



APPLICATION FOR ECONOMIC DEVELOPMENT INCENTIVES

An applicant for incentives will provide a letter and supporting documentation containing the following information and addressed to:

City of Sanger Director of Economic Development
PO Box 1729
Sanger, Texas 76266

REQUIRED INFORMATION:

1. Property Owner
2. Mailing Address
3. Telephone Number
4. Property Owner's Representative
5. Representative's e-mail address
6. Representative's telephone number
7. Mailing Address
8. Property Address
9. Property Legal Description (Provide attachment if by metes and bounds)
10. Description of the project.
11. Date projected for occupation of project/initiation of operations.
12. Narrative response to criteria in Economic Development Incentive Policy:

Employment Impact

- Total number of full time equivalent jobs brought to Sanger;
- Types of jobs created
- Total annual payroll

Fiscal Impact

- Total real and personal property value to be added to the tax rolls
- Anticipated direct sales tax generated at one percent (1%) of taxable sales
- Other revenues generated for the city: franchise payments, occupancy taxes, utility revenues, etc
- City infrastructure construction required
- Projected total annual operating budget of the facility

Community Impact

- The expected effect the project will have on the local housing market
- The expected environmental impact, if any, created by the project
- The compatibility of the project with the City's comprehensive plan

Competitive Impact

- The effect the project would have on existing businesses in Sanger
- A list of the types of products or services to be sold by the applicant which are currently sold by existing Sanger merchants, if applicable
- A list of specific businesses seen as direct competitors to the applicant

INCENTIVE POLICY

The City of Sanger Economic Development Corporations and Department are charged with expanding the City's taxable base.

General Purpose and Objectives

In keeping with this overall mission, the City has implemented a strategy to grow the tax base and accomplish this important revenue generating task:

- To identify and assist select retail developers to commit, invest and build new high quality sales tax generating projects in Sanger
- To recruit new and retain existing, industrial, manufacturing and distribution businesses compatible with Sanger's available land, land use plan and demographics to create primary jobs and increase the city's property tax base.

To achieve these goals, the City wishes to enhance its economic development efforts by developing an incentive policy. Within the context of these goals, the City of Sanger will give consideration to providing reasonable incentives as a stimulus for new development and redevelopment on a case-by-case basis. Nothing herein implies or suggests that the City of Sanger is under any obligation to provide any incentive to any applicant.

Criteria

Any request for incentive shall be reviewed by the City Council and the applicable economic development corporation if necessary. Their decision shall be based upon an evaluation of the following criteria, which each applicant will address in narrative format in the application:

Employment Impact:

- Total number of full time equivalent jobs brought to Sanger
- Types of jobs created
- Total annual payroll

Fiscal Impact

- Total real and personal property value to be added to the tax rolls
- Anticipated direct sales tax generated on taxable sales if retail use
- Other revenues generated for the city: franchise payments, occupancy taxes, utility revenues, etc
- City infrastructure construction required
- Projected total annual operating budget of the facility

Community Impact

- The expected effect the project have on the local housing market
- The expected environmental impact, if any, created by the project
- The compatibility of the project with the City's comprehensive plan

Competitive Impact

- The effect the project would have on existing businesses in Sanger
- A list of the types of products or services to be sold by the applicant which are currently sold by existing Sanger merchants, if applicable
- A list of types if products to be manufactured which may be currently manufactured in Sanger, if applicable
- A list of specific businesses seen as direct competitors to the applicant.

Types of Incentives

It is the policy of the City of Sanger to customize the provisions of economic development incentives on a case-by-case basis. This individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the City of Sanger to better respond to the changing needs of the community.

Consideration will be given to providing any type of economic development incentives not prohibited by state or federal law including, but not limited to: tax abatements, freeport exemptions, participation in infrastructure and waiver of fees.

The provision of incentives will be subject to the procedural and other requirements outlined in this document as well as those mandated by state or federal law, and by other actions of the City of Sanger.

Nothing within these guidelines shall imply or suggest that the City of Sanger is under any obligation to provide any incentive to any applicant.

