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# **COMPREHENSIVE GUIDELINES AND CRITERIA FOR ECONOMIC DEVELOPMENT INCENTIVES**

Developed in cooperation with the Amarillo Economic Development Corporation

## **1. INTRODUCTION**

The City of Amarillo (the “City”) and its partners are committed to economic development in all areas of the community and to the ongoing improvement in the quality of life for all citizens. These objectives are achieved through the enhancement and expansion of the local economy. To encourage investment within the City, consideration may be given regarding financial incentives as a stimulus for economic development. It is the policy of the City that said consideration will be provided on a case-by-case basis and in accordance with the procedures and criteria outlined within this document. However, nothing herein shall imply or suggest the City is under any obligation to provide any incentive to any applicant.

As authorized by the Texas Tax Code Chapters 311 and 312 and Texas Local Government Code Chapter 380, and other applicable laws, this incentives policy is to work in concert with the City’s component units and other local taxing authorities as part of a publicly supported incentive program designed to create and/or enhance the tax base and job opportunities which strengthen the health and wealth of the City.

All economic development incentives requests will be reviewed by City staff and only eligible projects will be sent to the Amarillo City Council for consideration. Depending on the project, additional approvals or recommendations will be presented by appointed boards, such as Amarillo Economic Development Corporation Board and Tax Increment Reinvestment Zone Boards. Any approvals will be memorialized in an economic development incentives agreement between the City or appropriate Board and the recipient. Applications for incentives will not be considered for projects that have already commenced (e.g. received a building permit or broken ground).

If the applicant is seeking multiple incentives sources (e.g. Amarillo Economic Development Corporation funds, City tax abatements/reimbursements, Tax Increment Reinvestment Zone assistance), it is the preference of the Amarillo City Council to hear and consider acting only once on a joint request.

## 2. CRITERIA FOR ECONOMIC DEVELOPMENT INCENTIVES

- A. Must be reasonably expected to increase the appraised value of the property in the amount specified in the agreement after the period of abatement has expired.
- B. Project does not have any negative environmental impacts on the community (e.g.; significant pollution, excessive water usage or hazardous waste.)
- C. The degree to which the specified project meets the purposes and objectives of the City, the relative impact of the project will be used to determine the total value and duration of the incentives, tax abatement or tax grant provided to any applicant.

Projects **ELIGIBLE** to receive economic development incentives include:

- A. Business development (attraction, retention, expansion) for primary industries (industries that export products), assistance will be evaluated on its impact on existing local markets.
- B. Business Development (attraction, retention, expansion) for non-primary industries that would address City Council goals and have a significant impact on Amarillo, assistance will be evaluated on its impact on existing local markets.
- C. Mixed-use developments that creatively integrate commercial and retail projects into a residential development.
- D. Revitalization of historically designated, significant or deteriorated buildings.
- E. Projects which promote downtown office, residential, and retail development.
- F. Projects which promote neighborhood stabilization or revitalization.
- G. Projects consistent with approved Tax Increment Financing Project Plans.
- H. Projects which involve environmental clean-up, removal of slum and blighting conditions.
- I. Projects which contribute to the implementation of other public policies, as adopted by the Amarillo City Council.
- J. Projects which provide retail, housing and mixed uses in existing commercial nodes.

Projects **INELIGIBLE** to receive economic development incentives, including Tax Increment Financing include:

- A. Speculative office and retail development defined as projects that have not secured anchor tenants for at least the same percentage of pre-leased space as required by the developer's construction lender.
- B. Relocation (pirating) of tenants from another site within the City or region (offices, retail and/or other commercial uses) for the purpose other than retaining or substantially expanding said business.
- C. Standalone residential development projects unless limited by site and environmental conditions beyond which make the project financially infeasible, including luxury housing or 100% market rate housing.
- D. Projects not consistent with the City's Comprehensive Plan.

