

## **RESOLUTION R-001-18**

### **RESOLUTION BY THE CITY OF BORGER, TEXAS ESTABLISHING AND PROVIDING FOR THE ADMINISTRATION OF ECONOMIC DEVELOPMENT PROGRAMS PURSUANT TO CHAPTER 380, TEXAS LOCAL GOVERNMENT CODE**

**WHEREAS**, the City of Borger, Texas (“City”) acting by and through its City Council, intends to implement the provisions of Chapter 380, Texas Local Government Code (LGC) for the purposes of promoting State and local economic development and to stimulate business and commercial activity in the City; and,

**WHEREAS**, consistent with the provisions of Chapter 380, LGC, the City will consider, on a case by case basis, granting economic incentives to business applicants based upon economic impact of the business and subject to the terms and agreements negotiated and reduced to writing by the City and the business applicant; and,

**WHEREAS**, the City shall be under no obligation to extend or provide economic incentives to any business applicant, and the decision to extend or provide economic incentives is within the sole discretion of the City, and will be determined on the basis of the merit of each applicant and its proposal; and,

**WHEREAS**, in the event the City should elect to extend incentives to a business applicant, the terms and conditions thereof shall be reduced to writing in the form of an economic development agreement to be signed by an authorized agent of the City and the business applicant.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BORGER, TEXAS, THAT:**

#### **SECTION 1: Program Requirements.**

A Chapter 380 Economic Development Program is hereby established. Under this Program, incentives may be granted for land acquisition for new facilities; construction of new facilities; expansion or modernization of existing facilities that add new taxable values to the ad valorem tax rolls; and to businesses renovating existing facilities within the city limits, as further specified in Section 2 herein.

Incentives established under this Program shall be provided only to the extent that the revenue realized by the City and attributable to a project exceeds a minimum amount established by the Agreement between the City and the applicant. In order to maintain the public use and purpose of the grant of public funds under this Program, the

public benefit or amount of revenue realized by the City and attributable to the project must be commensurate with value of any incentives granted under this Program. To be considered for incentives as a Chapter 380 Economic Development Program, a project must at least meet the following minimum requirements:

1. **New Capital Investment Incentive:** A project may be considered under the following criteria:
  - a. Construction of a minimum of 20,000 square feet of new retail business or businesses; and,
  - b. Resulting in a minimum increased taxable value in real and business personal property for the City of \$1,000,000 for a new business; or,
  - c. Resulting in a minimum increased taxable value for the City of \$1,000,000 of Real and Business Personal Property for an existing business established and operating within the City Limits.
  
2. **Renovation and Improvement of Existing Facilities Incentive:** A project may be considered under the following criteria:
  - a. A business undertaking a new lease or purchase of 20,000 square feet of existing space from an unrelated third party or parties.
  - b. A business or business location/building in the Central Business District undertaking a renovation and improvement of the existing building.
  
3. **New Retail:** A retail business project may be considered if:
  - a. The type of business is a retail business.
  - b. The business will result in new Real Property and Business Personal Property, excluding inventory, of at least \$500,000.
  
4. **Other Projects:** Any other project may be considered if it is specifically determined by the Borger Economic Development Corporation and the City Council to bring extraordinary benefit to the City, consistent with this policy.

Any applicant requesting incentives under this Program shall provide justification for incentives based upon the following general criteria:

1. Type and number of jobs to be created or retained.
2. Additional revenues created for the City from sales tax and tax collected on Business Personal Property and inventory.
3. Additional revenues created for the City from property tax.
4. Market Conditions and growth potential for the business activity.
5. Any combination of the above criteria.

## **SECTION 2: Types of Economic Incentives**

Grant Incentives offered under a Chapter 380 Economic Incentive Agreement may be in the form of grants, loans, and/or use of public services, and may be utilized for:

1. Land and/or building acquisition costs.
2. Relocation assistance costs.
3. Building improvements or renovations.
4. Extension of public roads.
5. Drainage improvements.
6. Property tax abatement.
7. Sales tax rebate.
8. Any other purpose approved by City Council.

Depending upon the number of employees, wage levels, capital improvements, inventory, and type of business, other types of incentives allowed by Chapter 380, Texas Local Government Code, as amended from time to time, may be considered.

### **Denial of Incentives:**

1. All eligible applications for incentives shall be considered on a case-by-case basis as set forth herein, and the decision to approve or deny any

incentive shall be made solely at the discretion of the City Council.

2. A project shall not be eligible for incentives if a building permit has been requested for the project prior to making the application for incentives in accordance with this program.

**Application Process:** In order for the City to evaluate a request for economic incentive and to determine the level at which an applicant qualifies for incentives, the applicant shall complete a Project Impact Worksheet which will be used to perform an economic impact analysis for the proposed project. Additional information may be included to further describe the project and may be required to provide a comprehensive evaluation. Businesses are encouraged to include any information regarding ancillary benefits associated with the project such as the ability of the project to attract other projects to the City.

1. Completed application should be submitted to the Director of Economic Development of the Borger Economic Development Corporation.
2. Upon receipt of completed application, the Board of Directors of the Borger Economic Development Corporation will review the application and make a non-binding recommendation for approval/denial to City Council.

**Approval of Incentives:** If incentives are authorized by the City Council, before the City of Borger's incentive grant will be made to the applicant, the applicant shall complete and fulfill all requirements specifically imposed in the Economic Development Agreement.

### **SECTION 3: Economic Development Agreements**

Every project undertaken under this Program shall be agreed upon in an Economic Development Agreement between the City and the applicant. The form for each Economic Development Agreement shall be developed by the City Attorney in conjunction with the Director of Economic Development. The Application for the economic incentive program and priority lists shall be developed by the Director of Economic Development in conjunction with the Board of the Borger Economic Development Corporation.

**PASSED, APPROVED, AND ADOPTED**, on this the 2<sup>nd</sup> day of January, 2018, at a regular meeting of the City Council of the City of Borger, Texas which meeting was held in compliance with the Open Meetings Act, Tex Gov't Code, §551.001, et.seq. at which meeting a quorum was present and voting.

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Marvin "Bubba" Dickson,  
Mayor

**ATTEST:**

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Stella Sauls, City Secretary