

ECONOMIC DEVELOPMENT POLICY
FOR THE CITY OF TEMPLE, TEXAS

REVISED MAY 2, 2024

I. Criteria and Guidelines Governing Tax Abatement

A. Definitions.

1. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain real property (including fixed-in-place machinery & equipment) in a tax abatement reinvestment zone designated by the City of Temple (“City”) for economic development purposes.
2. **“Agreement”** means a contractual agreement between a property owner and/or lessee and an Eligible Jurisdiction for the purposes of tax Abatement.
3. **“Base Year Value”** means the assessed value of eligible property in the reinvestment zone on January 1st preceding the effective date of the tax Abatement Agreement, plus the agreed upon value of eligible property improvements made after January 1 but before the effective date of the Agreement.
4. **“Deferred Maintenance”** means those improvements necessary for continued operation, but which do not improve productivity or alter any process technology. Exterior improvements (e.g., painting, installing, repairing, removing or replacing a façade) to the exteriors of buildings in the Strategic Investment Zone Grant Corridors, which are designed to improve visual appearance of property are not Deferred Maintenance.
5. **“Economic Life”** means the number of years a property improvement is expected to be in service in a reinvestment zone.
6. **“Eligible Facilities”** means those new, expanded or modernized buildings and structures, including fixed machinery and equipment, which are reasonably likely as a result of granting Abatement, to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development within the City. Eligible Facilities in all commercial/industrial tax Abatement reinvestment zones include, but are not limited to, Manufacturing Facilities, Research Facilities, Regional Distribution Center Facilities, Regional

Service Facilities, Regional Entertainment Facilities, Research and Development Facilities, Other Basic Industry Facilities, retail stores, apartment buildings, and restaurants.

7. **“Eligible Jurisdiction”** means the City and any other taxing jurisdiction eligible to abate its taxes according to Texas law that levies ad valorem taxes upon and provides services to property located within a proposed or existing reinvestment zone.
8. **“Employee”** means a person whose employment is both permanent and full time, who works for and is an employee of the property owner or an employee of a contractor, who works exclusively within the reinvestment zone, who received industry-standard benefits, and whose employment is reflected in the owner’s (and contractor’s, if applicable) Internal Revenue Service Form 941.
9. **“Expansion”** means the addition of buildings, structures, machinery, equipment or payroll for purposes of increasing production capacity.
10. **“Facility”** means property improvements completed or in the process of construction which together comprise an integral whole.
11. **“Manufacturing Facility”** means buildings and structures, including fixed-in-place machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
12. **“Modernization”** means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment, or both. Modernization in the Strategic Investment Zone Grant Corridors includes painting of exterior walls, restoring, removing or installing a facade and related exterior improvements designed to visually improve the exterior of a building or block.
13. **“New Facility”** means a property, previously undeveloped, which is placed into service by means other than or in conjunction with Expansion and Modernization.
14. **“Other Basic Industry Facility”** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which primarily serve a market in the creation of new permanent employment and bring in new wealth.

15. **“Project”** means the construction, renovation, or remodeling of a building. Simultaneous construction, renovation, or remodeling work on two or more attached buildings will be considered one Project, if the buildings are under common ownership.
16. **“Regional Distribution Center Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the Facility operator where a majority of the goods or services are distributed to points outside of the City.
17. **“Regional Entertainment Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside outside of the City.
18. **“Regional Service Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate outside of the City.
19. **“Research Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
20. **“Research and Development Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used entirely for research or experimentation to improve or develop current technology in biomedicine, electronics or pre-commercial emerging industries.

B. Statement of Purpose.

The City is committed to the promotion of high quality commercial and industrial development in all parts of the City, and an ongoing improvement of the quality of life of its citizens. These objectives may be served by the enhancement and expansion of the local economy. The City will consider, on a case-by-case basis granting property tax Abatement as a stimulus for economic development in accordance with the criteria and guidelines established herein. Nothing herein shall imply or suggest that the City is under any obligation to provide tax Abatement to any applicant, that any applicant has a property right or interest in tax Abatement, or that the City is precluded from considering other options which may be in the best interest of the City.

