



CITY OF WINNSBORO, TEXAS
Comprehensive Policy of Guidelines and Criteria for
Economic Development Incentives

The City of Winnsboro (the “City”) is committed to the promotion of quality development in all areas of the City and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy. The City will, on a case-by-case basis, give consideration to providing incentives as a stimulus for economic development. It is the policy of the City that said consideration will be provided in accordance with the procedures and criteria outlined in this document; however, nothing herein shall imply or suggest that the City is under obligation to provide any incentive to the applicant. All applications shall be considered on a case-by case basis by the Winnsboro City Council.

As authorized by the Texas Constitution, Chapters 311 (Texas Tax Code), 312 (Texas Tax Code) and 380 (Texas Local Government Code), and other applicable laws, the City has established this incentives policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create economic tax base and job opportunities which bring new economic advantages to and strengthen the current and future economic base of the City.

All Incentive requests will be reviewed by the Winnsboro City Council, who will either approve incentives with modifications, as is, or denial. All incentive approvals will be memorialized in an economic development agreement between the City and recipient.

Overview of Economic Development Incentives

Tax Abatement/Tax Grant

Tax Abatements or tax grants may be offered for improvements to real property and/or for business personal property, and do not apply to land. Tax Abatements or tax grants for improvements to real property may be offered to an applicant that constructs a new or expanded facility to house the applicable project. The tax abatement or tax grants will apply to the taxable value of the new or expanded improvements. Tax abatements or tax grants for business personal property may be offered to an applicant that purchases long-term leases

existing or new facilities, and will apply to the taxable value or the personal property added to the facility after the execution of the tax abatement or tax grant.

Sales Tax Rebates

The City collects 2% sales tax on any taxable retail sale made in the city limits. The collection is divided between the City's general fund and the Winnsboro Economic Development Corporation. An applicant may apply for a rebate of all or a portion of the Winnsboro Economic Development Corporation local option sales tax for a maximum of three (3) years collected by the Grantee's business pursuant to the following schedule:

- Annual sales over \$4 million - up to 100% rebate for a maximum of three years,
- Annual sales between \$2 million and \$3,999,999 – up to 90% for Year 1, up to 70% for Year 2 and up to 50% for Year 3.
- Annual sales less than \$2 million – up to 50% rebate for Year 1, up to 30% rebate for Year 2 and up to 10% rebated for Year 3.

Note: The City will pay rebates based on receipt of actual sales taxes and the confidential sales report received from the State of Texas Comptroller's Office, and shall be solely responsible for determining the amount of the rebate.

Building Permit, Development, Connection, and Impact Fees

The City may approve a waiver, grant, or rebate of all or a portion of related fees, including, but not necessarily limited to: building permit fees, development fees, and impact fees.

Tax Increment Financing (TIF) or Tax Increment Reinvestment Zone (TIRZ)

- Chapter 311 of the Texas Tax Code allows political subdivisions to create TIF Zone in order to use the increased tax value of land from development toward financing the public improvements in the reinvestment zone.
- TIF Districts may assist in financing development of unimproved or blighted land by dedicating the real estate property taxes to be generated by the built project to a TIF Fund for payment of the principal and interest on TIF Bonds.
- Under a TIF, the property owner pays taxes on the full value of the property, and the taxing entities pay into the TIF Fund the taxes attributed to the added value of the property due to the new development.
- TIF Bonds may be issued for a maximum of 20 years and may be used to pay for public improvements associated with a development (i.e. parking, infrastructure, land acquisition, utilities, etc.).

- A TIF Reinvestment Zone must meet set criteria as defined by law.
- The municipality establishes the TIF Reinvestment Zone and other taxing entities approve agreements to participate in the TIF District and set forth the percentage of tax increment they are willing to dedicate to the TIF fund, up to a maximum of 100%.
- A TIF Board consisting of 9 – 15 members, is established with representatives from the participating taxing entities and other representatives as set forth in state law.