Value of Incentives

Following an assessment of the response provided to the criteria, the City Council shall determine whether it is in the best interests of the City of Sanger that economic development incentives be offered to the applicant. Additional consideration, beyond the criteria, will include such items as the degree to which the project/applicant furthers the goals and objectives of the community or meets or compliments a special need identified by the City Council.

Tax Abatements:

A Tax Abatement may be offered in two categories:

1. Real Property; and/or
2. Business and Personal Property

Real property abatements may be offered to applicants, which will pursue the construction of new or expanded facilities in which to house the applicable project. The abatement may apply only to the value of improvements made.

Business Personal property abatements may be offered to applicants, which will pursue the purchase or long-term lease of existing facilities. The abatement will apply to the value of new personal property brought into the taxing jurisdiction.

Once a determination has been made that a tax abatement may be offered, the value and term of the abatement will be determined on a case by case basis.

Grants in general

The City of Sanger may agree to extend a grant based on the amount of revenues to be generated by the economic development project to the City of Sanger for such categories as sales tax, occupancy taxes, utility fees, or similarly related revenues.

Grants based on Retail Sales Tax Generated

The City may by contract provide an incentive consisting of an annual grant based on a percentage of the sales and use tax received by the city from the sale of taxable items by the applicant. The City is authorized by Section 380.001, Texas Local Government Code, to make such grants.

Sales and use tax means the city's one percent (1%) sales and use tax on the sale of taxable items by the applicant at the applicant's business location in the city. Sales tax receipts consist of the City's receipts from the State of Texas from the collection of sales and use tax by the applicant attributed to the sale of taxable items applicant's business location in the City for the previous twelve calendar month period. The applicant by contract will be required to provide a sales tax certificate setting forth the applicant's collection of sales and use tax for the sale of taxable items consummated at the applicant's business location in the City for the previous ending twelve calendar month period, together with such supporting documentation as may be required by the City. The grant would be conditioned on the applicant's continued ownership/occupancy of the project site.

The sales tax grants would be paid in annual installments within ninety (90) days after the end of each twelve calendar month period following the issuance of the certificate of occupancy for the facility, or other commencement date if no certificate of occupancy is required. The grant would not include any of the City sales and use tax receipt from the imposition and collection of sales and use tax for taxable items consummated at any location, business, establishment or by any other entity in the City, other than from the applicant's sale of taxable items at the applicant's business location in the City.

Any sales tax grant payable would be limited to the extent that the City has received sales tax from taxable sales by the applicant. The City would not be required to provide any grant for any twelve calendar month period during the term of the agreement for which the City has not received sales tax revenue from taxable sales by the applicant for such twelve calendar month period.

The City's obligation to pay the sales tax grants in the agreement would be conditioned upon the applicant providing the following:

1. A schedule detailing the amount of sales and use tax collected and paid by the applicant to the State of Texas for the previous twelve calendar month period for the sale of taxable items consummated at the applicant's business location in the City
2. A copy of all sales and use tax returns and reports, sales and use tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by the applicant with the State of Texas for the previous twelve calendar month period showing sales and use tax collected and paid by the applicant for the sale of taxable items consummated at the applicant's business location in the City
3. A copy of all direct payment and self-assessment returns, including amended returns, filed by the applicant for the previous twelve calendar month period showing sales and use tax collected and paid by the applicant for the sale of taxable items consummated at the applicant's business location in the City
4. Information concerning any refund or credit received by the applicant of sales and use tax paid or collected by the applicant which has been reported by applicant in a sales tax certificate for a previous twelve month period and for which a sales tax grant has been paid by the City
5. A schedule detailing the total sales of taxable items by the applicant consummated at the applicant's business location in the City for the previous twelve month period

The City will agree to the extent allowed by law, to maintain the confidentiality of the sales tax certificates. The City may condition the incentive upon the creation of employment, construction of improvements, certain development, continued operations for a stated period, or other public consideration. The contract shall require the applicant to construct certain improvements or expansions and contain at a minimum the following terms:

1. Generation of certain level of sales tax;
2. Annual written certification that applicant is in compliance with the agreement;
3. Authority to terminate or modify the agreement if applicant fails to comply with agreement;
4. Minimum term of occupancy or continued operations within a city.

