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## ECONOMIC IMPACT FUND POLICY

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### Purpose:

- I. It is the policy of the County of El Paso, to provide financial incentives to businesses that make or will make a measurable contribution towards economic growth & development, expansion & diversification of the tax base, and create new quality jobs within the County of El Paso.
- II. The **Economic Impact Fund** is a discretionary incentive program that allows El Paso County to **respond quickly to competitive projects** (significant investment and job creation) that demonstrate economic impact to the El Paso County. **Funds for deal-closing will only be utilized in highly competitive situations and for projects that demonstrate the immediate need of funds.** When such additional funds are likely a determining factor in locating or retaining a project in El Paso County to seal the deal or improve a particular aspect of the project that will derive favorable conditions for the growth of the company leading to expansion of the tax base and/or quality jobs.
- III. The **Economic Impact fund** shall be used to target new businesses or expansion of existing companies in El Paso County that **might otherwise opt to locate in a different region or state**. Projects considered for the **Economic Impact Fund** must demonstrate a significant and dire need for upfront cash incentive to close a competitive cost gap relative to other regions that are competing for the same project. Additionally, a project must show a significant positive rate of return on the public dollars invested in the project.
- IV. This document will define the financial incentives and establish standards for implementation of the County's Economic Impact Fund, available county-wide. New businesses or expansion of existing businesses can be considered for financial incentives.
- V. Incentives are non-transferrable as a result of a change in the majority ownership of the business without the expressed written consent of the County of El Paso. It shall be the responsibility of the business to notify the County of El Paso of any changes in name or ownership of the company within 30 days of such change.
- VI. The County, may offer incentives outlined in this Policy to any applicant in compliance with this Policy. However, the County is under no obligation to approve any requested incentive and no right to these incentives is neither intended nor implied. **Applicants meeting the criteria under this policy does NOT guarantee receipt of incentives.**

- VII. The County of El Paso reserves the right to amend, modify, or rescind this policy at any time. Upon revision of specific projects, Commissioner's Court may choose to deviate from this policy when, in the opinion of the court, it is in the best interest of the County to do so.

**Scope:**

Financial incentives mentioned herein shall apply to businesses that make or will make a measurable contribution towards economic growth & development, expansion & diversification of the tax base, and create new quality jobs within the County of El Paso.

**Definitions:**

**Attraction:** Process of attracting, recruiting, and selecting companies that make substantial capital investments and create new jobs. These attraction efforts are deployed thoughtfully in the context of an overall economic development strategy to create sustainable growth for the community.

**Economic Impact Analysis:** Examines the effect of the investment and/or job creation on the economy and measures the cumulative effects of that economic activity. The Economic Development Department will conduct an economic impact analysis on every project considered for incentives.

**Expansion:** The expansion and growth of an existing business which includes new capital investment and/or new job creation providing new capacity or capability.

**Full-Time Employment:** The County shall define full-time employment as 35+ hours per week.

**Innovation:** Companies or individuals that create revolutionary products or technologies making advances in technology or processes.

**Pre-Development:** Costs associated with project feasibility including professional fees (e.g. architectural, engineering, etc.), market studies, appraisals, and deposits on land and buildings.

**Quality Jobs:** Jobs that provide education, training, or career development opportunities for continued career advancement in addition to meeting wage and benefit requirements.

**Retention:** Existing businesses in need of resources and/or assistance for employee retention and to maintain current operations.

**Median County Wage (MCW):** The median wage is the 50th percentile wage estimate. Fifty percent of workers earn less than the median and fifty percent of workers earn more than the median.

**MRG:** Minimum Revenue Guarantee.

STEM: Science, Technology, Engineering, and Mathematics are key academic disciplines promoting a competitive global workforce.

Infill: Rededication of land in an urban environment. Economical use of existing open space infrastructure to remedy urban sprawl.

Infrastructure: Landscaping, sidewalks and any property improvements specifically related to the attraction or expansion project.

Target Industries: Advanced Logistics, Advanced Manufacturing, Business Services, Defense & Aerospace, Life Sciences & Healthcare, and Tourism.

Wage Requirement: Wage or salary equal to or greater than the current El Paso Median County Wage as computed annually by the Bureau of Labor Statistics. Exceptions to the Wage Requirement may be granted as provided in Section V – Conditions / Requirements for Economic Impact Fund.

Medical Coverage: The County of El Paso requires applicant to provide health insurance benefits to employees for which the employer pays at least 50%.

**Responsible Party:**

Economic Development Department – 500 E. San Antonio Suite 312. (915) 546-2177

**Confidentiality:**

The confidentiality of any employment records and other records related to the County's economic development considerations and incentives provided to the County will be maintained in accordance with and subject to all applicable laws, including the Texas Public Information Act, Chapter 552, and Texas Government Code. The County will notify the Applicant if a Public Information Request is received.