Public Improvement District

A Public Improvement District is a public financing vehicle (Chapter 372 of the Texas Local Code) that can be used to finance the cost of public infrastructure related to his project. Under a Public Improvement District:

- A Public Improvement District is formed over property that will benefit from public improvement projects to be constructed
- Assessments are levied in a manner that apportions costs according to the benefits received from the public improvements
- Bonds are issued to fund the improvements. Bond proceeds are deposited to a construction fund
- As eligible projects are completed, the proceeds in the construction fund are used to acquire facilities from the developer
- Assessments are paid by the property owners (usually over a period of years, although assessments may be prepaid in full or in part at any time). Assessments transfer along with title to the property. Therefore, end users typically pay the bulk of assessments. This is fitting, as the public improvements benefit the end users' property.

Neighborhood Empowerment Zone

A Neighborhood Empowerment Zone is a tool for cities that would promote at least one of the following:(1) the creation of affordable housing, including manufactured housing, in the zone; (2) an increase in economic development in the zone; (3) an increase in the quality of social services, education, or public safety provided to residents in the zone; or (4) the rehabilitation of affordable housing in the zone. Tax Code§ 378.002.

A city may offer the following incentives within a neighborhood empowerment zone: (1) waive building, inspection, or impact fees; (2) enter into sales tax rebate agreements lasting up to ten years; (3) enter into property tax abatement agreements lasting up to ten years; and (4) set baseline performance standards to encourage alternative building materials that address environmental or energy consumption concerns. Tax Code § 378.004.

Fast Track Permitting

At the request of the applicant, permitting time can be shortened if the project needs and justifies the reduced time frame through the Winnsboro Fast Track program.

Winnsboro Facade Improvement Matching Grant Program

The Winnsboro Facade Improvement offers matching grants to eligible property owners in Winnsboro to renovate and enhance building facades. Eligible businesses can receive up to 50% reimbursement of their project up to \$25,000 for their enhancements. This program is a part of the City's ongoing effort to revitalize and promote the Winnsboro's appearance.

Structure/Building

The City may construct, or provide funding to construct a building or structure needed for the project.

Grants

Cash grants may be available to a business locating in the City.

General Guidelines

I. Criteria for Economic Development Incentives

- A. Must be reasonably expected to increase the appraised value of the property in the amount specified in the agreement after the period of abatement has expired.
- B. Project does not have any negative environmental impacts on the community (e.g.; significant pollution, excessive water usage or hazardous waste).
- C. The degree to which the specified project meets the purposes and objectives of the City, the relative impact of the project will be used to determine the total value and duration of the incentives, tax abatement or tax grant provided to any applicant. In compliance with state law no abatement will be for more than a maximum of 10 years in duration.

II. Objective Criteria

In order for the economic development incentives application to be considered the following must be addressed in written format by the applicant using "City of Winnsboro Application for Economic Development Incentives" attached to this policy as Exhibit B:

- A. Number of new jobs in Winnsboro that will be created by the project.
- B. Average salary detailed by skilled, unskilled and management positions.
- C. Total annual payroll created by the project.
- D. The net tax base valuation (real and personal property) that will be added by the project.
- E. Projected annual sales tax that will be directly generated by the project for a time period of 5 years and 10 years.

III. Subjective Criteria

In addition to the objective criteria for which specific values can be assigned, several additional considerations must be evaluated. Using "City of Winnsboro Application for Economic Development Incentives" attached to this policy as Exhibit B the applicant must respond to the following in written narrative format, with backup documentation:

- A. Explain the types and values of public improvements, if any, which will be made by the applicant.
- B. Explain to what extent the project will complement existing businesses.
- C. If the project poses any negative operational, visual/image, style impacts or additional noise, etc., provide details.
- D. Provide information including at least five years financial and operating history of the company. If company is a start-up provide at least five years of financial information of the sole proprietor and/or any investors and business plan.
- E. The applicant must indicate whether or not they are willing to commit to a definite construction/completion schedule for the project and to define exactly what will be built (i.e.; what will be on the tax roll and when).
- F. State in the application whether the project is a franchise, expansion, relocation/consolidation from elsewhere, or the start-up of a new operation.

