/or agency in any way.

The Mt. Pleasant EDC, in its sole discretion, reserves the right to unilaterally revise, suspend, revoke, terminate or change any of the Guidelines, in whole or in part, whether described within the Guidelines or elsewhere. These Guidelines supersede and replace all policies and/or manuals previously distributed, made available or applicable to interested parties.

THE MATERIAL PROVIDED BELOW IS FOR INFORMATIONAL PURPOSES ONLY AND CANNOT BE INTERPRETED AS A COMMITMENT FROM ANY OFFERING ENTITY AND/OR AGENCY. THE MT. PLEASANT EDC DOES NOT CONTROL THE ELIGIBILITY REQUIREMENTS OF SAID OFFERING ENTITIES AND/OR AGENCIES.

IN THE EVENT A CONFLICT ARRISES BETWEEN THESE POLICIES AND CHAPTERS 501 AND 504 OF THE TEXAS LOCAL GOVERNMENT CODE, TEXAS LOCAL GOVERNMENT CODE SHALL GOVERN.

II. CRITERIA FOR ECONOMIC DEVELOPMENT INCENTIVES

Chapter 501, Subchapter C, Sections 501.101 through 501.108 of the Texas Local Government Code prescribe what projects are authorized uses of funds by the Mt. Pleasant EDC. The most relevant sections for the Mt. Pleasant community include the following:

Section 501.101 – Projects Related to Creation or Retention of Primary Jobs

- Crop Production
- Animal Production
- Forestry and Logging
- Commercial Fishing
- Support Activities for Agriculture and Forestry
- Mining
- Utilities
- Manufacturing
- Information (excluding motion picture theaters and drive-in motion picture theaters)
- Securities, Commodity Contracts, and other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts and other Financial Vehicles
- Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
- Management of Companies and Enterprises
- Telephone Call Centers
- Correctional Institutions
- National Security, for the corresponding index entries for Armed Forces, Army, Navy, Air Force, Marine Corps and Military Bases
- Transportation and Warehousing
- Wholesale Trade

A project must also be found suitable by the Mt. Pleasant EDC Board of Directors (Board) and the Mt. Pleasant City Council for the development, retention or expansion of the following:

- Manufacturing and Industrial Facilities
- Research and Development Facilities
- Military Facilities, including Closed or Realigned Military Bases
- Distribution Centers
- Small Warehouse Facilities Capable of Serving as Decentralized Storage and Distribution Centers
- Primary Job Training Facilities for Use by Institutions of Higher Education
- Regional or National Corporate Headquarter Facilities

Section 501.102 – Projects Related to Certain Job Training

In this Section, "project" includes job training required or suitable for the promotion of development and expansion of business enterprises only if the enterprises commit in writing to 1) create new jobs that pay wages at least equal to the prevailing wage for the applicable occupation in the Mt. Pleasant labor market area; and 2) increase its payroll to pay wages at least equal to the prevailing wage for the applicable occupation in the Mt. Pleasant labor market area.

The Mt. Pleasant EDC may provide economic development incentives for job training offered through a business enterprise only if the business enterprise has committed in writing to 1) create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area; or 2) increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area.

Section 501.103 – Certain Infrastructure Improvement Projects

In this Section, "project" includes expenditures found suitable by the Mt. Pleasant EDC's Board for infrastructure necessary to promote or develop new or expanded business enterprises, limited to 1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements and related improvements; and 2) telecommunications and internet improvements.

III. VALUE OF ECONOMIC DEVELOPMENT INCENTIVES PROVIDED

Economic development incentives include a variety of tools intended to stimulate investment and job creation in a community. These tools help bridge gaps for individuals and industry by assisting businesses of all sizes. Incentives are not just for recruiting new businesses to the community. They also aid existing businesses and new startup companies. Incentives come in a variety of shapes and sizes, but they are typically allocated to primary businesses. A primary business is defined as a company for which most of its products and/or services are ultimately exported to regional, statewide, national or international markets, thereby introducing new monies into the local economy and creating wealth. Primary businesses have significant multiplier impacts and create the most economic impact.