## 3. OBJECTIVE CRITERIA

The following must be addressed in written format, with backup documentation, by the applicant using "City of Amarillo Application for Economic Development Incentives" attached to this policy as Exhibit B:

- A. Number of new primary and non-primary jobs in Amarillo to be created/retained by the project.
- B. Average salary detailed by skilled, unskilled and management positions.
- C. Total gross annual payroll created by the project.
- D. The net tax base valuation (real and business personal property) to be added by the project.
- E. Projected annual sales tax to be directly generated by the project for a period of 5-years and 10-years.

F. Diversity in the economic base.

G. Synergy for additional economic development and/or intangible benefits to the City, such as, but not limited to, projects that are unique regional economic draws, incorporate design or construction features which exceed City regulations, or make a unique contribution to redevelopment or development efforts.

H. Financial Need – Economic development incentives may be provided to fill an identified gap. The fundamental principle that the City must determine, through information provided by the developer, is the project would not occur “but for” City assistance. Financial need will be evaluated on the following criteria:

1. Developer equity requirement: 15% minimum
2. Percentage of project cost from tax abatement/rebate: less than 10%
3. City Incentive Payback period: less than 10-years (The payback period is used to determine the length of time it will take to recoup the initial amount invested on a project or investment)
4. Increase in taxable valuation after project completion: 20% minimum

#### 4. SUBJECTIVE CRITERIA

In addition to the objective criteria for which specific values may be assigned, additional considerations must be evaluated. The following must be addressed in written format, with backup documentation, by the applicant using “City of Amarillo Application for Economic Development Incentives” attached to this policy as Exhibit B:

- A. Explain the types and values of public improvements, if any, which will be made by the applicant.
- B. Explain to what extent the project will complement existing businesses.
- C. Explain to what extent the project will use local supplies, contractors and labor force.
- D. If the project poses any negative operational, visual/image, style impacts or additional noise, etc., provide details.
- E. Provide information including at least 5-years financial and operating history of the company. If company is a start-up provide at least 5-years of financial information of the sole proprietor and/or investors and business plan.
- F. The applicant must indicate whether they are willing to commit to a definitive construction/completion schedule for the project and to define exactly what will be build (i.e., what will be on the tax roll and when).
- G. State in the application whether the project is a franchise, expansion, relocation/consolidation from elsewhere, or the start-up of a new operation.
- H. Explain to what extent the project carries out the goals and objectives of the Align Amarillo Economic Development Strategic Plan.
- I. Public Benefit – The following will be evaluated based on stimulating revitalization of the City, its older neighborhoods, industrial areas, commercial districts, and downtown. The developer must demonstrate there will be a significant public benefit to the community by achieving as many of the following public benefits as possible:

1. Job creation or retention which will help increase the median income in the Amarillo MSA
2. Strengthen the economic base of the City through increased property values and taxable sales
3. Leveraging the maximum amount of non-public funds
4. Promote the efficient usage of land through the elimination of blight and redevelopment of underutilized properties
5. Stabilize and upgrade targeted neighborhoods
6. Creating a variety of mixed-use commercial/housing opportunities to increase the number of City residents

Enhancing the streetscape and pedestrian experience and improving the vitality of the downtown area by adding interest and activity on the first floor of mixed-use buildings

7. Contribute to other unique projects or programs not listed that provide public benefits
8. Improving infrastructure
9. Promote and increase the tourism industry
10. Promote and increase sales tax and hotel/motel collections, such as being a unique regional draw

**J. Special Considerations** – Special or additional consideration, and/or better terms may be considered for projects which exceed certain standards such as:

1. Support an educated workforce: employers develop curriculum, evaluation/assessment tools and job shadowing programs; leadership/partnership with workforce development programs
2. Demonstrable efforts to increase the percentage of newly hired and retained employees who reside within the City limits of the City
3. Higher standards of urban design (e.g. mixed use, add vitality to commercial districts by adding interest and activity on the first floor of mixed use buildings, etc.)
4. Historic rehabilitation; redevelopment of existing structures; environmental abatement or clean-up; assembly and clearance of land upon which existing structures need redevelopment
5. Promotion of sustainable practices in their construction and operation such as meeting Leadership in Energy and Environmental Design (LEED) certification requirements
6. Diversification of the City’s economic base
7. Any additional performance standards which enhances the overall quality of life

