



## CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM POLICIES AND PROCEDURES

### SECTION 1.

#### GENERAL STATEMENT OF PURPOSE AND POLICY

The City of Corinth is dedicated to achieving and sustaining the highest quality of development in all areas of the City; and to a continuous improvement in the quality of life for its citizens. The City of Corinth has previously developed economic development programs and incentives designed to encourage high quality businesses and other commercial concerns to locate, expand and remain in the City of Corinth. Now the City of Corinth seeks to augment its economic development efforts to attract and retain high quality development and jobs by establishing these Chapter 380 Economic Development Program Policies and Procedures ("Policies and Procedures") as a guide when considering applications for economic development incentives.

These Policies and Procedures are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance Corinth's economic base; diversifying and expanding employment opportunities across generational boundaries; and promoting projects that create additional revenue for Corinth, without substantially increasing demand on City services or infrastructure. Ultimately, the preeminent purpose of the programs established under these Policies and Procedures is to protect and augment the City's ability to continuously deliver first class municipal services for the safety, enjoyment and comfort of Corinth residents.

In furtherance of these goals, the City may elect, on a case-by-case basis, to give consideration to providing incentives to applicants in accordance with these Policies and Procedures as authorized by Chapter 380 of the *Texas Local Government Code*, as amended from time to time.

Nothing in these Policies and Procedures shall be intended to imply or suggest that the City is under any obligation to provide incentives to any applicant. All applicants shall be considered on a case-by-case basis. Approval or denial of any incentives shall be at the sole discretion of City Council. Those applicants granted incentives as a Chapter 380 Economic Development Program, under these Policies and Procedures, shall be required to enter into an agreement with the City containing all of the terms required in Section 7, and as required by applicable state laws, in order to protect the public's interest of receiving a public benefit in exchange for public funds, assets and services invested to stimulate economic development in Corinth.

## SECTION 2.

### **DEFINITIONS**

Wherever used in these Policies and Procedures, the following terms shall have these meanings ascribed to them:

- A. AGREEMENT: shall mean a contractual agreement between a property and/or business owner and the City for the purpose of providing one or more economic development programs.
- B. BUSINESS PERSONAL PROPERTY: shall mean tangible personal property other than inventory and supplies:
  - 1. that is subject to ad valorem taxation by the City;
  - 2. that is located on the property subject to an incentive agreement;
  - 3. that is owned or leased by the party to the incentive agreement; **and**
  - 4. that was not located in the City prior to the effective date of the incentive agreement.
- C. CITY: shall mean the City of Corinth, Texas.
- D. CITY ATTORNEY: shall mean the City Attorney of the City of Corinth, Texas.
- E. CITY COUNCIL: shall mean the City Council of the City of Corinth, Texas.
- F. FULL-TIME JOB: shall mean:
  - 1. employment of at least thirty-five (35) hours per week with full benefits, including at a minimum, health and disability insurance and retirement plan options;
  - 2. employment with an average (mean) hourly wage equal to, or above that calculated by the United States Bureau of Labor for the Dallas-Fort Worth-Arlington Metropolitan Statistical Area; **and**

3. does not include seasonal employment.
- G. MIXED-USE: shall mean a project in which no more than fifty (50) percent of the total gross floor area will be used as residential space and no less than fifty (50) percent of the total gross floor area used for hotel, office, restaurant and/or retail uses as defined in the Corinth Unified Development Code as amended from time to time.
- H. TARGET INDUSTRY: shall mean a business, structure or other project deemed vital to the City's current, anticipated or ongoing growth and development needs and goals. The City has discretion to determine its "needs" from time to time as the City's circumstances warrant, or as the City determines appropriate to meet or further its development or other economic goals.