**Ethics Code:**

Applicants are required to be familiar with and comply with the El Paso County Code of Ethics (the "Code"), adopted by the El Paso County Ethics Commission. A copy of the Code may be found online at:

[http://www.epcounty.com/ethicscom/documents/Code\\_of\\_Ethics.pdf](http://www.epcounty.com/ethicscom/documents/Code_of_Ethics.pdf)

**Recapture:**

If a project is not completed as specified, or if the terms of the agreement are not met, the County has the right to cancel or amend the agreement, recapture any rebated or exempted taxes, and assess penalty payments for the amounts previously secured by County liens against the property and all previously waived fees and abated/rebated taxes shall become due to the County.

**Bonded Indebtedness:**

The County of El Paso may authorize at its discretion, the issuance of bonds or other financing to support economic development projects.

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## POLICY

### *I. Policy Statement*

- A. Financial incentives set forth by the County of El Paso, are intended to advance the achievement of the following strategic objectives:
1. Stimulate the creation and retention of high paying, quality jobs.
  2. Promote and encourage private sector capital investment in industrial, commercial, recreational, destination retail, and tourism ventures.
  3. Support the attraction, expansion, and retention of Target Industries.
  4. Stimulate and create employment for STEM graduates and veterans.
  5. Facilitate the revitalization of designated redevelopment areas.
  6. Encourage the continued effort to build human capital through skill improvement in the workplace through education, training and career development.

### *II. Eligibility*

- A. To be eligible for financial incentives the applicant must meet one of the requirements listed below. If awarded, Applicants are allowed to seek out additional funding/incentives from sources such as state and other local governments:
1. Business Projects that would result in a direct benefit to El Paso County by closing the gap and reducing or eliminating the unfilled demand of a service or product.
  2. Initiatives that would positively impact or indirectly influence the community's economic growth, thus improving the quality of life for the region.

### *III. Intended Use of Funds*

*Applicants are advised that the awarded funds are intended for the following purposes on*

- A. New Business Attraction projects:
1. Land Acquisition
  2. Infrastructure Expansion
  3. Relocation Costs & Installation
  4. Building Acquisition
  5. New Construction
  6. Façade and Building renovation
  7. Job enhancement & Training
  8. PACE Projects that do not meet 1+ savings
  9. Gap Financing

## 10. Plant & Equipment Acquisition

### B. Business Retention and Expansion projects:

1. Infrastructure
2. New Construction
3. Façade and Building renovation
4. Job enhancement & Training
5. PACE Projects that do not meet 1+ savings
6. Gap Financing
7. Plant & Equipment Acquisition

## IV. *Assessment*

- A. To be eligible for incentives, the businesses applying must be current on all county taxes and any other obligation to the County, City, and State. Additionally, the business must provide proof of financial stability and evidence of a substantial economic impact to the county in order to award funding. Applicants are responsible for complying with specific criteria and requirements in exchange for financial incentives, and a reasonable percentage of the total amount of funds may be withheld until the recipient meets specified performance targets and conditions, such as job creation or minimum investment expenditures. All Agreements will contain recapture clauses in the event that such conditions are not met.

Applicants requesting resources from the Economic Impact Fund must include proof that the County of El Paso, Texas is in direct competition with another site(s) for the project in question, along with a list of such competitors.

Furthermore, to be considered for financial incentive set forth in this Policy, the Applicant shall submit a written application to the County of El Paso's Economic Development Department along with all appropriate forms and back-up documentation. All information submitted should be comprehensive and in sufficient detail to allow County's staff to determine the economic impact associated with the request. The following documents should be included with the application, additional information may be requested upon the County's staff request:

1. Project executive summary
2. Business plan
3. Comprehensive financial projections for not less than two successive years
4. Precise location of the site to be developed accompanied by legal description
5. Preliminary site plan with metes & bounds, and legal description
6. Construction schedule (if applicable)
7. Two years of corporate tax returns and financial statements

8. Descriptive statement of the desired Economic impact fund
9. Number of jobs to be created by a new establishment
10. Number of jobs to be retained by existing business establishment
11. Average salary of new jobs
12. Average salary of jobs retained

V. *Ineligible Uses*

- A. Funds awarded through the Economic Impact Fund may not be utilized for any of the following terms:
  1. Funds for the purpose of refinancing existing debt.
  2. Payment of any tax arrearages, government fines or penalties.
  3. Political or religious activities.
  4. Buying out any stockholder or equity holder in the incentivized business.
  5. Purchase on any instruments or investments for the sole purpose of a return on investment.
  6. Projects that are job driven may not be justified by part time employment.
  7. Payroll or employment compensation.