

# Cedar Hill Economic Development Corporation Incentive Policy

This policy details the guidelines that will be used by the Cedar Hill Economic Development Corporation (CHEDC) for qualification of projects and determination of incentive level and type of incentive.

The Cedar Hill City Council Vision Statement:

***“We envision Cedar Hill as a premier city that retains its distinctive character; where families and businesses flourish in a safe and clean environment.”***

The Cedar Hill City Council Premier Statement:

***“Cedar Hill has a strong and diverse economy.”***

Projects undertaken by the CHEDC will help to further the common vision and premier statement created by the Cedar Hill City Council and embraced by the CHEDC.

The CHEDC is a 4A Development Corporation. According to the Texas Development Corporation Act of 1979, allowable projects applicable to Cedar Hill include:

## **4A Eligible Projects**

Land, buildings, equipment, facilities, improvements, and expenditures related to:

- Manufacturing, industrial, research & development, recycling, small warehouse and corporate headquarter facilities, and distribution centers.
- Job training for primary jobs and commercial/retail.
- Clean-up of contaminated project sites (with a special election and specific ballot language).
- Infrastructure assistance to retail or commercial projects.
- Business-related sewer utilities and site improvements.
- Projects designed to attract new military missions
- Light rail, commuter rail, or motor buses.
- 4B projects with voter approval.

## **4B Eligible Projects (Voter approval required for 4A Corporations)**

- Water supply facilities (with a special election and specific ballot language).
- Projects that improve a community's quality of life, including parks, professional and amateur sport and athletic facilities, tourism and entertainment facilities, affordable housing, and other improvements or expenditures that promote new or expanded business activity that create or retain primary jobs.
- Projects designed to attract new military missions

## **Determination of Incentives:**

Determination of incentive level will be predicated upon a cost benefit analysis and take into account direct and indirect economic benefits accruing to the City of Cedar Hill and the CHEDC.

Incentives can take the form of reimbursement for infrastructure improvements, cash bonuses for capital improvements, bonuses for job creation, assistance with job training, payments in lieu of tax abatements and loan guarantees.

After submission of the required information, the CHEDC will perform a cost benefit analysis to determine the Return on Investment (ROI) for various levels of incentives. As with any guidelines, this policy is designed to apply in the majority of cases and the Board of Directors of the Cedar Hill Economic Development Corporation (the Board) reserves the right to interpret and apply these guidelines. Each project is handled on a case by case basis and this policy does not obligate the CHEDC to participate in any project. These guidelines can be modified or terminated at their sole discretion as necessary by the Board.

### **Criteria for potentially eligible manufacturing, industrial, research & development, recycling, small warehouse and corporate headquarter facilities, and distribution centers:**

Existing businesses (in the City of Cedar Hill at least 2 years), expansion requirements:

- An increase of assessed valuation of the business of at least \$1,000,000, or
- Increase in employment of at least 10 full time jobs and benefits or 20 part-time jobs (see definitions and assumptions).

Businesses new to Cedar Hill with purchase of property and build to suit:

- An assessed valuation of land, building and equipment of at least \$3,000,000; or
- Have an employee base of at least 25 full time jobs and benefits or 50 part-time jobs (see definitions and assumptions).

Businesses new to Cedar Hill with purchase of existing building:

- Building improvements and addition of equipment resulting in an increase of at least \$1,000,000 in assessed valuation or
- Have an employee base of at least 25 full time jobs and benefits or 50 part-time jobs (see definitions and assumptions).

Businesses new to Cedar Hill with lease of existing building:

- Building improvements and addition of equipment resulting in an increase of at least \$1,000,000 in assessed valuation or
- Have an employee base of at least 25 full time jobs and benefits or 50 part-time jobs (see definitions and assumptions).

### **Criteria for potentially eligible retail or commercial projects:**

- Developers of retail and mixed use projects may apply for infrastructure reimbursement only.
- The development will have an assessed valuation of at least \$3,000,000.

## **Application Procedures and Requirements:**

- History of the company and bios of principles.
- Projections of operations to include capital investment (assessed valuation), jobs, wages and sales tax generated must be provided; aka the Proforma.
- Projection of employment, wage rates and percentage of employees who will be Cedar Hill residents.
- All infrastructure projects must meet the City of Cedar Hill's Public Works Departments pre-construction and post-construction requirements.
- Any tax abatements or impact fee waivers applied for, or provided by, the City will be taken into consideration and should be outlined by applicant.
- An incentive contract that the CHEDC shall provide is also required.
- Detailed invoices and receipts of infrastructure development costs incurred must be provided for reimbursements.
- Documentation of employment will be required in order for employment compensation to be paid.
- Documentation of residency will be required in order for residency to be considered.
- Businesses and developers may, at their option, submit a letter stating the impact on the project without CHEDC funding. Multi-parcel benefits are encouraged.

## **Definitions and Assumptions:**

- Full time employment is presumed to be at least 35 hours per week
- Part-time employment is presumed to be at least 20 hours per week
- Benefits are defined as access to group health insurance
- Competitive wage rates for all jobs for the same or similar jobs in the area as determined by the Texas Workforce Commission data
- Reimbursement for public infrastructure will be made upon acceptance of the improvements by the Public Works Department of the City of Cedar Hill.
- Reimbursement for private infrastructure will be upon the issuance of the Certificate of Occupancy.