

**TOM GREEN COUNTY ECONOMIC DEVELOPMENT  
CHAPTER 381 AGREEMENT**

I. **Plan Authority.** Chapter 381 of the Texas Local Government Code has been chosen to provide an efficient means of providing county incentives for local economic development. Chapter 381 authorizes a county to make a grant of public monies, for select activities, including the following:

- A. For state or local economic development; and
- B. To stimulate, encourage, and develop business location and commercial activity in the county.

II. **Plan Purpose and Benefits.** The Tom Green County Commissioners Court has determined that adopting a plan pursuant to Chapter 381 is appropriate to provide economic development incentives for certain qualifying new and expanding businesses for increases in real and business personal property in Tom Green County (the "County"). Qualifying and approved businesses complying with the terms of this Plan (the "Plan") may receive a grant of up to one hundred (100%) of the business' County ad valorem taxes for up to ten (10) years.

III. **Qualified Applicants.** Qualified applicants for this Plan are limited to the following:

**A. New and Expanding Businesses**

- 1. A new business is defined as one established and operating in the County after January 1, 2016, or an established business in the County which has expanded (not relocated) and is either (a) operating in a new and additional location in the County after January 1, 2016, or (b) adding new and additional improvements, personal property, or both, to its existing location.
- 2. The new or expanding business must not:
  - (a) be located in a residentially zoned area of a municipality, and
  - (b) be receiving any other form of tax incentive from the County for the same new business or expanding business.

**B. Minimum Performance Standards**

Minimum performance standards require:

- 1. A minimum increase in the business taxable property (either real estate or business personal property, or in the aggregate) in an amount not less than \$1,000,000; and
- 2. Full compliance with the terms above, and any others in the agreement for the incentive approved by the County.

**C. Discretionary Approval**

Approval of application is not automatic. The County reserves the right and discretion to modify the terms of the Plan, and/or reject any individual application. The County will consider approval of qualified applicants for the Plan, and may create individual agreements with specific applicants. Applications for businesses which are not beneficial to the economic development of the County, will not be approved. Non-exclusive examples of businesses which will not be eligible for the Plan are:

1. Liquor store
2. Sexually oriented business
3. Tattoo parlor
4. Landfill
5. Salvage yard

**D. No Vested Rights**

Adoption by the County of this Plan therefore does not:

1. Limit the discretion of the commissioners court;
2. Prohibit delegation by the commissioners court to County employees the discretion to screen applications for approval; or
3. Create a property right.

**IV. Terms of the Plan.**

The Applicant must provide the required information to the County requested on the Plan Application.

**A. Conditions Precedent to Payment by the County**

1. The Plan benefits terminate as to the business if the minimum standards are not met as required by the Plan agreement.
2. A sworn affidavit by the applicant that the Plan requirements have been met for the preceding tax year must be filed by the applicant each year, on or before September 1.
3. A copy of the applicant's ad valorem tax bill with proof of payment must be submitted with the affidavit in IV.A.2 above.
4. The applicant must timely and fully pay all of its taxes to the County.

**B. Plan Performance Standards**

1. There must be a minimum increase in the business taxable property (either real estate or business personal property, or in the aggregate) in an amount not less than \$1,000,000.
2. There must be compliance with the terms above, and any others in the agreement for the incentive approved by the County.

**C. Other Provision**

1. Companies meeting the qualification standards above who wish to pursue incentives must pay a one-time \$1,000 nonrefundable application fee in order to formally request incentives.
2. An economic impact analysis will be provided to the County on every project considered for incentives.
3. The County reserves the right to use any other source available in the award of incentives.
4. Agreements will be conditioned on the completion of specific improvements to real property or additions of personal property located with the County. The Agreements shall contain recapture clauses in the event that such conditions are not met.
5. Chapter 381 contractual terms shall include any other necessary provisions approved by County.
6. The County reserves the right to add/remove requirements and stipulations to Chapter 381 incentive agreements.

**D. Legal Requirements**

Notwithstanding any other provision of the Plan, state law requires the County grant of funds for economic development:

1. must serve a public purpose; and
2. may not be a gratuitous payment to a private entity; and
3. must comply with any applicable statutory requirements.

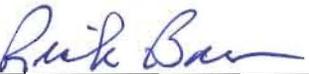
Therefore, the County will require and ensure that there is consideration for any incentive. The County may condition any grant payments upon the creation of employment, construction of improvements, addition of personal property, continued operation in the County for a stated period, achieved minimum taxable values, or other provision in the County's discretion.

BY ACTION OF THE TOM GREEN COUNTY COMMISSIONER'S COURT, THIS PLAN IS EFFECTIVE ON THE 22<sup>nd</sup> DAY OF March, 2016

  
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Judge Stephen C. Floyd

  
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Commissioner Ralph Hoelscher, Pct. 1

  
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Commissioner Aubrey deCordova, Pct. 2

  
\_\_\_\_\_  
Commissioner Rick Bacon, Pct. 3

  
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Commissioner Bill Ford, Pct. 4

Attest:

  
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Elizabeth McGill, County Clerk