## **5. VALUE OF ECONOMIC DEVELOPMENT INCENTIVES PROVIDED**

The objective criteria and subjective criteria outlined in Sections 3 and 4 will be used by the Amarillo City Council in determining whether it is in the best interest of the City to provide economic development incentives for a project. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project. Additional criteria for tax abatements/grants can be found in the overview of incentives section of this document.

## **6. PROCEDURAL GUIDELINES**

Any applicant desiring the City consider providing economic development incentives to encourage location or expansion within the city limits of Amarillo shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest the City is under obligation to provide any incentive to any applicant.

### **A. Application**

To apply for economic development incentives complete “City of Amarillo Application for Economic Development Incentives” attached to this policy as Exhibit B and available via the City of Amarillo’s website, [www.amarillo.gov](http://www.amarillo.gov). The application must be submitted to the Office of Economic Development (the “Office”) and any person or company requesting the City provide economic development incentives shall comply with the following procedure:

1. The applicant will submit a completed application for the requested incentives utilizing the application outline provided by the Office attached to this policy as Exhibit B, and available at [www.amarillo.gov](http://www.amarillo.gov)
2. The applicant will address all applicable criteria set forth in this policy and the application.
3. The applicant will provide a plat, map or survey showing the location of the property and the proposed project.
4. The applicant will provide a legal description of the property; the name, address, phone number of the owner of the property; the tenants or proposed tenants, if any; and state whether the property is to be owner-occupied or leased.
5. The applicant will describe in detail the proposed project and the type of economic development incentives requested.
6. The application will be submitted by mail to Office of Economic Development, PO Box 1971, Amarillo, TX 79105, or delivered to 601 S. Buchanan St, Amarillo, TX 79101 or via email.
7. The office will review the economic development incentive request and may request additional information from the applicant prior to considerations by Amarillo City Council. Failure to timely submit any additionally requested information will cause the application to be rejected and will be deemed withdrawn by the applicant without further action by the City.
8. The Amarillo City Council will review the requested incentive request pursuant to this policy and recommendations by City staff.
9. When necessary under this policy the Amarillo City Council will, at a regular meeting and when allowed by law at a special meeting, consider proposed economic development incentive agreement.
10. Information submitted by the applicant regarding the requested incentive is confidential to the extent allowed by law.

## **B. Application Review**

1. All information submitted as detailed above will be reviewed by the Office for completeness, accuracy and the rationale for projections made. Additional information may be requested as needed.
2. If applicable, the application will be distributed to the appropriate departments for internal review and comments. Additional information may be requested as needed.
3. If necessary, copies of the complete application package will be provided to the other appropriate taxing entities.

## **C. Consideration of the Application**

1. After review by the Office the application will be reviewed by the appropriate City staff. City staff may then meet with the applicant to negotiate final terms of the incentives.
2. Prior to approval of an economic development incentive agreement, the economic incentive request may be scheduled for review by the Amarillo City Council in an executive session meeting. All necessary legal documents will be considered for approval following evaluation of all relevant staff and review team recommendation and reports.
3. For tax abatements, additional steps, including a public hearing, must be incorporated into the process. These procedures are mandated by Texas law and are detailed in the Property Redevelopment and Tax Abatement Act.

## **7. EXECUTION OF AGREEMENTS**

Should the Amarillo City Council determine it is in the best interest of the City to approve economic development incentives to an applicant, a resolution shall be adopted declaring that under the guidelines and criteria established herein, the application is eligible for an economic development incentive in the form of an economic development incentive agreement. The resolution shall further authorize the Mayor to execute a

contract with the applicant governing the provision of the incentives.