IV. Value of Economic Development Incentive Provided

The objective criteria and subjective criteria outlined in Sections II and III will be used by the City Council in determining whether or not it is in the best interests of the City to provide economic development incentives for a particular project. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project.

V. Procedural Guidelines

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

- A. **Application Steps:** To apply for economic development incentives complete "City of Winnsboro Application for Economic Development Incentives" attached to this policy as Exhibit B and available via the Economic Development Corporation's website, www.winnsboroedc.com and the City of Winnsboro's website, www.cityofwinnsboro.org. The application must be submitted to Winnsboro Economic Development Corporation ("the Corporation"), 501 S. Main St. Winnsboro TX 75494.

- B. **Application Review Steps**
 - 1. All information submitted as detailed above will be reviewed by the Corporation for completeness, accuracy and the rationale for projections made. Additional information may be requested as needed.
 - 2. If applicable, the application will be distributed to the appropriate Corporations for internal review and comments. Additional information may be requested as needed.
 - 3. If necessary, copies of the complete application package may be provided to the other appropriate taxing entities.

VI. **Execution of Agreements**

Should the City Council determine that it is in the best interests of the City to approve economic development incentives to a particular applicant, a resolution shall be adopted declaring that under the guidelines and criteria established herein, the application is eligible for an economic development incentive in the form of an economic development incentive agreement. The resolution shall further authorize the Mayor to execute a contract with the applicant governing the provision of the incentives.

Any agreement so adopted must include at least the following specific items:

- A. Amount of the incentive
- B. Duration of the incentive
- C. Legal description of the property

Application Procedure

Any person or company requesting that the City provide an economic development incentive shall comply with the following procedure:

1. The applicant will submit a completed application for the requested incentive(s) utilizing the application outline provided by Winnsboro Economic Development Corporation attached to this policy as Exhibit B, and available via the Economic Development Corporation's website, www.winnsboroedc.com and the City of Winnsboro's website, www.cityofwinnsboro.org.
2. The applicant will address all applicable criteria set forth in this policy and the application.
3. The applicant will provide a plat, map or survey showing the location of the property and the proposed project.
4. The applicant will provide a legal description of the property; the name, address, phone number, fax number of the owner of the property; the tenants or proposed tenants, if any; and state whether the property is to be owner occupied or leased.
5. The applicant will describe in detail the proposed project and the type of economic development incentive(s) requested.
6. The application will be submitted by either mail to Winnsboro Economic Development Corporation, 501 S. Main Street Winnsboro, TX 75494 or via email to the Economic Development Corporation at clindholm@winnsborotexas.com.
7. Winnsboro Economic Development Corporation will review the economic development incentive request and may request additional information from the applicant prior to considerations by City Council. Failure to timely submit any additionally requested information will cause the application to be rejected and will be deemed withdrawn by the applicant without further action by the City.
8. The City Council will review the requested incentive request pursuant to this policy and recommendations by City staff
9. When necessary under this policy the City Council will, at a regular meeting and when allowed by law at a special meeting, consider proposed economic development incentive agreement.
10. Information submitted by the applicant regarding the requested incentive is confidential to the extent allowed by law.

Impact Analysis

The City reserves the right to perform an economic impact analysis for any project to determine the impact the project will have on the City. If deemed necessary this analysis will be made before an incentive is offered to the applicant.

Negotiation Process

The initial contact and preliminary discussions relating to available incentives is to be between the authorized representatives of the applicant and the Winnsboro Economic Development Corporation.

All negotiations for Economic Development Incentives shall be between the authorized representative(s) of the applicant and the Economic Development Corporation and any City employee as designated by the City Administrator.

City Council's decision shall be based upon an evaluation of the criteria that each applicant has addressed in narrative format in their application.

Execution of Agreement

If it is necessary for City Council to take action on the application a resolution shall be adopted declaring that under the guidelines and criteria established herein, the application is eligible for economic development incentives. The resolution shall further authorize the Mayor to execute a contract with the applicant governing the provision of the incentives.