In the event the applicant files an amended sales and use tax return, or report with the State of Texas, or if additional sales and use tax is due and owing, as determined or approved by the State of Texas, affecting sales tax receipts for a previous twelve calendar month period, the sales tax grant payment for the next twelve calendar month period immediately following such State of Texas approved amendment could be adjusted accordingly provided the city has received sales tax receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, the applicant should provide the city with a copy of any such amended sales and use tax report or return, and the approved thereof by the State of Texas.

In the event the State of Texas determines that the city erroneously received sales tax receipts, or that the amount of sales and use tax paid to the city exceeds the correct amount of sales and use tax for a previous twelve calendar month period, for which the applicant has received a sales tax grant, the applicant will be required within thirty (30) days after receipt of notification thereof from the City specifying the amount by which such sales tax grant exceeds the amount to which the applicant was entitled pursuant to such State of Texas determination, repay such amount to the City.

Infrastructure Participation and Waiver of Fees

The City of Sanger provides various utility services and has the capacity and flexibility to offer qualified companies infrastructure improvements and extensions at no or reduced cost. Such incentives may include improvements to curbs and gutters, street paving, Drainage, water and sewer (within Sanger's CCN), electrical infrastructure (within Sanger's CCN), and public lighting. The City may agree to partial or complete cost participation for the extension, construction, or reconstruction of infrastructure necessary for the development of an economic development applicant's project. In addition, the City Council may approve the waiver of fees for, but not limited to, permit applicants, utility taps and similar fees.

State and Federal Programs

The state of Texas offers a number of programs and if applicable the City of Sanger will assist economic development prospects in learning more about or applying for programs.

- Texas Capital Fund Infrastructure Grant
- Texas Capital Fund Real Estate Loan
- Enterprise Zone Project
- Skills Development Fund Job Training
- Texas Enterprise Fund (Major Projects)
- Texas Emerging Technology Fund (Major Projects)
- Texas Industrial Revenue Bond Program
- State Franchise Tax & Sales Tax Refund
- Pollution Control Equipment Exemption
- Texas Manufacturing Assistance Center
- Texas Leverage Fund
- Economic Development Administration Infrastructure Grants
- SBA Loans

Recapture

In the event a business receiving incentives from the City of Sanger fails to perform under the agreement executed between the City and the business, the incentive obligation on the part of the City will be void. Any incentive paid to the business up to the point of failure shall be returned to the City of Sanger in full.

Procedural Guidelines

Any person, organization or corporation desiring that the City of Sanger consider providing economic development incentives to encourage location or expansion of operations within the city limits of Sanger shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that Sanger is under any obligation to provide incentives in any amount or value to any applicant.

Preliminary Application Steps

1. Applicant shall complete an "Application for Economic Development Incentive" as provided by the City.
2. Applicant shall address all criteria questions outlined above in a letter format.
3. Applicant shall prepare a plat showing the precise location of the property, all roadways within 200 feet of the site, and all existing land uses and zoning within 200 feet of the site. If the property is described by metes and bounds, a complete legal description shall be provided.

Applicant shall complete all forms and provide required information and submit them to the Director of Economic Development, City of Sanger, PO Box 1729/502 Elm Street, Sanger, Texas 76266.

Application Review Steps

1. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
2. The application will be distributed to the appropriate City departments for internal review and comments. Additional information may be requested as needed.
3. Copies of the complete application package and staff comments will be provided to the City Council.

Consideration of the Application

The City Council will consider the application at a regular or called meeting(s). Additional information may be requested as needed.

The City Council of Sanger shall hold a public hearing to consider establishment of a tax reinvestment or redevelopment zone or other zone designation as deemed appropriate and determine whether the project is "feasible and practical and would be of benefit to the land to be included in the zone and to the municipality."

The City Council of Sanger may consider adoption of an ordinance or resolution, as deemed appropriate, designating the area described in the legal description of the proposed zone.

The City Council may consider adoption of a resolution approving the terms and conditions of a contract between the City and the applicant governing the provision of the economic development incentives.

Purpose of Policy

The policy herein adopted is intended as a guide for use in developing economic development incentive programs under the provisions of state law. Notwithstanding the policy herein established, the City Council of the City of Sanger retains the right to act within the provisions of such act without the necessity of amending the general policy and/or purpose herein adopted.