C. Designation of Tax Abatement Reinvestment Zones.

The City will consider designating areas within the City limits or extraterritorial jurisdiction of the City as commercial-industrial tax Abatement reinvestment zones which meet one or more of the criteria for designation of a reinvestment zone under Section 312.202 of the Tax Code, and where the property owner meets the minimum qualifications to qualify for a tax Abatement under Part I.D. of this Policy. Designation of an area as a tax Abatement reinvestment zone is a prerequisite to entering into a tax Abatement Agreement with the owner or lessee of the property in a particular area. Property located within a City created (and State-approved) Enterprise Zone is eligible for consideration for tax Abatement Agreements without the necessity of separate designation as a tax Abatement reinvestment zone.

D. Abatement Authorized.

1. **Eligible Facilities.** Upon application, the City will consider granting tax Abatement on Eligible Facilities as hereinafter provided.
 - a. Creation of New Value. The City will consider granting tax Abatement only for the additional value of eligible property improvements (including fixed machinery and equipment) made subsequent to, and specified in, an Abatement Agreement between the City and the property owner or lessee, subject to such limitation as the City may require.
 - b. New and Existing Eligible Facilities. The City will consider granting Abatement for new Eligible Facilities and for improvements to existing Eligible Facilities for purposes of Modernization and Expansion.
 - c. Eligible Property. The City will consider granting Abatement to the value of real property improvements (buildings, structures, fixed machinery and equipment, site improvements, related fixed improvements necessary to the operation and administration of the Facility), and personal property (excluding inventory or supplies) with an Economic Life of fifteen (15) years or more.
 - d. Ineligible Property. The following types of property shall remain fully taxable and ineligible for Abatement: land, supplies, inventory, housing, Deferred Maintenance, property to be rented or leased except as provided in subpart (5) below, and other property which has an Economic Life of less than fifteen (15) years.
 - e. Owned/Leased Facilities. If a leased Facility is granted Abatement, the Agreement shall be executed with the lessor and the lessee.

2. Standards for Tax Abatement.

- a. Minimum Standards. The City will consider Abatement only on Eligible Facilities which meet at least two of the following criteria.
- (1) The Project involves a minimum increase in property value of three hundred percent (300%) for construction of a New Facility, or fifty percent (50%) for Expansion of an existing Facility, with an overall new investment of at least \$1 million in taxable assets. For Eligible Facilities in any reinvestment zone within the Strategic Investment Zone Grant Corridors, the Project must involve either a minimum increase in property value of one hundred and fifty percent (150%) for construction of a New Facility, or twenty-five percent (25%) for Expansion of an existing Facility, with an overall new investment of at least \$50,000 in taxable assets.
 - (2) The Project makes a substantial contribution to redevelopment efforts, special area plans or strategic economic development programs by enhancing either functional or visual characteristics, e.g., historical structures, traffic circulation, parking, facades, materials, signs.
 - (3) The Project has high visibility, image impact, or is of a significantly higher level of development quality.
 - (4) The Project is in an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc.
 - (5) The Project can serve as a prototype and catalyst for other development of a higher standard.
 - (6) The Project stimulates desired concentrations of employment or commercial activity.
 - (7) The Project generates greater employment than would otherwise be achieved, e.g., commercial/industrial versus manufacturing versus warehousing.
 - (8) For Eligible Facilities in any reinvestment zone within the Strategic Investment Zone Grant Corridors, the Project improves the aesthetic appearance of the neighborhood, brings new jobs to the area, increases the availability of public parking, or increases the amount of green space (landscaping).