ECONOMIC DEVELOPMENT

Application for Economic Development Incentives

The City of Winnsboro is committed to the attraction, expansion and retention of high-quality projects in all parts of the community that diversify the tax base and enhance the quality of life for all citizens. To that end, the City of Winnsboro will consider economic development incentives on a case-by-case basis in accordance with the [City of Winnsboro Economic Development Incentives Policy](#).

I. APPLICANT INFORMATION

- A. Applicant: _____
- B. Lessee, if applicable: _____
- C. Company/project name: _____
- D. Mailing address: _____
- E. Street address: _____
- F. Telephone: _____ Fax: _____
E-mail: _____
- G. Applicant's representative for contact regarding incentive request:
 - a. Name and title: _____
 - b. Mailing address: _____
 - c. Street address: _____
 - d. Telephone: _____ Fax: _____
E-mail: _____

II. PROPERTY AND PROJECT DESCRIPTION

- A. Address/location/size of property to be considered for economic development incentives:

- B. Project description:

C. Description of activities, products, or services produced and/or provided at project location:

D. Proposed total amount of new investment for this project:

- a. Total cost of infrastructure: _____
- b. Construction cost of building: _____
- c. Total square footage of building: _____
- d. Construction cost of other structures on property: _____
- e. Total square footage of other structures on property: _____
- f. Cost of fixed machinery and equipment: _____
- g. Other: _____

(Please add attachments if additional space is needed)

E. Is the project a:

New project: _____ Relocation project: _____ Expansion project: _____

F. Calendar year the full value of the project will be on the tax role:

G. If new business, estimation of property on the tax role in Year 1:

Real property value: \$ _____

Personal property value: \$ _____

Estimation of property on the tax role in Year 5:

Real property value: \$ _____

Personal property value: \$ _____

Estimation of property on the tax role in Year 10:

Real property value: \$ _____

Personal property value: \$ _____

H. Existing business or relocating business:

Real property value at current location: \$ _____

Personal property value at current location: \$ _____

Address of current location: _____

I. Project time horizon:

Projected months of construction time: _____ months

Projected years of building life: _____ years

Projected date of commencement of construction at project site: _____

Projected date of opening: _____

J. Please indicate date for phases, if applicable:

K. Location of other existing company facilities, if any:

L. Projected gross annual revenue by the facility in 5 years: \$ _____

M. Projected gross annual revenue sales subject to City of Winnsboro sales tax in 5 years:
\$ _____

N. Projected gross annual revenue by the facility in 10 years: \$ _____

O. Projected gross annual revenue sales subject to City of Winnsboro sales tax in 10
years: \$ _____

P. After the facility is open:

(i) Annual operating budget: \$ _____

III. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. New employment in Winnsboro: Full-time: _____ Part-time: _____

Existing employment in Winnsboro: Full-time: _____ Part-time: _____

B. New employment annual payroll in Winnsboro: Full-time: _____

New employment annual payroll in Winnsboro: Part-time: _____

Existing employment annual payroll in Winnsboro: Full-time: _____

Existing employment annual payroll Part-time: _____

If positions are to be phased in, provide figures for each phase year) _____

- C. Provide types of jobs created, detailed by skilled, unskilled and management positions, and average salary levels of each:

VI. VISITOR INSIGHTS

A. Number of visitors per day to facility: _____

B. Duration of stay (days): _____

VII. REQUESTED INFORMATION

Submit the following information to be considered for a City of Winnsboro Economic Development Incentive:

A. Plat, map or survey showing the location of the property and proposed project

B. Legal description of the property

C. Name, address and phone number of the owner of the property:

D. Tenants or proposed tenants, if known:

E. Will the property be owner occupied or leased: _____

F. At least five years of financial and operating history of the company. If company is a start-up please provide at least five years of financial information of the sole proprietor, principal investors and/or any partnerships.