Any agreement so adopted must include at least the following specific items:

- A. Amount of the incentive
- B. Duration of the incentive
- C. Legal description of the property
- D. Performance terms
- E. Recapture language for failure to comply with terms of the agreement
- F. Annual review required: After an incentive is approved, the company must report their annual investment and job growth progress for each year of the agreement. If the company fails to meet the contract terms regarding job creation, the abatement may be terminated or reduced relative to the company's job creation progress. For example, if a company only created 80% of the total jobs they were expected to create, they may only receive 80% of the abatement and would have to pay taxes on the remaining 20%.
- G. No transfer of incentive: Except to an entity with substantially the same ownership or directors as the original grantee, and then only with the prior express consent of the City. The City reserves the right to consider other requests for transfer or assignment on a case-by-case basis.

## **8. IMPACT ANALYSIS**

The City reserves the right to perform an economic impact analysis for any project to determine the impact the project will have on the City. If deemed necessary this analysis will be made before an economic development incentive is offered to the applicant.

## **9. NEGOTIATION PROCESS**

The initial contact and preliminary discussions relating to available economic development incentives is to be between the authorized representatives of the applicant and the Office. All negotiations for economic development incentives shall be between the authorized representative(s) of the applicant and the Office and any City employee as designated by the City Manager. Amarillo City Council's decision shall be based upon an evaluation of the criteria that each applicant has addressed in narrative format in their application.

## **10. OVERVIEW OF CITY INCENTIVES**

### **Tax Abatement Criteria for New City Development**

Ad valorem tax abatement may be offered to enterprises for improvements to real property and business personal property and does not apply to land. Tax abatements for improvements to real property may be offered to an applicant who constructs a new or expanded facility to house the applicable project. The tax abatement will apply to the taxable value of the new or expanded improvements. Tax abatements for business personal property may be offered to an applicant that purchases or long-term leases existing or new facilities and will apply to the taxable value of the business personal property added to the facility after the execution of the agreement. Tax abatements are primarily considered for manufacturing or distribution facilities, corporate offices, research parks, major tourism attractions, or similar facilities if it can be demonstrated their development would create substantial capital improvements and attract or retain jobs. The minimum project requirements are:

- Capital cost (new building and/or equipment) to be \$4 million (real and personal property are eligible; land is excluded)
- Average gross wage per job of \$50,000
- Minimum of 25 new full-time jobs to be created/retained

The maximum allowable term for abatement is 10 years although most projects, based on total investment and job creation/retention, will average 4- to 5-years. As a standard practice, total investment in a firm may not exceed 80% of the present value of the estimated total ad valorem tax liability over the term agreement and may be on a sliding scale reducing in percentage over the term. The following table depicts plausible metrics based on project scope.

<b>CAPITAL INVESTMENT</b>	<b>+ FULL-TIME JOBS CREATED/RETAINED</b>	<b>+ AVERAGE GROSS WAGE</b>	<b>= SLIDING SCALE ABATEMENT</b>	<b>YEARS</b>
≥ \$4,000,000	≥ 25	≥ \$50,000	40/30/20/10	Up to 4
≥ \$8,000,000	≥ 35	≥ \$50,000	60/50/40/30/20/10	Up to 6
≥ \$12,000,000	≥ 50	≥ \$50,000	80/70/60/50/40/30/20/10	Up to 8
≥ \$20,000,000	≥ 100	≥ \$50,000	100/90/80/70/60/50/40/30/20/10	Up to 10

However, in the case of unique beneficial opportunities that will have a major impact on the economy within the community, the Amarillo City Council reserves the right to vary from these metrics. Examples include, but are not limited to, being a targeted industry in the Align Amarillo Strategic Plan, deploying leading-edge technology, the availability of state economic development funds available for the firm, the creation/retention of 100 jobs or more, or the firm relocating its headquarters to Amarillo. An alternative to tax abatement agreements may include a Chapter 380 tax rebate.