### SECTION 3.

#### **PROGRAM REQUIREMENTS**

- A. To be eligible for consideration to receive incentives as a Chapter 380 Economic Development Program, a project must first meet one or more of the minimum requirements set forth in Paragraph A.1. and one or more of the minimum requirements set forth in Paragraph A.2.:
1. The project:
    - (a) will result in a minimum increased taxable value for the City of Two Hundred and Fifty Thousand Dollars (\$250,000.00) in real property and/or business personal property (excluding inventory and supplies) per City fiscal year within the City limits;
    - (b) is a mixed use project intended to develop or revitalize key areas of the City zoned for mixed-use development that incorporates a variety of different retail, restaurant, residential, office and/or hotel users within a coherent, high quality and sustainable setting; or
    - (c) is specifically determined by resolution of the City Council to bring public benefit to the City consistent with Section 1; AND
  2. In addition, the project:
    - (a) will make a unique or unequalled contribution to the development or redevelopment

efforts within the City limits due to its:

- (1) benefit to the environment;
- (2) financial magnitude;
- (3) significance to the community; or
- (4) superior functional or visual characteristics (e.g., architecture, landscape, land use, parking, signage, streetscapes, et cetera);

- (b) will enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of Corinth residents;
- (c) will enhance the City's public infrastructure by including the improvement and/or construction of infrastructure that may or may not be contiguous to the project, and may or may not be related to the project (e.g., drainage, lamp posts, parking, roads, sidewalks, water/sewer);
- (d) will result in an additional increase of full-time jobs within the City; or
- (e) is a target industry.

- B. All projects shall be considered on a case-by-case basis. However, eligible projects meeting more than one requirement from Paragraphs A.1. and A.2. above will be preferred over projects that meet only the minimum of one requirement from Paragraphs A.1. and A.2. above.
- C. Preference is given to projects that bring new wealth to the community by creating and attracting new business and development or by retaining and expanding existing businesses. Projects shall not be eligible for incentives if a certificate of occupancy has been issued for the project, or in the case of businesses that will not acquire a certificate of occupancy, if construction has already commenced prior to making an application in accordance with these Policies and Procedures. Notwithstanding the foregoing, the City shall have the sole and absolute discretion to authorize incentives for the retention and expansion of an existing business or project as determined appropriate by the City to meet the goals of these Policies and Procedures.
- D. Incentives will be provided only to the extent that the revenue realized by the City, and attributable to the project, equals or exceeds the minimum amount established by the agreement. Furthermore, the public

benefit or the amount of revenue realized by the City and attributable directly to the project must be commensurate with the value of any incentives granted under this program. The City retains the sole discretion to determine whether the standards set forth in these Policies and Procedures and/or executed agreements have been or will be met.

#### SECTION 4.

##### **ADDITIONAL CONSIDERATIONS**

Additional factors to be considered by the Corinth Economic Development Corporation in deciding whether to recommend a project to City Council for incentives include:

- A. the number and types of jobs to be created or retained;
- B. the market conditions and growth potential for the business activity;
- C. the financial capacity of the applicant to undertake and complete the proposed project;
- D. other incentive programs for which the applicant is qualified or has applied; **and**
- E. any other factors the Corinth Economic Development Corporation finds beneficial and/or relevant to accomplishing the City's economic development goals and objectives.

#### SECTION 5.

##### **INCENTIVES**

As incentives to business and commercial enterprises, the City may provide economic development loans or grants to the enterprise in a lump sum payment or through installment payments as deemed appropriate by City Council and as expressly set forth in the terms of an agreement approved by City Council.

#### SECTION 6.

##### **APPLICATION PROCESS**

- A. All applications for consideration as a Chapter 380 Economic Development Program shall be made on forms supplied by the Corinth Economic Development Corporation. Applications for incentives, and subsequent discussions under these Policies and Procedures, shall only occur after the project has been

approved by the City (e.g., City Council, Planning and Zoning Commission and Planning and Development Department as applicable). Other than incentives for target industries, which City Council may review at any time in its discretion, applications submitted prior to City approval of any project will not be processed. Applicants may be required to furnish additional information to show compliance with the minimum requirements contained in Section 3 at any point in the application process. Eligible applications will be presented to the Board of Directors of the Corinth Economic Development Corporation first during their regular or special session. If the Board of Directors determines the applicant has met the minimum Program Requirements in Section 3, then the Executive Director will be permitted to collaborate with the applicant to propose an agreement in accordance with the terms in Section 7. The applicant and the Executive Director shall have at least thirty (30) working days to propose an agreement; and only after the Executive Director and the applicant have drafted a proposed agreement, will it be presented to the Board of Directors of the Corinth Economic Development Corporation for a recommendation to the City Council.

