

Galveston Industrial Development Corporation

Application for Funding

Introduction

Certain types of investments, which result in the creation of primary jobs, retention of existing jobs, new income, expanded tax base and other positive economic growth and economic stabilization efforts are beneficial to the City of Galveston as a whole. This application form has been created to assist the Galveston Industrial Development Corporation (IDC) in evaluating potential projects for possible funding from the IDC.

Economic Development Corporations Overview

The Development Corporation Act of 1979 gives cities the ability to finance new and expanded business enterprises in their local communities through economic development corporations (EDCs). Chapters 501, 504, and 505 of the Local Government Code outline the characteristics of Type A and Type B EDCs, authorize cities to adopt a sales tax to fund the corporations and define projects EDCs are allowed to undertake.

Primary Jobs Requirement - The main requirement is that the businesses bring new money into the community. In 2003, the Legislature voted to require that certain projects create or retain primary jobs. A primary job is one at a company that exports a majority of its products or services to markets outside the local region, infusing new dollars into the local economy. Primary jobs are further limited to specific industry sectors such as agriculture, mining, manufacturing and scientific research and development. Those industry limitations can be found in Local Government Code, Chapter 501.

Performance Agreements - EDCs cannot simply gift sales tax proceeds to businesses and/or projects. An EDC must enter into a written performance agreement with any business or project enterprise that it funds directly or makes expenditures to that benefit an eligible project. At a minimum, the performance agreement must contain:

- a schedule of additional payroll or jobs to be created or retained;
- the capital investment to be made by the business or project enterprise; and
- the terms for repayment of the EDC's investment if the business or project fails to meet the performance requirements specified in the agreement.

Public Information

The City and IDC are subject to the Texas Public Information Act (Act). The Act provides that all information in their (City/IDC) possession is open to public inspection unless it falls within certain narrowly-defined exceptions. Information which is provided as a part of this application process will be subject to public disclosure unless an exception is found to apply to the information and the applicability of the exception is determined in accordance with the Act.

Approval Process for IDC Funding

Preliminary approval by the IDC is mandated to comply with State regulations on the usage of Type B (4B) Sales Tax for Economic Development corporations requiring a 60-day public notice period prior to any final approvals being granted.

After approval by the IDC and compliance of the 60-day public notice period, the IDC will conduct a public hearing at the next regularly scheduled meeting of the IDC for final consideration of the project. Following IDC approval the project is then required to be approved by the Galveston City Council during the next scheduled meeting of the City Council following IDC approval. Final authority rests in the execution of a Performance Agreement between the prospective applicant and the IDC.

No Officer, Director, Official, Agent or Employee of the City or the IDC has authority to make any binding commitment for a particular project other than through compliance with the approval process described above.

Applicant Information:

Company Name: Vision Galveston, 501c3

Address: 306 Kempner Street, Galveston, TX 77550

Phone: 917.733.2382 Fax: NA

Name of Contact: Keath Jacoby

Contact Address (if different from above) _____

City: _____ State: _____ Zip: _____

Phone: 917.733.2382 Fax: _____

Email Address: keath@visiongalveston.com

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Amount of Request from IDC: \$ 10,000

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Brief Project Description:

There is evidence of historic contamination at Shield Park, north of Broadway at 33rd Street and Church Street. The project includes environmental assessment work at Shield Park, Phase 1 and Phase 2 environmental assessment performed by Watearth environmental engineering and water resources firm. This step will determine what can or cannot be proposed for the park improvements.

Proposed Funding from the Following IDC Category:

Beaches Infrastructure Economic Development Parks

Economic Impact:

Please provide a brief summary of the benefits to be created as a result of the proposed project:

Park systems create “hedonic value” for businesses and private properties. This value add is derived from the ability of parks to increase foot traffic to nearby businesses and create attractive environments that increase the location’s desirability. Increased sales, property values, and jobs expand the tax base and serve as a boost to the local economy (Trust for Public Land 2009). Many studies find significant increases— up to 40 percent— in the value of properties adjacent to parks and open space (Urban Land Institute 2018).

<u>Project Budget</u>	<u>Applicant</u>	<u>I D C</u>	<u>TOTAL</u>
Land	\$ _____	\$ _____	\$ _____
Building <i>(Describe new, modernization, etc)</i>	\$ _____	\$ _____	\$ _____
Furniture/Fixtures/Equipment	\$ _____	\$ _____	\$ _____
Other <i>(Describe)</i>	\$ 20,000	\$ 10,000	\$ 30,000
TOTAL	<u>\$ 20,000</u>	<u>\$ 10,000</u>	<u>\$ 30,000</u>

Please describe any other sources of revenue that will be used for this project. Include terms of use or types of funding:

OTHER ASSISTANCE:

Has this applicant ever filed for bankruptcy protection under Chapters 7 or 11 of the Federal Bankruptcy Statutes?: (Yes / No)

If yes, please describe: _____

Has your company/organization applied for any State or Federal assistance on this specific project? (Yes / No)

If yes, please describe: _____

Has your company/organization ever applied for and either received or been denied financial assistance from any other municipality in the State of Texas? (Yes / No)

If yes, explain: _____

Is your company currently engaged in evaluating other communities for this project?
(Yes / No)

If yes, explain: _____

PROJECT INFORMATION: (please address the following factors in a narrative to be attached to this application)

Project Narrative

- Brief overview of the nature of this project;
- Brief history on the company and its' future plans
- Narrative on why Galveston is a good location for this project/market demand

Employment Impact

- Total number of full time equivalent jobs brought to Galveston;
- Types of jobs created
- Total annual payroll

Fiscal Impact

- Total real and personal property value to be added to the tax rolls
- Anticipated direct sales tax generated at one percent (1%) of taxable sales
- Other revenues generated for the city: franchise payments, occupancy taxes, utility revenues, etc
- City infrastructure construction required
- Projected total annual operating budget of the facility

Community Impact

- The expected effect the project have on the local housing market
- The expected environmental impact, if any, created by the project
- The compatibility of the project with the City's comprehensive plan

Competitive Impact

- The effect the project would have on existing businesses in Galveston
- A list of the types of products or services to be sold by the applicant which are currently sold by existing Galveston merchants
- A list of specific businesses seen as direct competitors to the applicant

To the best of my knowledge, the aforementioned information is an accurate description of the proposed project details.

Signature: _____

Name: Keath Jacoby

Title: Executive Director

Date: _____