- b. Minimum Required Investment. An applicant requesting Abatement shall agree as a condition of any Abatement Agreement ultimately approved by the City Council to expend a certain minimum amount of funds on real or personal property improvements, or to provide a certain number of jobs, as provided below:

Percentage of increased value to be abated	Minimum Required Real or Personal Property Investment or Job Creation		
	Eligible Real Property Improvements	Eligible Personal Property*	Job Creation [†]
25%	\$250,000-\$400,000	\$1,000,000-\$1,600,000	25-30 jobs
30%	400,001-550,000	1,600,001-2,200,000	31-35 jobs
35%	550,001-700,000	2,200,001-2,800,000	36-40 jobs
40%	700,001-850,000	2,800,001-3,400,000	41-45 jobs
45%	850,001-1,000,000	3,400,001-4,000,000	46-50 jobs
50%	1,000,001-1,300,000	4,000,001-5,200,000	51-55 jobs
55%	1,300,001-1,600,000	5,200,001-6,400,000	56-60 jobs
60%	1,600,001-1,900,000	6,400,001-7,600,000	61-65 jobs
65%	1,900,001-2,200,000	7,600,001-8,800,000	66-70 jobs
70%	2,200,001-2,500,000	8,800,001-10,000,000	71-75 jobs
75%	2,500,001-3,500,000	10,000,001-14,000,000	76-85 jobs
80%	3,500,001-4,500,000	14,000,001-18,000,000	86-95 jobs
85%	4,500,001-5,500,000	18,000,001-22,000,000	96-105 jobs
90%	5,500,001-6,500,000	22,000,001-26,000,000	106-115 jobs
95%	6,500,001-7,500,000	26,000,001-30,000,000	116-125 jobs
100%	7,500,001-10,000,000	30,000,001-40,000,000	126-175 jobs

Percentage of increased value To be abated	Minimum Required Real or Personal Property Investment or Job Creation inside the Strategic Investment Zone Grant Corridors		
	Eligible Real Property Improvements	Eligible Personal Property*	Job Creation [†]
100%	\$50,000 or more	\$60,000 or more	5-25 jobs

If a request for Abatement is justified on the basis of the purchase and maintenance of eligible personal property or on the creation of jobs, the applicant must agree to maintain the personal property or jobs for a period of not less than twice the period for which Abatement is granted. For example, if an applicant requests and receives 75% Abatement for five years based on the purchase and maintenance of eligible person property, the applicant must agree in the Abatement

Agreement, subject to recapture of all abated taxes, to maintain the personal property on the property tax roll for not less than ten years.

*Personal property with an Economic Life of less than fifteen years is not eligible for Abatement.

Personal property on site prior to the effective date of the Abatement Agreement is not eligible. Supplies and inventory are ineligible for Abatement under this policy and State law.

† As used herein, the creation of jobs refers to the creation of a job paying not less than \$17.17 per hour, the approximate median salary for employees in Bell County. To qualify for a level of Abatement, e.g., 25%, based on the creation of a specific number of jobs, the applicant must commit to hiring the required effective number of jobs created: (1) calculate the total annual payroll created (based on the number of Employees you will hire at various annual salaries); (2) divide this annual payroll by \$35,439 (our calculated annual salary for a \$17.17/hr Employee); and (3) round this figure to the nearest whole integer.

- c. Additional or Enhancement Factors. In addition to the minimum investment or job creation criteria listed in (b) above, the following factors, among others, shall be considered in determining whether to grant Abatement, and if so, in what percentage of value to be abated and duration of Abatement:
 - (1) Value of land and existing improvements, if any;
 - (2) Type and value of proposed improvements;
 - (3) Economic Life of proposed improvements;
 - (4) Number of existing jobs to be retained by proposed improvements;
 - (5) Number, salary, and type of new jobs to be created by proposed improvements;
 - (6) Amount of local payroll to be created;
 - (7) Whether the new jobs to be created will be filled by persons residing or projected to reside within the City;
 - (8) Amount of local sales taxes to be generated daily;
 - (9) The costs, if any, to be incurred by the City to provide facilities or services directly resulting from the new improvements;

- (10) The amount of ad valorem taxes to be paid the City during the Abatement period considering the existing values, the percentage of new value abated, the Abatement period, and the projected property value after expiration of the Abatement period;
 - (11) Population growth that occurs directly as a result of new improvements;
 - (12) The types and value of public improvements, if any, to be constructed and paid for by the applicant seeking Abatement;
 - (13) The extent to which the proposed improvements compete with existing businesses;
 - (14) The positive or negative impact on the opportunities of existing businesses
 - (15) The attraction of other new businesses to the area;
 - (16) The overall compatibility with the City's zoning and subdivision regulations, and overall comprehensive plan; and
 - (17) Whether the Project is environmentally compatible with the community (no appreciable negative impact on quality-of-life perceptions).
- d. Abatement incentives and Agreement terms for Projects involving a real and personal property investment in excess of \$250,000,000 will be negotiated on a case-by-case basis.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