### **Targeted Economic Development**

#### **Tax Abatement Criteria for Infill Redevelopment or Revitalization of Older Properties Located in Key Corridors and Projects Located in Approved TIRZ or Neighborhood Plans**

Ad valorem tax abatement may be offered to enterprises for improvements to real property and business personal property and does not apply to land. Tax abatements for improvements to real property may be offered to an applicant who constructs a new or expanded facility to house the applicable project. The tax abatement will apply to the taxable value of the new or expanded improvements. Tax abatements for business personal property may be offered to an applicant that purchases or long-term leases existing or new facilities and will apply to the taxable value of the business personal property added to the facility after the execution of the agreement. Tax abatements are primarily considered for manufacturing or distribution facilities, corporate offices, research parks, major tourism attractions, or similar facilities if it can be demonstrated their development would create substantial capital improvements and attract or retain jobs.

The maximum allowable term for abatement is 10 years, although most projects based on total investment and job creation/retention, will average 4- to 5-years. As a standard practice, total investment in a firm may not exceed 80% of the present value of the estimated total ad valorem tax liability over the term of the agreement and may be on a sliding scale reducing in percentage over the term. The following table depicts plausible metrics based on project scope.

<b>CAPITAL INVESTMENT</b>	<i>and</i>	<b>FULL-TIME JOBS CREATED/RETAINED</b>	<i>or</i>	<b>AVERAGE GROSS WAGE</b>	<b>=</b>	<b>% ANNUAL ABATEMENT</b>	<b>YEARS</b>
≥ \$2,000,000		< 15		< \$700,000		Up to 60%	Up to 6
≥ \$2,000,000		≥ 15		≥ \$700,000		Up to 70%	Up to 7
≥ \$4,000,000		≥ 20		≥ \$800,000		Up to 80%	Up to 8
≥ \$6,000,000		≥ 25		≥ \$900,000		Up to 90%	Up to 9
≥ \$8,000,000		≥ 30		≥ \$1,000,000		Up to 100%	Up to 10

However, in the case of uniquely beneficial opportunities that will have a major impact on the economy within the community, the Amarillo City Council reserves the right to vary from these metrics. Examples include but are not limited to, being a targeted industry in the Align Amarillo Strategic Plan, creating 100 jobs or more, being a major regional or tourism draw, or assisting in the redevelopment or revitalization of targeted areas in the city that are blighted or underutilized (e.g. approved TIRZ areas and neighborhood plans).

### Sales Tax Rebates

The City collects 2% sales tax on any taxable retail sales made in the city limits and is divided as follows: 1% is allocated to the City’s general fund, 0.5% is allocated to property tax relief and 0.5% is allocated to Amarillo Economic Development Corporation. An applicant may apply for a rebate of all or a portion of the City’s (1%) local option sales tax collected by the applicant’s business to secure a business in the city limits that would otherwise be located elsewhere. The project requirements are:

- Capital cost (new building and/or equipment) to be \$4 million (real and personal property are eligible; land is excluded)
- Average gross wage per job of \$50,000
- Minimum of 25 new full-time jobs to be created/retained

A project must meet at least two of the above minimum requirements and produce the following in annual taxable sales:



ANNUAL SALES	1% SALES TAX COLLECTED BY CITY	REBATE
≥ \$10,000,000	≥ \$100,000	Up to 1% for up to 6 years
≥ \$15,000,000	≥ \$150,000	Up to 1% for up to 8 years
≥ \$17,000,000	≥ \$170,000	Up to 1% for up to 10 years

As a standard practice, total investment in a firm will not exceed 50% of the present value of the estimated sales tax collections over the term of the agreement and will be on a sliding scale reducing in percentage over the term.

However, in the case of uniquely beneficial opportunities that will have a major impact on the economy within the community, the Amarillo City Council reserves the right to vary from these metrics. Examples include but are not limited to, being a targeted industry in the Align Amarillo Strategic Plan, creating 100 jobs or more, being a major regional or tourism draw, or assisting in the redevelopment or revitalization of targeted areas in the city that are blighted or underutilized (e.g. approved TIRZ areas and neighborhood plans).

