

**COLLIN COUNTY ECONOMIC DEVELOPMENT
THE 50/3 PLAN**

- 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. To promote state or local economic development; and
 - B. To stimulate, encourage, and develop business and commercial activity in the county.
- II. **Plan Purpose And Benefits** The Collin 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 to create new jobs, and increases in real and business personal property in Collin County (the “County”). Qualifying and approved businesses complying with the terms of the 50/3 Plan, (the “Plan”) will receive a grant equal to one half (50%) of the businesses’ County ad valorem taxes for up to three 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, 2012, or an established business in the County which has expanded (not relocated) and is operating in a new and additional location in the County after January 1, 2012.
 - 2. The new or expanding business must not:
 - (a) be located in a residentially zoned area of the municipality,
 - (b) be located in a Tax Increment Reinvestment Zone; and
 - (c) be receiving any other form of tax incentive from the County for the same new 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 \$100,000; and
 - 2. A minimum creation of five new full-time equivalent (“FTE”) jobs at the new business, maintained throughout the term of the Plan; and
 - 3. 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. Slaughterhouse
6. Salvage yard

D. Municipal Preferences

Applications received by the County for municipalities which have established policies against development incentives for similar businesses, will not be approved. Municipalities may provide lists of new businesses within their municipal boundaries which are either preferred and/or not preferred, by the municipality to receive approval for the Plan. Preference lists received by the County from municipalities are attached to the Plan as Exhibit A. The County intends to honor the requests of municipalities for use of the Plan within their boundaries.

E. No Vested Rights

Adoption by the County of this Plan therefore does not:

1. Limit the discretion of the court
2. Prohibit delegation by the court to County employees the discretion to screen applications for approval
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. If approved, the applicant would be enrolled in the Plan on the first day of the following calendar year, when taxable values are established for the applicant.

A. Conditions Precedent to Payment By the County

1. The Plan benefits terminate as to the business if the minimum standards for improvements and employment are not met within the first year, and/or not maintained in the second or third years.
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 tax bill with proof of payment must be submitted with the affidavit in 2. above.
4. The applicant must timely and fully pay all of its taxes to the County.
5. All representations made by applicant in the application and the yearly affidavits must be true and accurate.

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 \$100,000. In addition, there must be a minimum creation of five new FTE jobs in the County, maintained throughout the term of the Plan.
2. There must be compliance with the terms above, and any others in the agreement for the incentive approved by the County.
3. The applicant must file for the Plan by December 1st of the year the business is established expanded and operating;
4. If approved, the tax value of the business on January 1st of the following year, and the taxes paid on that tax value, determine the 381 grant to the business for such year.

C. Recapture Provision

In the event the approved applicant fails to meet the terms of the agreement, all amounts received from the County from the Plan must be repaid to the County within 30 days of notice from the County.

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, continued operation in the County for a stated period, achieved minimum taxable values, or other provision in the County's discretion.

PREFERENCE LISTS FROM PARTICIPATING MUNICIPALITIES
REGARDING THE 50/3 PLAN

The attached preferences for use, or restrictions on use, of the 50/3 Plan have been received by the County from municipalities within Collin County. The municipalities listed below may amend their preferences on reasonable notice to the County. Additional municipalities may provide their preferences for the 50/3 Plan during the three year term of the Plan. Preferences have been received from the following:

- A. Anna
- B. Farmersville
- C. Lowry Crossing
- D. Sachse

ATTACHMENT A
City 50/3 Exemption Proposals

Anna

- 1) Adult entertainment businesses including but not limited to adult arcades, adult video and/or bookstores, adult novelty stores, adult cabarets, adult motion picture rooms and theaters, nude modeling studios, adult hotels or sexual encounter centers, and massage parlors
- 2) Fat rendering plants
- 3) Garbage offal or dead animal reduction plants
- 4) Tattoo parlors
- 5) Body piercing shops
- 6) Retail outlets specializing in drug paraphernalia used for consumption of cannabis and other recreational drugs

Farmersville

- 1) Pay Day Loan facilities
- 2) Pawn Shops
- 3) Tattoo and body piercing
- 4) Game Rooms
- 5) Liquor Stores
- 6) Sexually Oriented Businesses

Lowry Crossing

- 1) Sexually oriented businesses
- 2) Auto reclamation businesses
- 3) Hookah bars
- 4) 8-liner arcade businesses

Sachse

Recreational, Social and Entertainment

- 1) Bingo Hall
- 2) Shooting range, indoor
- 3) Private beverage club

Medical and Related Uses

- 4) Cemetery
- 5) Mortuary funeral home

Office and Retail

- 6) Flea market, indoor
- 7) Laundromat
- 8) Laundry or cleaners, on-site processing
- 9) Pawnshop
- 10) Sexually oriented business
- 11) Tattooing/body piercing establishment

Commercial

- 12) Firewood bulk sales
- 13) Grain elevator
- 14) Meat and game processing

Motor Vehicle and Related Uses

- 15) Automobile, motorcycle and watercraft sales, leasing, service and repairs
- 16) Automobile wrecking yard
- 17) Bus terminal
- 18) Truck or bus storage, commercial
- 19) Truck terminal
- 20) Vehicle sales, leasing, service and repair (other than auto/motorcycle)
- 21) Vehicle pound

Industrial

- 22) Batching plant (temporary)
- 23) High risk
- 24) Mining
- 25) Salvage Yard

Utility and Service

- 26) Sanitary landfill
- 27) Sewage treatment plant