

# ENTERPRISE ZONES



## **Policy Description:**

Chapter 2303 of the Texas Government Code, [www.statutes.legis.state.tx.us/Docs/GV/pdf/GV.2303.pdf](http://www.statutes.legis.state.tx.us/Docs/GV/pdf/GV.2303.pdf), Enterprise Zone Program, states that the purpose of this chapter is to establish a process that clearly identifies severely distressed areas of the state and provides incentives by the state and local government to induce private investment in those areas by removing unnecessary governmental regulatory barriers to economic growth and to provide tax incentives and economic development program benefits. Designation of an area as an enterprise zone is also designation of the area as a reinvestment zone for tax increment financing, tax abatement, and limitations on appraised value.

## **Eligibility Criteria:**

- An area automatically qualifies for designation as an enterprise zone if the area is:
  - (1) A block group, as defined by the most recent federal decennial census available at the time of designation, in which at least 20 percent of the residents of the block group have an income at or below 100 percent of the federal poverty level;
  - (2) An area designated by the federal government as a renewal community, a federal empowerment zone, or a federal enterprise community, including any developable area approved by the federal agency responsible for making that designation.
- A qualified business may request that the governing body of a city or county in which the qualified business is located apply to the bank (Texas Economic Development Bank) for designation of a project or activity of the business as an enterprise project.
- The enterprise project designation must be for:
  - (1) An expansion or relocation from out-of-state, an expansion, renovation, or new construction, or other property to be undertaken by a qualified business; and
  - (2) A predetermined designation period approved by the bank which may not be for less than one year or more than five years.
- The maximum number of enterprise slots that the bank may designate for each nominating body during a biennium is:

(1) Nine, if the nominating body is the governing body of a City or county with a population of 250,000 or more.

**Criteria for Potential Sales Tax Refund**

<b>Level of Capital Investment</b>	<b>Maximum Number of Jobs Allocated</b>	<b>Maximum Potential Refund</b>	<b>Maximum Refund Per Job Allocated</b>
\$40,000 to \$399,999	10	\$25,000	\$2,500
\$400,000 to \$999,999	25	\$62,500	\$2,500
\$1,000,000 to \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 to \$149,999,999	500	\$1,250,000	\$2,500
Double Jumbo Project \$150,000,000 to \$249,999,999	500	\$2,500,000	\$5,000
Triple Jumbo Project \$250,000,000 or more	500	\$3,750,000	\$7,500

**How to Apply:**

A qualified business may request that the governing body of a City or county in which the qualified business is located apply to the bank for designation of a project or activity of the business as an enterprise project.

The governing body may apply to the bank for the designation of the project or activity of a qualified business as an enterprise project only after it submits to the bank the order or ordinance and other information that complies with the requirements.

An application must contain an economic analysis of the plans of the qualified business for expansion, revitalization, or other activity with regard to the enterprise project, including:

- The number of employment positions in existence at the qualified business site on the 91st day before the application deadline;
- The number of new permanent jobs the enterprise project commits to create during the designation period presented in the form of a tabular listing of:

- (1) The classification titles of those jobs; and
- (2) The number of jobs and salary range for each classification title;
- (3) The number of permanent jobs the enterprise project commits to retain during the designation period presented in the form of a tabular listing of:
  - A. The classification titles of the retained jobs; and
  - B. The number of retained jobs and salary range for each classification title;
- (4) The amount of investment to be made by the enterprise project;
- (5) A complete description of the projected schedule for completion of the specific activity described by Section 2303.404(b) to be undertaken by the enterprise project;
- (6) Other information the bank requires;
- (7) A description of the local effort made by the nominating body, the qualified business, and other affected entities to develop and revitalize the jurisdiction of the governmental entity nominating the project or activity; and
- (8) If the nominating body is applying for a double or triple jumbo enterprise project, as defined by Section 2303.407, an indication of which level of designation is being sought.

Applicants seeking incentives must file an application for Economic Incentives before the request can be considered.

Please contact the City of Corpus Christi's Economic Development Office at (361) 826-3850 to request the application or visit [www.cctexas.com/economicdevelopment](http://www.cctexas.com/economicdevelopment) to download the application.

You may also request zone designation by applying to the Corpus Christi Regional Economic Development Corporation at [www.ccredc.com](http://www.ccredc.com)

The City shall not grant any incentive unless the business submits a full and complete application and provides additional information as may be requested. The accuracy of the information in the application is the sole responsibility of the applicant. Upon request, the applicant shall provide supporting documentation. Any misstatement of or error in fact may render an application null and void and may be cause for repeal of any ordinance adopted in reliance of said information.

If it is determined that the application meets these guidelines, a full and financial programmatic review will be conducted. This review may be done by City Staff, an outside agency or consultant and will ensure conformance with these guidelines.

**Additional Resources:**

Development Services

[www.cctexas.com/developmentservices](http://www.cctexas.com/developmentservices)