- 3. Abatement barred in certain circumstances.** Neither a reinvestment zone nor an Abatement Agreement shall be authorized, if the City Council determines that:
- a. there would be a substantial adverse effect on the provision of government service or tax base;
 - b. the applicant has insufficient financial capacity to meet the requirements of the proposed Abatement Agreement;

- c. planned or potential use of the property would constitute a hazard to public safety, health, or morals;
- d. approval of a reinvestment zone or Abatement Agreement would violate State or Federal laws or regulations; or
- e. there exists any other valid reason for denial deemed appropriate by the City.

4. Property subject to Taxation. From the execution of an Abatement Agreement to the end of the effective Abatement period under the Agreement, taxes shall be payable as follows:

- a. The value of ineligible property (Part I.D.1.d.) shall be fully taxable;
- b. The Base Year Value of existing eligible property as determined each year shall be fully taxable;
- c. The additional value of new eligible property shall be taxed in the manner and for the period provided for in the Abatement Agreement; and
- d. The additional value of new, eligible property shall be fully taxable at the end of the Abatement period.

5. Application for Tax Abatement.

- a. Any present or potential owner of taxable property in the City of Temple may request the creation of an Abatement reinvestment zone and Abatement by filing a complete application package with the City Manager. The application shall then be forwarded to other appropriate City departments for review. After processing the application, the City Manager shall make a recommendation to the City Council to grant or deny the application.
- b. A complete application package for consideration of an Abatement shall consist of:
 - a completed application form;
 - an investment budget detailing components and costs of the real property and personal property improvements for which Abatement is requested, including type, number, and Economic Life;
 - A map and legal description of the property;

- A time schedule for undertaking and completing the proposed improvements;
 - The number of jobs to be retained and/or created as a result of the proposed Project;
 - Information pertaining to the reasons that the requested Abatement is necessary to ensure that the proposed Project is built in the City;
 - Financial and other information, as the City deems appropriate, for evaluating the financial capacity and other factors of the applicant; and
 - For a leased Facility, the name and address of the lessor and a copy of the proposed or existing lease, or option contract.
- c. Pursuant to the requirements of the Tax Code, Chapter 312, the City shall give written notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in a proposed reinvestment zone and in which the property to be subject to the Agreement is located.
- d. The City shall not establish a reinvestment zone for the purpose of Abatement if it finds that the request for the Abatement was filed after the commencement of construction of a New Facility, or alteration, Modernization, or Expansion of an existing Facility.

6. Tax Abatement Agreements

- a. After City Council approval of a resolution authorizing an Abatement Agreement, the owner (and lessee, where applicable) of the Facility and the City shall execute an Agreement which shall include, but not be limited to:
- (1) The kind, number, and location of all proposed improvements on the property;
 - (2) The amount of investment, increase in appraised value and number of jobs to be added and/or retained;
 - (3) A provision authorizing access to and inspection of the property by municipal employees to ensure that the improvements are made according to the specifications and conditions of the Agreement;

- (4) Limits for the uses of the property consistent with the general purpose encouraging development or redevelopment of the zone during the period the property tax Abatement is in effect;
 - (5) A provision providing for recapture of property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements as provided by the Agreement;
 - (6) All other contractual terms agreed to by the owner of the property;
 - (7) A requirement that the owner of the property annually certify to the governing body of each taxing unit that the owner is in compliance with each applicable term of the Agreement;
 - (8) A provision allowing the City Council to cancel or modify the Agreement if the owner fails to comply with the Agreement;
 - (9) The percentage of value to be abated each year; and
 - (10) The commencement date and the termination date of Abatement.
- b. To be effective, an Abatement Agreement must be approved by the affirmative vote of a majority of the members of the City Council at a scheduled meeting of the City Council.
 - c. Agreements shall normally be approved or disapproved within sixty (60) days from the date the applicant files a properly completed application package with the City.

