

## SECTION II



## *Position Statement*

## **Economic Incentive Policies Position Statement & Guidelines**

### **Introduction:**

Corpus Christi is graced with wonderful natural resources such as a beautiful Bayfront, Padre Island, Corpus Christi Beach, great industrial base, numerous tourist related attractions and sporting events, the 6<sup>th</sup> largest port in the US, and a strong community college, as well as a four (4) year university. One of the City's top priorities is to aggressively promote and grow our community. To address this priority, the Economic Development Department revised incentive policies and identified catalyst areas for growth and development. It is our intent to provide information that is business-friendly, where you can learn about the key benefits each incentive provides, obtain eligibility criteria and an application form.

### **Position Statement:**

The City of Corpus Christi (the City) is committed to:

- Creation of wealth in the City and Region.
- Work with Nueces County and Del Mar College to coordinate appropriate economic development incentives and projects for the City and the Region.
- Recruit, retain and promote high quality development in all parts of the City and Region.
- Seek ongoing improvements in the quality of life, quality of jobs and quality of community for all citizens.
- Diversification of the local economy.
- Support and grow existing industries.
- Provide employment opportunities for unemployed and underemployed residents.
- Create jobs paying salaries higher than the SMSA's average wages.
- Protection of the Environment.
- Recruitment and retention of good corporate citizens.
- Support the incubation of emerging technology projects.

These goals can be met, in large part, through the enhancement and expansion of the local economy. To promote growth in catalyst areas of the City, more favorable economic incentives will be provided in the following areas (see attached maps for the boundaries of these areas provided in Section VII, page 147):

- Renewal Community Census Tracts (includes downtown and Corpus Christi Beach)
- Padre and Mustang Island

- Industrial District
- Any other blighted or underdeveloped area which may be identified by the City Council

### **Objectives:**

- To support existing large and small primary employers and to recruit new primary employers to locate in the City/Region.
- To support existing and new large and small non-primary employers to grow and prosper.
- To identify and assist developers to commit, invest, and build new high quality sales, hotel/motel and ad valorem tax generating projects compatible with the City's Comprehensive Plan and demographics.
- To assist landowners to develop potential office, hotel and retail sites to their highest and best use.
- To reduce sales tax leakage.
- To identify eligibility for incentives using the following categories:
  1. Green energy projects.
  2. Manufacturing (determined by appropriate NAICS codes).
  3. Research and Development.
  4. Engineering Services.
  5. Health Care (nursing, laboratory and other related medical fields).
  6. Corporate headquarters/support centers.
  7. Warehousing and Distribution.
  8. Tourism (venues and events that will attract no less than 50% of attendees from outside the region).
  9. Retail.
  10. Commercial Redevelopment.

### **Process:**

The decision to grant incentives will be based on a review of each incentive application and offered only upon a clear demonstration of substantial and significant public benefit. Certain projects, particularly those requesting Texas Local Government Code Chapter 380 agreements, a Tax Increment Financing (TIF), and/or large retail development and redevelopment, may be required to:

- Agree to a background check.

- Commission an economic impact study to include return on investment data. This study will be done by a firm of the City's choice at the developer's expense.
- Provide financial assurance that funds will be available to finance the project if an agreement with the City is satisfactory to the developer, the lender and City.

Applicants must be current in payment of ad valorem property taxes to be eligible for any incentive from the City.

In reviewing a request for City incentives, the staff will consider the following:

1. Project location.
2. Size of the project based upon the investment in the site, facilities and infrastructure.
3. As applicable, number and types of jobs created, wages and benefits offered.
4. Impact on sales, property and hotel/motel taxes.
5. Potential for future expansion and increased employment.
6. Retention of existing employees.
7. Diversification of the regional economy.
8. Inclusion of disadvantaged, minority or women-owned businesses as contractors, suppliers etc.
9. Impact of project specific issues upon local infrastructure responsibilities of the City.
10. Incentives which may be available from federal or state government.
11. Impact on the City's budget or other financial impact.
12. Waiver of Economic Development fees in which the City may be competing with other localities.

### **Local Incentives:**

- Tax Abatement
- Chapter 380 Agreement
- Tax Increment Financing (TIF)
- Public Improvement District (PID)
- Industrial District
- Corpus Christi Business and Job Development Corporation (Type A)
- Freeport Exemptions
- Fast Track Permitting Process
- Large Retail/Mixed Use Development and Redevelopment
- Renewal Community
- Development Fee Reduction/Waiver
- Community Air Service Development Initiative

- High Speed Connection
- Waiver of Tap Fees for Water and Wastewater
- Small Business Disabled Access Credit
- Natural Gas Home Builder Rebate Program

### **State Incentives:**

- Municipal Management Districts (MMD)
- Municipal Development Districts (MDD)
- Municipal Utility Districts
- Municipal Setting Designations
- Neighborhood Empowerment Zone
- Texas Leverage Fund
- North American Free Trade Agreement (NAFTA)
- Emerging Technology Fund
- Skills Development Fund
- Economic Development Refund
- Industrial Revenue Bond Program
- Section 108 Loan Guarantee Program
- Enterprise Zone Program
- Texas Enterprise Fund Program
- Texas Industrial Development Loan Program
- Texas Preservation Trust Fund Grant Program

### **Federal Incentives:**

- Brownfields Economic Development Initiative (BEDI)
- Economic Development Initiatives (EDI)
- Economic Development Administration (EDA) Grants
- Federal Historic Preservation Tax Incentive Program
- New Markets Tax Credit Program

### **Timelines:**

Staff will provide a prompt response to incentive requests and will make every effort to finalize incentive agreements in an expeditious manner. However, because some projects may require zoning or agreements that will require studies to be done and approval by the Corpus Christi Business and Job Development Corporation (CCBJDC) and City Council, developers are asked to work closely with staff to ensure the projects move forward in a timely manner.

### **Compliance:**

All incentives will be formalized by a written agreement between the City and/or CCBJDC and the recipient business. The business will be required to meet

certain performance criteria as stipulated in the agreement. If applicable, staff will consider the following:

1. Capital investment in both real and personal property
2. Compliance with wage and medical insurance requirements
3. Compliance with applicable governments laws, rules and regulations
4. Compliance with conditions imposed by the Incentive Agreement

The City reserves the right to audit a company to assure compliance with the terms and conditions of the Agreement. If performance criteria are not met, the City may discontinue the Agreement, use the claw back provision or authorize a partial payment and/or may require incentives already paid to be repaid in full or in part.

Each project will be evaluated on an individual basis. During changing economic conditions which adversely impact the recipient business, the City and/or CCBJDC may consider a modification, amendment or discontinuation of the Incentive Agreement. Should this occur, the City will honor any incentive committed prior to the discontinuation of the agreement. Incentive Agreements may not be transferred, or otherwise conveyed to another party unless agreed to by the City.

**The City Council reserves the right to waive or modify any of these requirements or policies if it is in the City's best interest in considering project applications for incentives.**

**THE POLICIES IN SECTION III, IV and V ARE EXECUTIVE SUMMARIES INTENDED FOR EASE OF USE BY DEVELOPERS AND BUSINESSES AND TO HIGHLIGHT THE BENEFITS AVAILABLE. AT THE END OF EACH POLICY THE FOLLOWING ARE PROVIDED:**

- **THE ENTIRE POLICY (WHERE APPLICABLE).**
- **APPLICATION FORM INFORMATION.**
- **STAFF OF THE CITY'S ECONOMIC DEVELOPMENT DEPARTMENT, THE CCREDC OR OTHER APPROPRIATE ENTITY**