Incentives of Monetary Value

Incentives may be provided to qualifying entities engaging in capital investment and primary job creation within the community. A primary job is defined as a position available at a business for which most of its products and/or services are ultimately exported to regional, statewide, national or international markets thereby infusing new dollars into the local economy. Traditional incentives may take the form of cash, land and improvements, infrastructure development and workforce training assistance. Incentives may be tailored so they provide up-front direct assistance or long-term, ongoing benefits.

Funding commitments by the Mt. Pleasant EDC are based on several factors including capital investment and the number and wage of the primary jobs to be created/retained because of the project. The following provides information related to the level of funding a project may receive given its level of investment and job creation/retention:

CAPITAL INVESTMENT	+	FULL-TIME PRIMARY FTE'S CREATED/RETAINED	+	AVERAGE GROSS WAGE PER FTE	=	INCENTIVE PER FTE
≥ $250,000		≥ 5		≥ $30,000		Up to $7,5000
≥ $500,000		≥ 5		≥ $40,000		Up to $10,000
≥ $1,000,000		≥ 10		≥ $50,000		Up to $12,500
≥ $2,000,000		≥ 10		≥ $60,000		Up to $15,000

IV. PROCEDURAL GUIDELINES

Any applicant desiring the Mt. Pleasant EDC to consider providing economic development incentives to encourage location or expansion within the Mt. Pleasant area shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest the Mt. Pleasant EDC is under obligation to provide any incentive to any applicant.

A. Application

To apply for economic development incentives complete "Mt. Pleasant EDC Application for Economic Development Incentives" attached to this policy as Exhibit A and available via the Mt. Pleasant EDC's website, www.MPEDC.org. The application must be submitted to the Mt. Pleasant EDC and any person or company requesting economic development incentives shall comply with the following procedure:

1. The applicant will submit a completed application for the requested incentives utilizing the application outline provided by the Mt. Pleasant EDC and attached to this policy as Exhibit A, and available at the website above.
2. The applicant will address all applicable criteria set forth in this policy and the application.
3. The applicant will provide a plat, map or survey showing the location of the property and the proposed project.
4. The applicant will provide a legal description of the property; the name, address, phone number, of the owner of the property; the tenants or proposed tenants, if any; and state whether the property is to be owner occupied or leased.

5. The applicant will describe in detail the proposed project and the type of economic development incentives requested.
6. The application will be submitted by mail or hand delivery to 302 N. Jefferson, Suite 101, Mt. Pleasant, TX 75455 or via email.
7. The Mt. Pleasant EDC will review the economic development incentive request and may request additional information from the applicant prior to considerations by the Mt. Pleasant EDC Board and Mt. Pleasant City Council. Failure to timely submit any additionally requested information will cause the application to be rejected and will be deemed withdrawn by the applicant without further action by Mt. Pleasant EDC.
8. The Mt. Pleasant EDC Board and Mt. Pleasant City Council will review the requested incentive request pursuant to this policy and recommendations by the Mt. Pleasant EDC staff.
9. When necessary, under this policy the Mt. Pleasant EDC Board and Mt. Pleasant City Council will, at a regular meeting and when allowed by law at a special meeting, consider proposed economic development incentive agreement.
10. Information submitted by the applicant regarding the requested incentive is confidential to the extent allowed by law.

B. Application Review

1. All information submitted as detailed above will be reviewed by the Mt. Pleasant EDC for completeness, accuracy and the rationale for projections made. Additional information may be requested as needed.
2. If applicable, the application will be distributed to the appropriate departments for internal review and comments. Additional information may be requested as needed.
3. If necessary, copies of the complete application package will be provided to the other appropriate taxing entities.

C. Consideration of the Application

1. After review by the Mt. Pleasant EDC, staff may then meet with the applicant to negotiate terms of the incentives that may be offered.
2. Prior to approval of an economic development incentive agreement, the economic incentive request may be scheduled for review by the Mt. Pleasant EDC Board and Mt. Pleasant City Council in an executive session meeting. All necessary legal documents will be considered for approval following evaluation of all relevant staff and review team recommendations and reports.

For tax abatements, additional steps, including a public hearing, must be incorporated into the process. These procedures are mandated by Texas law and are detailed in the Property Redevelopment and Tax Abatement Act.

