



CITY OF PITTSBURG
ECONOMIC DEVELOPMENT CORPORATION

Economic Development Incentive TERMS & REQUIREMENTS

All actions of the Pittsburg Economic Development Corporation (PEDC) are subject to the Development Corporation Act of 1979, Vernon's Civil Statutes, Sections 4A, 4B, and 4C. The Pittsburg Economic Development Corporation (PEDC) is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city appointed board of directors. The PEDC is a **4B Corporation** and, as such, may fund projects focused on the creation of primary jobs or projects where the business is engaged in manufacturing, distribution, regional or national Corporate Headquarters, as well as non-industrial development. The PEDC may further limit those projects acceptable under State Law as a matter of policy. Application approvals are subject to funds availability and current Board Policies. Applications for incentives from the Pittsburg Economic Development Corporation for projects must be approved by the Pittsburg Economic Development Corporation (PEDC) Board of Directors and the Pittsburg City Council. All incentives must be contractually tied to specific performance criteria under State Law via a Performance Agreement. Applicants are required to attend a preview meeting with the PEDC Director and submit a completed application with all supporting documents to the PEDC office for projects to be considered for incentive eligibility.

DEFINITIONS

PEDC: Pittsburg Economic Development Corporation.

Project: Any use of PEDC funds authorized by State Statutes and compatible with the policies established by the PEDC Board. It may be considered a Project after being approved by the PEDC Board and the Pittsburg City Council.

Eligible 4B projects for the creation or retention of primary jobs and community development

| |
|---|
| Facilitate manufacturing and industrial activity |
| Research and development facilities, military facilities, recycling facilities, distribution centers, small warehouse facilities, and regional or national corporate headquarters |
| Professional or amateur sports/athletic facilities, entertainment facilities, tourism facilities |
| Convention facilities, public park purposes, including stadiums, ballparks, auditoriums, amphitheaters, concert halls, open space improvements, museums, exhibition facilities |
| Automobile parking facilities, transportation facilities |
| Infrastructure including roads, streets and other utilities |
| Water, and sewer facilities (must be part of a public election and have a majority vote) |
| Affordable housing projects as defined by 42 U.S.C. Section 127.45 |
| Retail, restaurant, job training facilities |

Performance Agreement: This is a written binding document put in place to ensure that the applicant fulfills their commitments and reporting requirements in order to receive payments or incentives of the program. This is designed to protect local taxpayer’s interests.

Performance Agreement Metrics: (Including, but not limited to the following):

| | |
|---|---|
| Capital investment minimum | Estimates sales tax performance over a period |
| Performance reporting | Estimated average salary over a period |
| Estimated total revenue over a period | Open for business over a period |
| Employee training /defined certifications | Comply with city ordinances |
| Estimated number of full time or total jobs over a period | |

Claw back: A provision in a Performance Agreement which states how and to what extent any incentive payment from public funds must be repaid or if the stated Performance Standards are not met.

Growth Target: Businesses which contribute significantly to the City of Pittsburg’s overall economic Growth potential and planning.

Service: Business which is open to the public, but does not collect sales tax for the service or retail.

Office Only: Office for a business or personal use that is not open to the public in general.

Non-contributing properties: Properties which are vacant, and used for business or personal storage, not open to the public or otherwise not contributing to the economic growth of the City of Pittsburg.

Pittsburg Economic Development Corporation Incentive **2021**

Terms & Requirements

The Pittsburg Economic Development Corporation (PEDC) Incentive is an economic support program used primarily to attract new businesses to the City of Pittsburg or to assist with the substantial expansion of an existing business as part of a competitive recruitment process.

Applicants must meet with the Pittsburg Economic Development Corporation (PEDC) Director prior to submitting an application, to obtain an understating of the potential project eligibility and the total project requested incentives.

If a project is approved for a PEDC Incentive award, a performance-based grant contract known as the Performance Agreement will be executed, which will include provisions to ensure that City of Pittsburg taxpayer funds are spent effectively and efficiently.

For more information, visit:

<https://www.pittsburgtexas.com/241/Pittsburg-Economic-Development-Corporati>
 or contact the Pittsburg Economic Development Corporation Director via email at nbaum@pittsburgtx.net or (903)-856-3621.

