

COLLIN COUNTY ECONOMIC DEVELOPMENT

CHAPTER 381 PROGRAM

The THE 50/3 PLAN

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Plan

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I. Program 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:

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A. To promote state or local economic development; and

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B. To stimulate, encourage, and develop business and commercial activity in the county.

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II. Program Plan Purpose And Benefits The Collin County Commissioners Court has determined that adopting a program plan pursuant to Chapter 381 is appropriate to provide economic development incentives for certain qualifying new and expanding businesses which to create new jobs, and increases in real and business personal property in Collin County (the county: "County"). Qualifying and approved businesses complying with the terms of the program 50/3 Plan, (the "Plan") will receive a grant equal to one half (50%) of the businesses' county County ad valorem taxes for up to three years.

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

A. New and expanding businesses: Expanding Businesses

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1. A new business is defined as one established and operating in Collin the County after January 1, 2012, or an established business in the county County which has expanded (not relocated) and is operating in a new and additional location in the county: County after January 1, 2012.

2. The new or expanding business must not:

(a) be located in a non-residentially zoned area of the municipality, or an unincorporated area of the county and

2. (b) not be located in a T.I.F. or T.E.R.Z. zone, Tax Increment Reinvestment Zone; and

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(c) be receiving any other form of tax incentive from the County for the same new business.

B. Minimum Performance Standards

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B. Minimum performance standards require:

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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 programPlan; and
3. Full compliance with the terms above, and any others in the agreement for the incentive approved by the county.

~~C. The applicant may not be receiving any other form of tax incentive from Collin County for the same new business.~~

C. Discretionary Approval

Approval of application is not automatic. The County reserves the right and discretion to modify the terms of the programPlan, and/or reject any individual application. The County will consider approval of qualified applicants for the programPlan, and may create individual agreements, ~~or programs~~, with specific applicants. Applications for businesses which are not beneficial to the economic development ~~for of~~ the countyCounty, 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

~~D.~~ Applicants whose applications are received for locations in municipalities which have established policies against development incentives for similar businesses ~~will not be approved. Adoption by the county of this program therefore does not,~~ 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 exhibits. The County intends to honor the requests of municipalities for use of the Plan within their boundaries.

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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 countyCounty employees the discretion to screen applications for approval
3. Create a property right.

IV. Terms of the ProgramPlan.

The Applicant must provide the required information to the countyCounty requested on the ProgramPlan Application. If approved, the applicant would be enrolled in the

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~~programPlan~~ on the first day of the following calendar year, when taxable values are established for the applicant.

A. ~~Conditions precedent~~Precedent to payment by ~~the county~~ County

1. The ~~county program 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 ~~programPlan~~ 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 ~~IV. A.~~ 2. above.
4. The applicant ~~has~~must timely and fully ~~paid~~pay all of its taxes, to the County.
5. All representations made by applicant in the application and the yearly affidavits ~~are~~must be true and accurate.

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B. ~~ProgramPlan~~ Performance Standards

1. ~~A~~ 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; ~~and~~
2. ~~1. A.~~ In addition, there must be a minimum creation of five new FTE jobs in the county, maintained throughout the term of the ~~programPlan~~.
3. ~~2. Full~~ There must be compliance with the terms above, and any others in the agreement for the incentive approved by the ~~county~~ County.
4. ~~3.~~ The applicant must file for the ~~program Plan~~ by December 1st of the year the business is established expanded and operating;
5. ~~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.

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C. ~~Recapture provision~~ Provision

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

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D. Legal Requirements

- ~~D.~~ Notwithstanding any other provision of the ~~programPlan, state law~~ requires the ~~county~~ 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.

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Therefore, the ~~county~~County will require and ensure that there is consideration for any incentive. ~~A county~~The County may condition any grant payments upon the creation of employment, construction of improvements, continued operation in ~~a county~~the County for a stated period, achieved minimum taxable values, or ~~sales tax revenue, or~~ other provision; in the ~~county's~~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. Allen
- B. Anna
- C. Farmersville
- D. Melissa
- E. Murphy
- F. Sachse