V. AGREEMENTS

Any agreement relating to a project must be for the benefit of the Mt. Pleasant EDC and must provide that if a default occurs in the payment of the principal of or the interest or premium on the bonds or in the performance of any agreement contained in a proceeding, mortgage or instrument, the payment or performance may be enforced by
1) mandamus; or 2) the appointment of a receiver in equity with the power to A) charge and collect rents, purchase price payments and loan payments; and B) apply the revenue from the project in accordance with the resolution, mortgage or instrument.

The Mt. Pleasant EDC may not provide a direct incentive to, or make an expenditure on behalf of, a business enterprise under a project unless it enters into a performance agreement with the business enterprise. The performance agreement must 1) provide, at a minimum, for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made under the agreement; and
2) specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement.

VI. IMPACT ANALYSIS

The Mt. Pleasant EDC reserves the right to perform an economic impact analysis for any project to determine the impact the project will have on the community. If deemed necessary, this analysis will be made before an economic development incentive is offered to the applicant.

VII. NEGOTIATION PROCESS

The initial contact and preliminary discussions relating to available economic development incentives is to be between the authorized representatives of the applicant and the Mt. Pleasant EDC.

All negotiations for economic development incentives shall be between the authorized representative(s) of the applicant and the Mt. Pleasant EDC, and other city and county officials, if applicable.

The EDC Board and Mt. Pleasant City Council's decision shall be based upon an evaluation of the criteria that each applicant has addressed in narrative format in their application.

INDEX OF ECONOMIC DEVELOPMENT TOOLS

Local Organization Tools

The Mt. Pleasant area has many other incentives offered by a myriad of partner entities who all play a vital role in the growth and development of the community. These development partners include the City of Mt. Pleasant, Titus County, Public School Districts and Northeast Texas Community College and select special governmental districts within the immediate area.

Ad Valorem Tax Abatement & Exemptions (Chapter 312)

Chapter 312 of the Texas Local Government Code allows cities and counties to provide tax abatement and ad valorem limitation on the value of the project. Taxing entities in the Mt. Pleasant area are able to consider tax abatements on a case-by-case basis. The Mt. Pleasant EDC will guide the applicant through the process with each taxing entity.

Ad Valorem Tax Value Limitation

Chapter 403 of the Texas Tax Code allows Texas school districts to cap the taxable value of property for 10 years. The cap applies only to the maintenance and operations (M&O) portion of school taxes (the cap does not apply to the portion of the school tax rate that goes toward debt).

Chapter 380/381 Agreements

Chapter 380/381 of the Texas Local Government Code allows cities and counties, to provide incentives encouraging developers to build in their jurisdictions. A city and/or county may administer and develop a program to make loans and incentives of public money to promote state or local economic development and to stimulate, encourage, and develop business location and commercial activity in their county. The Mt. Pleasant EDC will guide the applicant through the process with each taxing entity.

Texas Enterprise Zone (EZ) Program

The EZ program not only applies to the City of Mt. Pleasant but also other governmental entities including Titus County and Northeast Texas Community College.

State of Texas – Office of the Governor, Economic Development & Tourism Tools

Texas Enterprise Fund (TEF)

The TEF is a cash grant used as a financial incentive tool for projects that offer significant projected job creation and capital investment where a single Texas site is competing with another viable out-of-state option.

Governor’s University Research Initiative (GURI)

The GURI grant program was enacted in 2015 with a goal to bring the best and brightest distinguished researchers in the world to Texas. The GURI grant program is a matching grant program that assists eligible institutions of higher education in recruiting distinguished researchers.

Product Development and Small Business Incubator Fund (PDSBI)

The PDSBI is a revolving loan program financed through original bond issuances that aids in the development, production and commercialization of new or improved products and fosters and stimulate small business in Texas. Loan proceeds can be used for a broad range of capital and operating expenditures including property, plant, and equipment which can be amortized over the life of the asset.

State of Texas – Texas Workforce Commission Tools

Skills Development Fund

The Skills Development Fund provides local customized training opportunities for Texas businesses and workers to increase skill levels and wages of the Texas workforce. The Texas Workforce Commission (TWC) funds for the program. Funds are best used when there is collaboration among businesses, public community and technical colleges, Workforce Development Boards and economic development partners.

Skills for Small Business Program

Skills for Small Business finances the design and implementation of customized job training programs for newly hired employees of small businesses. Administered by the TWC, the Skills for Small Business program supports businesses with fewer than 100 employees, emphasizes training for new workers, and helps upgrade the skills of incumbent workers.