- B. At its sole discretion, City Council may consider the proposed agreement, and may take action on the proposal as it deems appropriate. Under no circumstances shall anything in these Policies and Procedures, and/or anything in the application form and process create any property, contract or other legal right for any person, entity or corporation to have the City Council consider or grant incentives.
- C. Nothing within these Policies and Procedures shall be construed to prevent the City Council from modifying the terms and conditions of any incentives agreement recommended by the Corinth Economic Development Corporation to the City Council.
- D. Information provided by applicants on the Application Form may be subject to release to the public pursuant to the Texas Public Information Act as codified in Chapter 552 of the *Texas Government Code*. However, certain information provided to the City in connection with an application under these Policies and Procedures may be confidential and not subject to public disclosure until the incentives agreement is executed. The City will respond to requests for disclosure as required by law, and will assert exceptions to disclosure as it deems relevant. The City will make reasonable attempts to notify applicants of the request so it may assert its own objections to the Attorney General.

SECTION 7.

**AGREEMENT TERMS**

An agreement established under a Chapter 380 Economic Development Program shall at minimum include:

- A. a complete description of the location of the proposed program or projects included in the program;
- B. a timetable and list of the kind of improvements or development that the program will include, and conditions to assure that the program meets or exceeds the City's requirements relating to property values and revenues, which in no case shall be less than the minimum program requirements set forth in these Policies and Procedures, including without limitation those set forth in Section 3, above;
- C. a timetable and list of the kind and amount of property values, revenues, incomes or other public benefits that the proposed program will provide;
- D. a provision establishing the duration of the agreement;
- E. a provision identifying the method for calculating and the source of funding for any grant, loan, refund, in-kind or other incentive either up front or over the time provided in the agreement;
- F. a provision identifying whether any grant, loan or other incentive provided in the agreement will be utilized for construction costs or for other specified business expenses;
- G. a provision providing benchmarks or other tangible means for measuring whether the applicant and other responsible parties have met their obligations under the agreement;
- H. a provision providing for access to and authorizing inspection of the property and applicant's pertinent business records by municipal employees in order to determine compliance with the agreement;
- I. a provision for the cancellation of the agreement and/or nonpayment of incentives if the program is determined to not be in compliance with the agreement;
- J. a provision for recapturing City funds granted or loaned, or for recapturing the value of other public assets granted or loaned, if the applicant does not meet his/her/its/their duties and obligations under the terms of the agreement;
- K. a provision that allows assignment of the agreement with prior written approval of the City Council and at the sole discretion of the City Council provided that:
  - 1. all the duties, liabilities, obligations and rights under the agreement are assigned from the

assignor to the assignee; **and**

2. the assignment document is in a form and contains content acceptable to the City Attorney;
- L. provisions relating to administration, delinquent taxes, indemnification and reporting requirements are included;
- M. a provision that the agreement may be amended by the parties to the agreement by using the same procedure for approval as is required for entering into the agreement;
- N. a provision providing for auditing of the program, including authorizing City access to both non-privileged and/or confidential documents for the purpose of conducting the audit; **and**
- O. other provisions as the City Council shall deem appropriate.

#### SECTION 8.

#### **SEVERABILITY**

It shall be the policy and intention of the City to consider and negotiate agreements which are legally subject to being adopted under the laws of the State of Texas. Should any section, subsection, paragraph, sentence, phrase or word in these Policies and Procedures be held to be invalid, illegal or unconstitutional by a court of competent jurisdiction, the balance of these Policies and Procedures shall stand, and shall remain enforceable.