*Note: The City will pay any rebates based upon receipt of actual sales taxes and the confidential sales report received from the State of Texas Comptroller’s Office and shall be solely responsible for determining the amount of the rebate. Rebates will be gross amount less 2% for Comptroller’s Service fee.*

**Hotel/Motel Occupancy Tax (HOT)**

The City is committed to attracting lodging and conference center space to the community. A 6% hotel occupancy tax is levied by the State of Texas and the City levies a 7% hotel occupancy tax and 2% for an events venue district, for a total of 15%. These taxes may be used for purposes as allowed by law.

**Chapter 380 Agreements**

Chapter 380 of the Texas Local Government Code authorizes municipalities to offer incentives designed to promote economic development by providing loans and grants of City of Amarillo funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity.

**Freeport Exemption**

Companies may take advantage of ad valorem tax exemptions on business personal property (specifically, inventory) through the Freeport Exemption. Freeport exempts from ad valorem taxation qualified inventory detained in Texas for 175 days or less and used for certain purposes such as assembly, storage, manufacturing, fabrication, and/or processing. Companies operating within the aviation/aerospace industry may enjoy a 730-day window to detain qualified inventory.

**Building Permit, Development, and Connection Fees**

The City may approve a waiver, deferral, grant or rebate of all or a portion of related fees, including but not necessarily limited to; building permit fees, development fees, and connection fees.

## **Cost Participation in Infrastructure**

The City may agree to participate in the cost of the extension, construction, or reconstruction of public infrastructure necessary for the development of a project. Participation by the city is considered on a case-by-case basis and shall be limited to infrastructure improvements within the municipal rights-of-way or easements.

## **Tax Increment Financing (TIF) or Tax Increment Reinvestment Zone (TIRZ)**

Chapter 311 of the Texas Tax Code allows political subdivisions to create TIF Zones to use the increased tax value of land from development toward the financing of the public improvements in the reinvestment zone. TIF Districts may assist in financing the development of unimproved or blighted land by dedicating the real estate property taxes to be generated by the built project to a TIF Fund for payment of the principal and interest on TIF Bonds. Under a TIF, the property owner pays taxes on the full value of the property, and the taxing entities pay into the TIF Fund the taxes attributed to the added value of the property due to the new development. TIF Bonds may be issued for a maximum of 20 years and may be used to pay for public improvements associated with development (i.e. parking, infrastructure, land acquisition, utilities, etc.). A TIF Reinvestment Zone must meet set criteria as defined by law and the City establishes the TIF Reinvestment Zone and other taxing entities approve agreements to participate in the TIF District and set forth the percentage of tax increment they are willing to dedicate to the TIF Fund, up to a maximum of 100%. A TIF Board, consisting of 9- to 15 members, is established with representatives from the participating taxing entities and other representatives as set forth in the state law.

So far, the City has created the following TIRZ:

1. Center City TIRZ #1, established December 7, 2006, for Downtown Amarillo represented by a 10-member Board.
2. East Gateway TIRZ #2, established November 8, 2016, for East Amarillo between S. Eastern and S. Lakeside represented by a 10-member Board.
3. South Gateway TIRZ #3, established December 2022, for South Amarillo in the vicinity of the South Loop 335 and Interstate 27 represented by a 10-member Board.

## **Public Improvement District (PID)**

Chapter 372 of the Texas Local Government Code allows for PIDs to finance the cost of public transportation infrastructure related to a project. A Public Improvement District is formed over property that will benefit from public improvement projects to be constructed and assessments are levied in a manner that apportions costs according to the benefits received from the public improvements. Bonds are issued to fund the improvements and bond proceeds are deposited to a construction fund. Once eligible projects are completed, the proceeds in the construction fund are used to acquire facilities from the developer and assessments are paid by the property owners (usually over a period of years, although assessments may be prepaid in full or in part at any time). Assessments transfer along with title to the property. Therefore, end users typically pay the bulk of assessments. This is fitting, as the public improvements benefit the end users' property.