The Self Sufficiency Fund

The Self Sufficiency Fund provides community and technical colleges access to training dollars to support high-quality customized training projects statewide. Colleges strengthen their position as economic development assets, businesses gain a more highly trained workforce, workers upgrade their skills, and the Texas economy grows more competitive. The Self-Sufficiency Fund supports training primarily for low-income individuals and those receiving public assistance achieve self-sufficiency and independence.

State of Texas – Other Organizational Tools

Texas Capital Fund Infrastructure / Real Estate Programs

The Texas Capital Fund Infrastructure / Real Estate Programs are economic development tools designed to provide financial resources to non-entitlement communities. Funds can be utilized for public infrastructure needed to assist a business that commits to create and/or retain permanent jobs, primarily for low - moderate income persons.

The Capital Access Program

The Capital Access Program was established to increase the availability of financing for businesses and nonprofit organizations that face barriers in accessing capital or fall outside the guidelines of conventional lending. Use of proceeds may include working capital or the purchase, construction, or lease of capital assets, including buildings and equipment.

Texas Historic Preservation Tax Program

The state historic tax credit offers applicants a credit of up to 25% of eligible rehabilitation costs for buildings listed in the National Register of Historic Places, the Recorded Texas Historic Landmarks, and Texas State Antiquities Landmarks registries. The program is administered jointly by the Texas Historical Commission in cooperation with the Texas Comptroller of Public Accounts. The Federal Historic Preservation Tax Incentive Program also offers a 20% tax credit for rehabilitation of historic buildings.

Federal Tools

Health Resources and Services Administration – Rural Health Grants

The Health Resources and Services Administration provides rural health grants to fund rural hospitals, health centers, and local clinics for underserved people.

US Department of Housing and Urban Development (HUD)

HUD supports childcare facilities near or within public housing.

National Endowment for the Arts

The National Endowment for the Arts offers many incentives for art projects. Funding is specifically for projects, which can consist of one or more specific events or activities. Projects can be new or existing and range in size. Their programs include Art Works, Challenge America, and Our Town.

US Department of Health and Human Services

The Office of Child Care has several funding programs for child care facilities.

US Department of Energy Grants

The US Department of Energy supports a number of grant, loan, and financing programs that support businesses. These programs are not limited to energy-related projects and include a range of small business and other support programs.

US Economic Development Administration (EDA) Grants

The EDA accepts applications from rural and urban areas to provide investments that support construction, non-construction, technical assistance, and revolving loan fund projects under EDA's Public Works and Economic Adjustment Assistance programs. Incentives under these programs are designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches.

US Department of Commerce – Market Developer Cooperator Program – International Trade Administration

This program is designed to build partnerships by providing federal assistance to organizations involved in export promotion. The program can support tourism initiatives to promote international visitors in communities outside of federal lands.

US Department of Agriculture (USDA) – Community Facilities Direct Loan & Grant Program

This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial, or business undertakings.

USDA – Resource Conservation and Development Program

This program provides technical and limited financial assistance to Resource Conservation & Development Councils with development projects, including heritage tourism and related business development.

USDA – Rural Microentrepreneur Assistance Program

This program provides loans and incentives to Microenterprise Development Organizations to microenterprise startups and growth through a Rural Microloan Revolving Fund as well as provides training and technical assistance to microloan borrowers and microentrepreneurs.

USDA – Rural Development Incentives

Community Programs provide incentives to assist in the development of essential community facilities in rural areas and towns of up to 20,000 population.

City of Mt. Pleasant Incentives for Growth

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 or sales tax rebates, as well as use of 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 the extent necessary to attract desired businesses or developers to invest in the City;

1.3. Encourage development and / or redevelopment of targeted areas in the City;

1.4. Create employment opportunities for residents of the City;

1.5. Increase the non-residential ad-valorem tax and / or sales and use tax revenue base for the City; and

1.6. 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. 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 Titus 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.

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 Titus County, Texas.

City Manager: Shall mean the City Manager or his or her designee.

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

Employee, Full-Time: Shall mean any employee of the company that regularly works a minimum of thirty (30) hours per week.

Employee, Part-Time: Shall mean any employee that regularly works less than thirty (30) hours a week.

