

Town of Hickory Creek

Business Incentive Policy for Economic Development

I. Policy Statement

The Town of Hickory Creek is committed to the promotion and retention of high quality development in all areas of the Town and to an ongoing improvement in the quality of life for its citizens. Insofar as the enhancement and expansion of the local economy generally serve these objectives, the Town of Hickory Creek will, on a case-by-case basis, give consideration to providing business incentives as stimulation for economic development in Hickory Creek. The Town of Hickory Creek will consider providing business incentives in accordance with the procedures and criteria outlined in this document. Incentive Agreements will be considered for both new facilities and expansions of existing facilities and for the expansion or modernization of existing facilities and structures. Nothing herein shall imply or suggest that the Town of Hickory Creek is under any obligation to provide any business incentive to any applicant. Applications shall be filed with the Hickory Creek Economic Development Corporation (HCEDC) Board and copies will be coordinated with the Town Manager, appropriate Town Departments, and the HCEDC Board of Directors within five working days. All applicants shall be considered on a case-by-case basis.

II. Applicability

This policy establishes that all business incentive options, programs, and agreements shall be governed by applicable state statutes relating to economic development.

III. Criteria

Any request for a business incentive shall be reviewed by the HCEDC Board. If the request is accepted by the board, the board will recommend approval to the Town Council. Acceptance and approval shall be based upon an evaluation of the narrative responses provided in the Application for Business Development Incentives (attached herein) and all accompanying support documents.

IV. Expiration and Modification

A. This Business Incentive Policy for Economic Development is effective upon the date of its adoption. All economic incentives approved under this policy shall be reviewed at least every two years for compliance with the conditions of the incentive program.

Hickory Creek Economic Development Corporation Project Guidelines and Incentive Qualifications

All actions of the Hickory Creek Economic Development Corporation Board (HCEDC) are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B and the approval of the Hickory Creek Town Council. The HCEDC will accept applications for projects at any time. Applications will not be considered unless all information is completed. Applicants must be able to attend and present projects at the HCEDC Board meeting usually held the 4th Thursday of every month. Eligible projects must be within the Town's corporate limits. Each project will be considered on a project-by-project basis, using these guidelines established by the HCEDC Board, and subject to funding availability.

I. Procedure for Incentive Consideration

1. Submit a completed Application for Business Incentive to the Town Administrator's office with all supporting documentation.
2. Application will be reviewed by the HCEDC Board and The Town Administrator.
3. The HCEDC Board will make an acceptance or denial decision regarding the Business Incentive Application subject to its adherence to the stated guidelines, the availability of the incentives and at the discretion of the HCEDC.
4. Public hearing(s) regarding proposed projects incentives will be held in accordance with Legislative guidelines.
5. A Performance Agreement will be prepared by the HCEDC Board and the Company.
6. The HCEDC Board will present the accepted Business Incentive Application, Performance Agreement, and recommended incentive to the Town Council of Hickory Creek for final approval or disapproval.
7. If approved by the Town Council of Hickory Creek, the Applicant will provide verification of its compliance with the requirements to which it has agreed with all request for payment of the incentive.

II. Qualifications

In determining whether to offer an incentive using HCEDC funds, the project must demonstrate one or more of the following:

1. An increase in the Town's Sales Taxes.
2. An increase in the Town's Ad Valorem Taxes.
3. An increase in employment in the Town of Hickory Creek.
4. An increase in the Town of Hickory Creek's overall quality of life that will promote economic development.
5. Improvements to the Town's streets, drainage, water, and/or wastewater infrastructure that will facilitate economic growth.

If a project has a direct, positive effect on those items discussed in the guidelines above, the HCEDC board will evaluate each project on a number of differing criteria to determine the level of

investment, if any. These guidelines are not retroactive to any project. Criteria to be considered will include:

1. Total capital investment in the project including acquisitions, site improvements, building cost and equipment.
2. Number, type, quality, and wage level of jobs created.
3. Other site-specific issues which may have ancillary benefits to the Town of Hickory Creek.
4. Grants provided by other local, regional, or economic development entities.
5. Other, unanticipated factors deemed relevant by the HCEDC Board.

The HCEDC may provide an incentive in many different forms and at varying levels, depending on the project's parameters and the Board's discretion. Key to determining the amount of the incentive is of course the anticipated benefit to the Town of Hickory Creek.

III. Quality of Life Projects

Eligible projects must be within the Town's corporate limits. Each project will be considered on a project-by-project basis, using these guidelines established by the HCEDC Board, and subject to funding availability.

Incentives for Quality of Life Projects will be considered where projects are owned by the Town of Hickory Creek upon completion; or where funding is requested for the construction of private (which includes non-profit) development projects, but only if the resulting facility is accessible or open to the public; both such Quality of Life Projects would indirectly result in economic benefit to the Town of Hickory Creek. Quality of Life Projects must benefit the Citizens of Hickory Creek and promote economic growth.

IV. Use of Funds

Incentives offered under these guidelines may be used for any of the following purposes:

1. Land and building acquisitions.
2. Site and infrastructure improvements.
3. Equipment and other improvements to the site.
4. Job training cost not otherwise reimbursed by investment grants or other programs.
5. Other purposes which leave value in the community as determined by the Hickory Creek EDC Board on a project-by-project basis.

V. Other Factors

Even though a project might meet all of the above minimum project qualifications, it will not be considered by the Hickory Creek EDC Board for an incentive if any of the following factors apply:

1. The project would, for any reason, result in a net reduction in the ad valorem tax valuation of all facilities in the Town of Hickory Creek owned by this company, or its parent, subsidiary, or affiliate companies.
2. An incentive will not be made or installments continued if the recipient company, or its parent, subsidiary, or affiliate is not current in all ad valorem tax payments to the Town of Hickory Creek.
3. No commitment of incentives may be transferred or assigned to another company without the written approval of the HCEDC Board.
4. The financial condition of the company receiving the investment must not be such that the ability of the company to meet its obligations is in doubt.

** These guidelines shall be subject to periodic review and may be modified, amended or terminated, due to changed economic conditions or competitive consideration. In the event of any modification, amendment or termination, incentives to which the HCEDC previously committed will not be affected. By adopting these guidelines, the HCEDC is not obligated to make any investment.