## **Neighborhood Empowerment Zone (NEZ)**

A NEZ is a tool for cities that would promote at least one of the following: (1) the creation of affordable housing, including manufactured housing, in the zone; (2) an increase in economic development in the zone; (3) an increase in the quality of social services, education, or public safety provided to residents in the zone; or (4) the rehabilitation of affordable housing in the zone.

A city may offer the following incentives within a NEZ; (1) waive building, inspection, or impact fees; (2) enter into sales tax rebate agreements lasting up to ten years; (3) enter into property tax abatement agreements lasting up to ten years; and (4) set baseline performance standards to encourage alternative building materials that address environmental or energy consumption concerns.

### **Fast Track Permitting**

At the request of the applicant, permitting time may be shortened if the project needs and justifies the reduced time frame.

### **Amarillo Community Development Micro-Loan Programs**

Designed to provide small businesses with increased access to capital, this program creates job opportunities and provides a means for businesses to grow without leveraging large amounts of money. This program targets low-to-moderate income individuals with loans from \$2,000 to \$35,000. This program is administered by the Texas Panhandle Regional Development Corporation.

### **PACE Program**

The PACE program allows owners of commercial and industrial properties to obtain low-cost, long-term loans for water conservation, energy-efficiency improvement, and distributed generation retrofits. The PACE statute authorizes municipalities and counties in Texas to work with private lenders and property owners to finance qualified improvements using voluntary contractual assessments. The City of Amarillo adopted the PACE program for within the city limits and extraterritorial jurisdiction in September 2017.

### **Opportunity Zone Program**

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory.

The City received one census tract designated as an Opportunity Zone by the Governor of Texas. This Census Tract #48375015400 covers a portion of downtown and a portion of the Barrio neighborhood.

### **Texas Enterprise Zone (EZ) Program**

The EZ Program is designed to attract new industry and to encourage the expansion of existing businesses in Amarillo and benefits small businesses and large industry with a primary emphasis on manufacturing, commercial, wholesale, warehousing, and distribution activities. The primary goal of the program is to revitalize economically distressed areas by creating new job opportunities for residents that are under skilled, inexperienced, disadvantaged, or displaced, including a commitment to developing or participating in job training or educational programs for economically-disadvantaged persons.

Tax abatements, local sales tax refunds, local development fee rebates, and special transportation services can be used to recruit new business and industry that will invest in the distressed area and provide employment opportunities. State incentives may include a refund/reduction of certain state sales/use taxes and franchise taxes for enterprise projects, preference for contracting with businesses in zones, and priority status for state-administered programs and funds.

## **Center City Façade and Public Improvements Grant Program**

Center City administers a façade grant program, which provides matching grants of up to \$20,000 from the City’s general fund that improve the appearance of downtown buildings. A volunteer committee including architects, designers and community leaders review each application to determine which projects will receive the funds. Property eligible for façade grants must be within certain boundaries. Center City also recently started offering an additional \$150,000 from Center City TIRZ funds to be put toward eligible public improvements (max of \$50,000 per project). Both of these grants have been funded annually through the City and TIRZ budget process.

## **Industrial Revenue Bonds**

The City of Amarillo has the capacity to issue bonds with voter approval. Municipal bonds are debt securities issued to pay for specific projects that will serve the community. Bonds are paid back through property taxes collected by the City of Amarillo and therefore require voter approval.

## **Local Government Corporation**

A public, non-profit corporation created to aid and act on behalf of one or more local governments to accomplish any governmental purpose of those local governments. Texas Transportation Cod Ann. § 431.101(a). Used for funding transportation, water and sewer infrastructure, economic development ventures, and other projects that will benefit the public.