

**City of Kerrville Economic Improvement Corporation
4B Sales Tax Funding Request
Guidelines and Procedures**

Economic Improvement Corporation

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve expenditures of 4B funding. Before a project may be considered and awarded funds, the attached application must be completed and submitted to:

**City of Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
830.257.8000**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

Types of Projects

The Economic Improvement Corporation will consider applications for:

1. **Direct contributions to business development;** projects should include support of retention, expansion, or recruitment, resulting in public economic benefit, and economic and demographic analyses used for policy development.
2. **Quality of Life projects;** projects which are owned by the City of Kerrville 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 indirectly result in economic benefits.
3. **Participation in Public Infrastructure;** necessary to facilitate private development, resulting in public economic benefit.

Guidelines and Procedures

Business Development and Participation in Public Infrastructure Projects

Application

The City of Kerrville will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at an Economic Improvement Corporation board meeting. City owned improvements will be

included in the Capital Improvement Plan. Eligible projects can be projects within the city limits of Kerrville and within Kerr County. All projects outside the Kerrville city limits must have approval of the governing body in which the project is to be located. Applicants may be businesses, individuals, the City of Kerrville, Kerr County, or Kerr Economic Development Foundation.

“GO Team”

An executive team (“GO Team”) will evaluate and recommend applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan
4. Economic impact analysis results*, including a return on investment and the break-even point (as affected by the extent of developer participation), job creation impact, and impact on the tax base
5. Project status; for example, projects already under construction

The “Go Team” will consist of the City Manager, Special Projects Coordinator, and the Executive Director of the Kerrville Economic Development Corporation. Additional members of staff may be added to the “GO Team” where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the “GO Team” will make a recommendation to the Economic Improvement Corporation. The “GO Team” will then notify the applicant of the next available Economic Improvement Corporation board meeting for a project presentation.

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Kerrville.

Quality of Life Improvement Projects

Interested businesses, individuals, or non-profit groups are required to complete an application and provide appropriate documentation of the project. The initial response team will evaluate and recommend projects based on the following criteria:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan

4. Direct or indirect economic benefit*
5. Project status; for example, projects already under construction

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Kerrville unless such Quality of Life project is a publicly available private project which provides access or services on a non-discriminatory basis.

The Economic Improvement Corporation's annual budget is presented to the EIC members during July each year. Upon review and approval, the EIC recommends the budget to city council for approval in September.

The City of Kerrville Economic Improvement Corporation meets monthly at the Kerrville City Hall, Council Chambers, 701 Main Street, Kerrville, Texas.

For additional information visit the City's website at www.kerrvilletx.gov or call 830.257.8000.

*Specific criteria for the economic impact analysis may be described in a separate economic development incentive policy.

**APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION**

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Kerrville, Texas 78028
830.257.8000**

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**APPLICATION
SECTION 1 - DEFINITIONS**

Clawback- That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

Current Payroll- The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

Employee Benefit- Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Full Time Job- The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Hourly Wage- The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

Part-Time Job- A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Funding Agreement- a written document designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Public Capital Project- Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

SECTION II - APPLICANT INFORMATION

Submittal Date: ___/___/___

Company Name:

Address (City/State): _____ Phone _____

_____ Fax _____

City State Zip Code

Name of Company Contact on this project:

Contact Address (if different from above):

_____ Phone _____

_____ Fax _____

City State Zip Code

Type of Business Structure: Corporation ___ Partnership ___ Sole Proprietorship ___

Year Business Started: Year _____ Location _____

Current Employment: Permanent Full-Time _____ Permanent Part-Time _____

Average Production Wage _____

Full-Time Employees receive the following benefits:

Financial Information: Five Years Annual Financials Attached _____

Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

Has the Company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes? No () Yes () Details:

SECTION III- PROJECT INFORMATION

This application is for a:

Business Development ()

- Expansion of Existing Facility () or
- New Construction ()
- Other ()

Quality of Life Improvement ()

- Parks, Open Space ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district(s): City of Kerrville () Kerr County () Kerrville ISD () Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City

of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total \$ _____
Sq. Footage of New Building (s) _____
Size of Parking _____
Other _____

Part B- Project Investment in Fixed Equipment

(New)\$ _____
Manufacturer of Equipment _____
Anticipated Useful Life of Equipment _____
Purchase Price \$ _____ Installation Cost \$ _____
Anticipated Delivery time from Date of Order _____

Part C- Permanent Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles _____

Anticipated starting salaries of these employees: (avg.) \$ _____/hour

Part D- Permanent Part-Time Employment Estimates-
(do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles of these employees: _____

Anticipated starting salaries of these employees: (avg.) \$ _____ / hour

Part E- Payroll Impact

Within 12 months of Project Completion _____ Within 24 months of Project
Completion _____

\$ _____
FTE X Avg. Wage X 40 hrs X 52 wks

\$ _____
PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?

No () Yes ()

Describe:

To the best of my knowledge, the above information is an accurate description of the
proposed project details.

Printed name

Date

Title

Signature