

COUNTY OF MATAGORDA CHAPTER 381 ECONOMIC DEVELOPMENT PROGRAM – GUIDELINES & CRITERIA

SECTION 1. PURPOSE

It is the policy of Matagorda County to provide incentives to eligible private businesses that make or will make a measureable difference in achieving economic growth and development, expanding and diversifying the tax base and creating new quality jobs within Matagorda County.

The purpose of this policy is to define the financial incentives and to establish standards for implementation. New businesses or expansion of existing businesses can be considered for financial incentives. In order to be eligible for incentives, businesses or individuals must be current on all County taxes or any other obligation to the County.

Incentives cannot be transferred as a result of a change in the majority ownership of the business without the expressed written consent of Matagorda County. Any new owner shall file a new application for an economic development incentive. It shall be the responsibility of the business to notify the County of any such substantive change.

Matagorda County is under no obligation to approve any requested incentive and no right to these incentives is neither intended nor implied.

SECTION 2. STRATEGIC OBJECTIVES

Matagorda County, through the implementation of this policy, shall endeavor to accomplish the following strategic objectives:

1. Matagorda County will pursue a stable, year-round economy with an emphasis on targeting quality jobs. A quality job is defined as a job that pays a wage or salary equal to or greater than the current Matagorda County Median Wage as computed annually by the Texas Workforce Commission and provides health insurance benefits to employees for which the employer pays at least 50%.
2. Matagorda County supports the retention and expansion of existing businesses within the County.
3. Matagorda County supports large private commercial recreational and tourism ventures that attract a Regional or National client base.
4. Matagorda County supports the revitalization of identified redevelopment areas and enterprise zones.
5. Matagorda County supports the attraction and retention of companies that have strong Regional and National markets for their products or services.

6. Matagorda County's economic development efforts should be consistent with the County's growth and development plans for Matagorda County.
7. Matagorda County supports increased health care coverage as a strategic objective.

SECTION 3. GENERAL CRITERIA

Matagorda County may provide incentives for any business or commercial development project ("Project") if that project:

1. Will substantially enhance the economic health of Matagorda County.
2. Will result in a net increase or retention of jobs in the County or add to the tax base or will otherwise improve or enhance the economic welfare of the residents or businesses of the County; or
3. Demonstrates the potential to generate revenues to the County which outweigh costs associated with incentives.

In addition, the following criteria must be satisfied.

The project **MUST**:

1. Show a clear demonstration of public purpose and economic benefit through advancement of the County's economic goals which include expanding the tax base, creating quality jobs, increasing private capital investment in the community, spurring development in targeted county locations; or encouraging development of targeted businesses or clusters desirable to enhance the County's economy;
2. Include solid evidence provided by the business that demonstrates the business's financial stability and capacity to complete the project;
3. Be in compliance with all local, state and federal laws.
4. The business, in order to receive any such incentives from Matagorda County will make available credible information, including but not limited to capital investment and employment projections and provide Matagorda County a fiscal impact analysis. The recipient will also make available an update of this data available annually after business operations have begun. The decision to provide any economic development incentives will be considered on a project-by-project basis, in accordance with the criteria set forth in this policy, and at the discretion of Matagorda County Commissioner's Court.

SECTION 4. QUALIFICATION CRITERIA

In order to be eligible for incentives, a project must meet all of the qualifying standards set forth below:

1. The Project agrees to locate within the area covered by Matagorda County.
2. The Project will produce a minimum of 150 new jobs in Matagorda County. New jobs do not include positions that are relocated from another location in Matagorda County.
3. The Project's investment must meet or exceed \$25,000,000 in infrastructure.
4. The Project must maintain ownership of all property for which a grant is received through the duration of the granting period.
5. The Project must make all efforts to hire local contractors and purchase items for construction from vendors within Matagorda County.
6. The Project will not knowingly employ undocumented workers.
7. Projects qualifying under this Category will be eligible for a maximum 50% Grant. Final Percentage of all grants will be at the sole discretion of the Commissioner's Court.

SECTION 5. ECONOMIC DEVELOPMENT INCENTIVE

1. Companies meeting the qualification standards above who wish to pursue incentives will need to pay a \$1,000 non refundable application fee in order to formally request incentives.
2. An economic impact analysis will be provided Matagorda County on every project considered for incentives.
3. The delivery mechanism of choice for incentives will be the Chapter 381 agreement; however, the County reserves the right to use any other source available in the award of incentives.
4. As a matter of general policy, tax abatements and Chapter 381 agreements entered into as a result of this policy will not be used simultaneously unless the revenue stream from which the Chapter 381 agreement is paid is derived from sources other than property tax.
5. Chapter 312 Agreements for Tax Abatement and Chapter 381 Agreements will not be stacked.
6. Agreements will be conditioned on the completion of specific improvements to real property and/or job numbers and salaries levels being met. The Agreements shall contain

recapture clauses outlined in the tax abatement guidelines in the event that such conditions are not met.

7. Chapter 381 contractual terms shall include any necessary provisions from the tax abatement guidelines and policies approved by Commissioners Court.
8. Commissioners Court reserves the right to add/remove requirements and stipulations to Chapter 381 incentive agreements.

SECTION 6. AMENDMENTS

This policy may be amended or renewed by majority vote of Matagorda County Commissioner’s Court.

BY ACTION OF THE MATAGORDA COUNTY COMMISSIONER’S COURT, THESE GUIDELINES AND CRITERIA ARE EFFECTIVE ON THE _____ DAY OF _____, 2015.

County Judge

Commissioner, Precinct 1

Commissioner, Precinct 2

Commissioner, Precinct 3

Commissioner, Precinct 4