G. City reserves the right to request copy of applicant's business plan as needed.

VIII. INCENTIVE REQUEST

Tax Abatement/Tax Grant

A. Applicant is requesting what percentage, if any, of the City of Winnsboro’s portion of the real property tax collected: _____ (Enter a range from 1% - 100%)

B. Number of years applicant is requesting: _____ (Not to exceed 10 years)

C. Applicant is requesting what percentage, if any, of the City of Winnsboro’s portion of the personal property tax collected: _____ (Enter a range from 1% - 100%)

D. Number of years applicant is requesting: _____ (not to exceed ten years)

Sales Tax Rebate If requesting a sales tax rebate, please circle which projection below fits your project

(Only applies to 1% of sales tax that is allocated to the City’s general fund.)

A. Project’s Annual sales are projected at over \$4 million.
Project qualifies for up to a 100% rebate for a maximum of three years.

B. Project’s Annual sales are projected between \$2 million and \$3,999,999.
Project qualifies for up to a 90% rebate for Year 1, up to 70% for Year 2 and up to 50% for Year 3.

C. Project’s Annual sales are projected to be less than \$2 million.
Project qualifies for up to a 50% rebate for Year 1, up to 30% for Year 2 and up to 10% for Year 3.

Waiver of Building Permits, Development Permits and Connection Fees

A. Applicant is requesting what percentage, if any, to be waived for building permits, development permits and connection fees: _____
(enter a range from 1% to 100%)

B. Water meter size for proposed project: _____

C. Irrigation meter size for proposed project: _____

Reimbursement of City of Winnsboro Impact Fees

The City Winnsboro may collect impact fees.

- A. Applicant is requesting what percentage, if any, to be reimbursed for roadway impact fees: _____ (enter a range from 1% to 100%)
- B. Applicant is requesting what percentage, if any, to be reimbursed for water impact fees: _____ (enter a range from 1% to 100%)
- C. Applicant is requesting what percentage, if any, to be reimbursed for sewer impact fees: _____ (enter a range from 1% to 100%)

City Participation in Infrastructure

City participation will only be considered for the extension, construction or reconstruction of public infrastructure.

- A. Applicant is requesting the following infrastructure be considered:

- B. Projected dollar amount of infrastructure to be considered:

- C. Applicant is requesting what percentage, if any, for the City to participate in: _____ (enter a range from 1% to 100%)

Hotel/Motel Occupancy Tax

- A. Applicant is requesting what percentage, if any, of the City's 7% hotel occupancy tax: _____ (enter a range from 1% to 100%)
- B. Number of years applicant is requesting: _____
- C. If granted, applicant would do the following with the 7% portion of the tax:

Fast Track Permitting

A. Applicant is requesting fast track permitting for the following reasons:

Structure/Building

A. Applicant is requesting the City to either construct or provide funding for a building/structure. Please provide estimated building/structure cost, square footage and if the applicant is requesting the City to build or help with funding along with an explanation of request.

Facade Improvements

A. Applicant is requesting a Facade Improvement Matching grant. Matching grants are 50/50 with a maximum cost of \$25,000.

Grants

A. Applicant is requesting a grant from the City. Please provide the amount requested, along with an explanation how the grant will be utilized.

Other Requests

A. Please provide any other incentive request the applicant would like the City to consider.

Timeline

Once an application is submitted, City staff will review for completeness and may request additional information. If deemed appropriate, City staff will begin initial negotiations with applicant. City Council may review an economic incentive request during executive session at a City Council meeting. City Council meetings are held the second Tuesday of every month. City Council may review an economic incentive request at multiple meetings; applicants are requested to allow applicable time in their business plan for staff and City Council review of the incentive request.

Upon receipt of a completed application, the City of Winnsboro may require other information as may be deemed appropriate for evaluating the economic development incentive request. The City of Winnsboro will work closely with the applicant to expedite the application.

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the “*Winnsboro Comprehensive Policy of Economic Development Incentives*” and agree to comply with the guidelines and criteria stated therein.

_____	_____
Signature	Title
_____	_____
Printed Name	Date

**Please return the completed application and attachments to:
Winnsboro Economic Development Corporation
Attn. City Administrator
501 S. Main
Winnsboro, Texas 75494**

**For assistance, contact:
Winnsboro Economic Development Corporation
903-342-3654**

Received by: _____ Title: _____

Date received: _____