PROCESS

- Pre-meeting - determines if project is valid for the Pittsburg Economic Development Corporation and if level of ask could require more documentation
- Zoning is reviewed
 - If requesting zoning change, the zoning process requires the notification of the surrounding property owners within 200 feet, public notices and public hearings before the Planning & Zoning Board and City Council. It is an approximate 8-12 week process following state-mandated notification requirements
- Application is submitted. *See bottom of page where and how to submit*
- Application is reviewed for completeness and project validated
- Financials and plans are reviewed for feasibility
- Average wage for industry of the business is compared to County average wage for that industry
- New full time and total Jobs are evaluated
- Local impact analysis is completed
- Estimated return on investment and proposed timeline is reviewed
- Initial rating chart is completed
- Pittsburg Economic Development Corporation Board and City Attorney review and potentially act on the application

| | |
|------------------------------------|--|
| Background check and credit report | Initial application notes and finding reviewed |
| Potential incentive finalized | Rating chart is finalized |
| Performance agreement finalized | Any additional documentation requirements |

- If more documentation or clarification is required or application is denied, a letter is sent to the applicant
- If approved, performance agreement is presented to City Council for review and action
- If not approved by City Council, a letter is sent to applicant. City Council decisions are final
- If approved, performance agreement is sent to the applicant

| | |
|-----------------------------------|--|
| Timeline and due dates | Required quarterly reporting on job creation and wages |
| Onsite inspections for compliance | Incentives or payouts |

Project Work Begins

Pittsburg Economic Development Corporation Incentive 2021 Terms & Requirements

If approved, the applicant must obtain the appropriate permits, inspections in the proposed project. The applicant must comply with all city adopted codes and ordinances before, during, and after project completion. Periodic progress reports may be required.

Project Work Completed

All work, inspections, permits, required documentation and reports (as described in the application, Terms and requirements) must be completed within the Performance Agreement scheduled timeline. If the Performance Agreement is not fulfilled, awarded incentives will be forfeited and/or the “claw-backs” will be implemented.

INCENTIVE

For eligibility to apply for this incentive program, the project must demonstrate a significant return on the city’s investment and have a strong positive impact on the local economy.

A rating chart is one of the many tools and considerations utilized by the PEDC to compare all project applications. The review process evaluates a variety of factors associated with each project including average Northeast Texas job wage, job creation, capital investment made by the applicant, financial strength of the applicant, applicant business history, analysis of the relevant business sector, and public and private sector financial support. Risk factors and available funds are unique at the time of each project. Awarded incentives are the final decision of the City Council. Awards are available according to the City of Pittsburg’s fiscal year.

| Comprehensive Growth Target | Score | Annual Local Sales Tax Volume (.015) | Score | Sales Volume Total | Score | Capital Investment | Score | Average Hourly Wage | Score | Full Time Jobs | Score | Total Jobs | Score | Over All Economic Impact | Score |
|---|-------|--------------------------------------|-------|--------------------|-------|--------------------|-------|-------------------------|-------|----------------|-------|------------|-------|--------------------------|-------|
| Entertainment /Tourism | 15 | Over \$60K(\$4M plus) | 20 | Over \$5M | 5 | Over \$3M | 10 | \$21.88 or more | 20 | 25 or more | 15 | 35 or more | 10 | High Impact | 5 |
| Full Service- National or Regional Restaurant , Retail, Hotel | 15 | \$40K-\$59K(\$2.6M-\$3.9M) | 16 | \$3.5M-\$4.9M | 4 | \$2M-\$2.9M | 9 | \$19.76 - \$21.87 (ETX) | 18 | 15 - 24 | 12 | 29-34 | 9 | | 4 |
| Manufacturing /Warehouse | 10 | \$24K-\$39K (\$1.6M-\$2.59M) | 12 | \$2M- \$3.4M | 3 | \$1M-\$1.9M | 7 | 17.00-19.75 (NETX) | 16 | 10 - 14 | 10 | 20-28 | 8 | Medium | 3 |
| Other food | 6 | \$18K-\$23K (\$1.2M-\$1.5M) | 8 | \$600K-\$1.9M | 2 | \$400K-\$900K | 5 | \$15.01- \$16.99 | 12 | 6 - 9 | 6 | 15-19 | 6 | Limited | 2 |
| Other sales tax contributing business | 4 | \$12K-\$17K(\$800K-\$1.1M) | 4 | \$500K-\$599K | 1 | \$100K-\$399K | 3 | \$13.00 - \$15.00 | 10 | 3 - 5 | 2 | 7-14 | 4 | Low | 0 |
| Future lease or sale multiple | 2 | \$8K-\$11K (\$533K - \$790K) | 2 | Under \$500K | 0 | \$50K-\$99K | 1 | \$10.01-\$12.99 | 6 | Under 3 | 0 | 3-6 | 2 | | |
| Service only | 1 | Under \$8K | 1 | | | Under \$49K | 0 | Under \$10.00 | 0 | | | Under 3 | 0 | | |
| Non- contributing | 0 | \$0 | 0 | | | | | | | | | | | | |
| Exceed Bonus | 5 | | 5 | | 2 | | 4 | | 5 | | 5 | | 3 | | 2 |

| Score | >101 | 100-75 | 74-60 | 59-40 | 39-20 | 19-15 | 14 or less |
|--|------|---------------|-------------|-------------|-------------|------------|------------|
| Custom Agreement | | \$100K-\$200K | \$99K-\$60K | \$60K-\$30K | \$29K-\$11K | \$10K-\$2K | 0 |
| Key Performance Agreement Metrics <ul style="list-style-type: none"> o Capital investment minimum o Estimates sales tax performance over a period of time o Estimated number of full time or total jobs over a period of time o Estimated average salary over a period of time o Estimated total revenue over a period of time o Open for business over a period of time o Employee training /defined certifications | | | | | | | |

| |
|---|
| Awards are eligible for Type 4B projects which meet the City of Pittsburg’s ordinances for a business with a physical location within the Pittsburg city limits |
| Awards are accompanied by a Performance Agreement |
| Any false or misleading information on an application will disqualify the application |