7. Recapture of Abated Taxes Upon Default.

- a. In the event that the owner and/or lessee:
 - (1) Allows its ad valorem taxes owed the City to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, or
 - (2) violates any of the terms and conditions of the Abatement Agreement, and fails to cure during the Cure Period hereinafter described, the Agreement then may be terminated, and the owner and/or lessee whose Agreement is terminated shall repay, as liquidated damages, all taxes previously abated by virtue of the Agreement to the City within thirty (30) days of the termination.

- b. Should the City determine that the owner and/or lessee is in default according to the terms and conditions of its Agreement, the City shall notify the owner and/or lessee of such default in writing at the address stated in the Agreement, and if such is not cured within thirty (30) days from the date of such notice (“Cure Period”). Then the Agreement may be terminated.

8. Administration.

- a. The Chief Appraiser of the Bell County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the owner and/or lessee receiving Abatement shall furnish the Appraiser with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the City of the amount of the assessment.
- b. An Abatement Agreement shall stipulate that employees or designated representatives of the City will have access to the reinvestment zone during the term of the Abatement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction or operation of the Facility. All inspections will be made with one or more representatives of the owner and/or lessee and in accordance with its safety standards.

9. Assignment of Tax Abatement Agreements.

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same Facility only upon the approval by resolution of the City Council, subject to the financial capacity of the assignee and provided that all conditions and obligations in the Abatement Agreement are guaranteed by the execution of a new contractual Agreement with the City. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations. Approval of assignments will not be unreasonably withheld.

10. Projects with Significant Investment Commitment.

Agreements for Projects involving an investment commitment in excess of \$250,000,000 will be negotiated on a case-by-case basis and the terms may differ from the terms required by this Policy, as long as such negotiated terms are not in conflict with Chapter 312 of the Texas Tax Code and are in the City’s best interest.

11. Sunset Provision.

These Abatement criteria and guidelines are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters vote of the City Council.

II. Availability of Tax Increment Financing of Public Improvements.

A. Existence of tax increment financing district.

The City of Temple has previously created Tax Increment Financing Reinvestment Zone Number One. To be designated as a tax increment financing reinvestment zone (TIFRZ), and are must meet the criteria established for reinvestment zones under Section 311.005 of the Tax Code. Designation of an area of the City as an Enterprise Zone under Texas Government Code, Chapter 2303, the Texas Enterprise Zone Act, qualifies an area automatically for designation as a tax increment financing reinvestment zone.

B. Development Agreements.

The City will consider entering into development Agreements with the owners of property within a TIFRZ where construction of a public improvement(s), e.g., a street, sewer or water line, bridge, railroad spur, or drainage project, using tax increment funds is likely to result in the significant Expansion or Modernization of an existing Facility, the construction of a major New Facility, the creation of a significant number of new jobs, or otherwise accomplishes one of the major goals of Chapter 311 of the Tax Code. The City Council may be ordinance or resolution, with the advice and recommendation of the Board of Directors of Tax Increment Financing Reinvestment Zone Number One, establish minimum criteria for consideration of development Agreement.

III. Additional Economic Incentives within the City

A. Designation of Enterprise Zone.

The City will consider designating an Enterprise Zone or nominating an Enterprise Project as allowed by Texas Government Code, Chapter 2303, also known as the Texas Enterprise Zone Act.

1. Sales and use tax refunds.

- a. Minimum qualifications. To encourage development of an Enterprise Zone, the City will consider granting sales and use tax rebates to businesses within the Enterprise Zone which:

- (1) meet the definition of “qualified businesses” as defined in the Texas Enterprise Zone Act;

- (2) meet the qualifications for and receive designation by the State as an enterprise Project in accordance with the Texas Enterprise Zone Act.