Employees, Full-Time Equivalent (FTE): Shall mean the number of employees equivalent to full-time employees, e.g. two part-time employees working 20 hours each is equal to one full-time employee.

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.

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

Impact Fees: Fees (if any) 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.

Project: The initiative or investment to be provided in accordance with the performance standards of any Performance Agreement providing Incentives.

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 his/her 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.

Tax Increment Reinvestment Zone (TIRZ): Shall mean those zones allowed under Chapter 311 of the Texas tax code that may be created by the city to use the increased tax value of lard from development toward financing public improvements in the reinvestment zone an must meet set criteria defined by law and with agreements with other entities for participation, if any and governed by a TIF Board..

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 or will be prior to approval.

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.

3.3. Statutory Limitations: It is the intent of the City to comply with all statutory limitations on the use of any public funds for the purposes identified herein.

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. Geographic Areas: The following are the City's preferences for providing Incentives in geographic areas of the City.

4.1.1. High Priority:

A. Properties within any of the City's Tax Increment Reinvestment Zones, Downtown or corridor overlays.

4.2. Businesses: The following are the City's preferences for providing Incentives to certain types of businesses in the City.

4.2.1. High Priority:

A. High quality full-service restaurants and hotels;

B. Experiential retail that is family-friendly and will attract visitors to Mount Pleasant to enjoy a unique experience;

C. Small employers with high-paying jobs;

D. Businesses that generate high-paying jobs;

E. Businesses that have a limited impact on the natural environment;

F. Technology services;

G. igh sales tax generators; and

H. Specialized Medical/Health Serices.

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. 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. 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.

5.1.4. Agricultural Exemption: The City may consider granting back all or a portion of the Ag Exemption City taxes due at the time of development.

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, its current 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.

5.3. Financial - Fee Reductions / Credits: The City may consider the reduction, credit or reimbursement 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. Park Dedication Fee: Fee, if any, charged for the improvement of park systems in the City.

5.3.2. Building Permit Fee: Fee, if any, related to the review of non-Public Works construction plans and building plans required for the issuance of a building permit.

5.3.3. Plan Review Fee: Fee, if any, related to the review and administrative processing of construction plans for Improvements

5.3.4. Inspection Fee: Fee, if any, related to the inspection of the Improvement

5.3.5. Sales, Lease or Exchange of Land or Buildings: The City recognizes that the sale and conveyance, lease, or exchange of certain property owned by the City may meet the objectives identified in this Policy. In accordance with State Law, the City may consider the sale, lease or exchange of land without the necessity of accepting written bids pursuant to a published notice and at or below market value to further the objectives identified herein.

5.3.6. Free / Reduced-Cost Land: Any provision where the City provides free or reduced-cost lands to the Applicant.

5.3.7. Free / Reduced-Cost Building: Any provision where the City provides a free or reduced-cost building to the Applicant.

5.3.8. Land Lease: Any provision where the City leases rights to City-owned land to the Applicant to allow construction of their Facility.

5.4. Infrastructure Assistance: The City may consider the following infrastructure assistance Incentives.

5.4.1. Water Line Extensions: Participation in a portion of the costs of extending water distribution lines to the Facility.

5.4.2. Sewer Line Extensions: Participation in a portion of the costs of extending sanitary sewer lines to the Facility.

5.4.3. Roadway Improvements: Participation in a portion of the costs of roadway improvements serving the Facility.

5.4.4. Storm Drainage Improvements: Participation in a portion of the costs of storm drainage improvements at or downstream of the Facility.

5.5. 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).

5.6. Support for State Incentives: The City may consider providing support for the Project in the application and processing of State of Texas incentives.

5.7. Support for Federal Incentives: The City may consider providing support for the Project in the application and processing of Federal incentives.

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. New Taxable Sales[1]	Notes / Examples
Corporate	$1,750,000	15	-	• Significant office uses,e.g. Corporate HQ or regional HQ
Health Svcs	$2,000,00	10	-	• Significant health benefit to community
Industrial	$3,000,000	25	-	• Owner occupied, industrial / logistics business
Retail	$4,500,000-	25	$8,000,000	• Big box retail or other unique offerings
Hotel / Conf. Center	$3,000,000	15-	-	• Hospitality or entertainment venues including hotels and conference centers
Development	$6,000,000	15-	$1,000,000	• New development

[1]Generated annually