Pittsburg Economic Development Corporation Incentive **2021** Terms & Requirements

| |
|---|
| Awards will not be considered for work that has already been initiated |
| Awards will not be considered for any work completed by self or representative of the business. |
| The applicant, business and/or property owner must not be involved in any litigation, be in violation of city ordinances, or owe Federal/State or local taxes or outstanding debt to the city within the 12 months preceding the application submittal. Any active liens or legal proceedings filed that would affect the property or business for which the incentive is intended, will disqualify the business/property from the incentive, and result in the forfeiture of any funds for consideration or award. |

APPLICATION

| |
|--|
| The application may come from the property owner or the business owner. If the application comes from the business owner, the business owner must include a notarized letter from the property owner supporting the application and agreeing to the terms and requirements |
| The business owner must produce a lease or other documentation showing the term of the lease |
| All required city permits must be obtained prior to work starting and all final inspections must be approved and copies provided |
| The applicant and/or property owner agree(s) to have a sign/banner placed on their building during the project and up to 30 days after completing the project, to acknowledge the PEDC Program |
| A notice will be sent by the PEDC to the applicant notifying of either denial or approval. If approved, this notice will be the "Project Performance Agreement." The letter will include the project, design, terms and requirements that were approved |
| All appeals to the denial of the application will go before City Council in writing within thirty (30) days of the date of the notification. |
| City Council decisions on all appeals will be final |
| Work must be started by the designated start date in the agreement |
| Work must be completed by the due dates outlined in the agreement |
| The applicant must notify the PEDC Board in writing, if any changes are made prior to any work being completed. The board reserves the right to reconsider the application status based on those changes |
| If the Applicant is unable to meet the due dates, the applicant may submit a written request for an extension to the start date or the completion date, provided the extension request is made at least five (5) days PRIOR to the due dates described |
| The PEDC shall not be obligated to allow extensions but may do so for a good cause determined solely by the PEDC. If granted, the extension shall be for the term and the conditions specified exclusively by the PEDC |
| An extension denial cannot be appealed and shall be final with the PEDC. If all of these extension conditions are not met, all awarded incentives will be forfeited in full |

DOCUMENTATION

| |
|---|
| The following documents must be attached with the application |
| A summary of the business plan, including the proposed site, hours of operation and the estimated number of additional jobs created |
| Projected employment, including permanent full-time, permanent part-time, and average wage |
| Projected project timeline |

Pittsburg Economic Development Corporation Incentive 2021 Terms & Requirements

| |
|--|
| Amount of funds or assistance type requested |
| Detailed budget including the requested funds usage , projected 3 years annual sales and local sales tax paid annually, three years of annual financials in current businesses name; If a new business: personal financials including the last three years tax returns |
| Letter of commitment from the financial institution or proof for primary financing |
| Projected economic impact based on tangible and reasonable projections |
| Plans for funding maintenance and operations at the proposed site/project |
| Estimated cost of construction and/or renovations with detailed bids or estimates |
| If not property owner, applicant must submit a copy of the lease agreement and the application must be signed by the property owner and notarized |

SUBMISSION INSTRUCTIONS

| | |
|---|---|
| Email nbaum@pittsburgtx.net | |
| Mail | Drop off* |
| Pittsburg City Hall | Pittsburg City Hall |
| 200 Rusk St | 200 Rusk St |
| Phone (903) 856-3621 | Pittsburg, TX 75686 |
| Pittsburg, TX 75686 | <i>*Drive-through window (8-5 M-F) or Drop Box located at the front of City Hall (24 hours)</i> |

By signing and submitting an application for an incentive request, the applicant, business, and property owner fully understand, accept the terms and requirements as included in the PEDC application, PEDC terms and requirements, and the City of Pittsburg ordinances. The PEDC Board reserves the right to review, accept or reject all applications. Awards are based on fulfilling a Performance Agreement and limited to available funds in a fiscal year.

Property Owner Signature _____ Date _____

Property Owner Name printed _____

Signature _____ Date _____
(Applicant)

Given under my hand and seal of office this _____ day of _____, _____

(Notary Seal)

Notary Public, State of Texas

Commission expire date _____