- b. Eligible taxes. The City may agree to a refund of its sales and use taxes paid by a qualified business designated as an enterprise Project on the purchase, lease, or rental of equipment or machinery for use in an enterprise zone or on the purchase of material for use in remodeling, rehabilitating, or constructing a structure in the enterprise zone.
- c. Agreement required. The City will, by development Agreement, consider refunding up to one-half (1/2) of the *eligible* sales and use taxes paid by a qualified business and enterprise Project for a period of up to three (3) years.
- d. Documentation required. A qualified business and enterprise Project entitled to a refund of sales and use taxes under this section, by Agreement, shall pay the entire amount of State and local sales and use taxes at the time of purchase. A qualified business and enterprise Project entitled to a refund of sales and use taxes, by Agreement, may request a refund once each year in writing. A qualified business and enterprise Project entitled to a refund of sales and use taxes, by Agreement, must provide documentation necessary to support a refund claim in a form prescribed by the City's Director of Finance.

2. Waiver of permit fees.

By resolution, the City Council may adopt a policy to waive certain building, permit, license or development fees to qualified businesses which have been designated as enterprise Projects within the Enterprise Zone. The City Council is authorized to waive building, permit, license or development fees up to \$10,000 as part of a Chapter 380 Agreement approved by the City Manager under Part III, B(2) of this ordinance.

B. Other economic incentives within the City.

- 1. Pursuant to authority delegated by the Legislature to cities under Chapter 380 of the Local Government Code, and as authorized by Article 3, Section 52-a of the Texas Constitution, the City will consider making loans or grants of public funds or property, and/or selling or leasing City property at or below the fair market value of said property, to promote State or local economic development and to stimulate business and commercial activity within the City.
- 2. A "qualified business" under this section means a business or Project which is reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in the City that would be a benefit to the property to be developed and that would contribute to economic development within the City. The determination of whether a proposed Project is a "qualified business" is at the sole discretion of the City.

3. Upon application, the City may consider one or more of the following economic tools to encourage economic development:
 - (a) The City may purchase tracts of land in the City to encourage economic development if it determines that assembly of smaller tracts into larger tracts will promote the sale or development of property over the long term. The City may also purchase land to sell or lease to a qualified business in the City.
 - (b) To promote economic development within the City, the City Manager is authorized to execute Chapter 380 Agreements involving grants of public funds, or the transfer of land with value, providing personnel and services of the municipality, up to \$25,000 within the Strategic Investment Zone Grant Corridors, subject to the availability of funds appropriated annually for that purpose.
 - (c) To promote economic development within the City, the City Manager is authorized to execute Chapter 380 Agreements involving grants of public funds, or the transfer of land with value, providing personnel and services of the municipality, up to \$10,000 within any of the City's other Strategic Investment Zones, as designated in Exhibit A, attached hereto and made a part hereof for all purposes. To promote economic development within the City, the City Manager is authorized to execute Chapter 380 Agreements involving grants of public funds, or the transfer of land with value, providing personnel and services of the municipality, up to \$7,500 in any part of the City not covered by one of the City's Strategic Investment Zones.
 - (d) The City may sell or lease City-owned property to private developers, if the City Council determines that the property is not needed for any other public purpose, and that sale of the property to a private developer will result in capital improvements or the creation of new jobs within the City. The City will generally sell or lease an applicant or selling or leasing property at less than fair market value.

C. Incentives in Certain Investment Zones (SIZ)

1. **Authority.** Pursuant to Article III, Section 52-a of the Texas Constitution, Chapter 380 of the Texas Local Government Code, and Section III.B of the City's Economic Development Policy ordinance, the City will consider offering additional economic incentives for development within certain corridors of the City ("SIZ Grant Corridors") through Strategic Investment Zone Grants ("SIZ grants").
2. **Purpose.** The City is committed to establishing long-term economic vitality in SIZ Grant Corridors and seeks to encourage redevelopment and diversification within

these corridors. To promote state and local economic development and stimulate business and commercial activity in the City, the City establishes a Strategic Investment Zone Grant Program ("the Program"), in which persons who meet the Program's eligibility criteria may receive SIZ grants.

3. **Policy.** The City Council may adopt a Strategic Investment Zone Grant Program Policy to implement the Program by resolution.