

Pantego Economic Development Corporation
Guidelines and Criteria
for the Business and Development Assistance Program

Sec. 1 Purpose

The Pantego Economic Development Corporation (*PEDC*) is committed to the attraction of new development investment as well as the retention and expansion of existing businesses in the community in order to produce a strong local economy and generate a favorably quality of life. Pursuant to the aims and objectives stated above, the *PEDC* Board of Directors (*PEDC Board*) shall establish and create the Pantego Business and Development Assistance Program (*the Program*) to support the expansion of business and development within the community and to incentivize business relocation to the Town of Pantego.

In addition to other economic development activities pursued by the *PEDC*, the Pantego Business and Development Assistance Program will provide a structured mechanism for the extension of financial incentives and loans by the *PEDC* under legal authorization as stated in Chapter 505 of the Texas Local Government Code. Financial incentives will be evaluated on a case-by-case basis such that any incentives extended will be based upon the merits of each individual project.

Each application shall be judged upon the merits of the individual project. The *PEDC* is under no obligation to provide incentives to any applicant. Participation in the *Program* does not remove any obligation to satisfy any and all applicable codes and ordinances issued by the Town or any affected taxing jurisdiction that may be in effect at the time the agreement is executed.

Sec. 2 Incentives & Assistance

The *PEDC* seeks to provide flexibility in its economic development activities. Economic development incentives and assistance are based on the unique needs and individual nature of each development, expansion project, or business need. However, in order to maintain a sound structure for the orderly utilization of appropriate incentives/assistance, the *Program* maintains a formal application process and designates certain guidelines and procedures for the extension of incentives/assistance. To accomplish this, the *Program* provides the *PEDC* two alternative incentive methods including *Storefronts in Pantego (SIP)*, and the *PEDC Loan Program*. These two methods are targeted to improvements to existing centers and aim to assist in mitigating up-front development cost barriers.

Storefronts in Pantego (SIP)

In order to support the upgrade and renewal of business storefronts within the Pantego community, the *PEDC* may utilize *SIP* to provide area businesses or property owners financial assistance toward the following improvements:

- A. Facade
- B. Parking
- C. Signage
- D. Landscaping
- E. Lighting

Improvements that are ineligible for financial assistance through *SIP* include:

- A. HVAC
- B. Plumbing
- C. Electrical
- D. Any Structural Improvements
- E. Any Interior Improvements

Other improvements related to the upgrade of business storefronts may be considered if associated with one or more of the approved storefront improvements listed above. It shall be left to the discretion of the *PEDC* to determine if any other projects are eligible for financial assistance under *SIP*. Any such determination will be delivered during the course of the application process.

Any and all incentives provided through *SIP* shall be in the form of a loan which may be forgiven if certain criteria (as established in the application process) is met by the recipient. Any failure to meet these criteria will result in recapture of any financial assistance provided as described in Section 6.

If, as determined by the application process, financial assistance through *SIP* is demonstrated to be warranted, the amount of assistance provided shall be bound by criteria found in Table 4.1 (below).

Table 2.1

Recipient	Amount of Assistance
Multi-tenant center larger than 15,000 sq. ft.	Match up to \$25,000
Any commercial or mixed-use facility up to 15,000 sq. ft.	match up to \$12,500

PEDC Loan Program

The *PEDC Loan Program* is designed to be a flexible tool for use by the PEDC in supporting local businesses and property owners seeking to make substantive improvements to their facilities or operations or to new businesses/developments locating in the Town of Pantego.

These loans are primarily meant to address the following circumstances:

- A. Unusual barriers to development exist
- B. Project supports separate economic development efforts by *PEDC* or the Town
- C. Project has been demonstrated to be a catalyst for additional development/redevelopment

The review and approval of any proposed project submitted to the *PEDC* for assistance through the *PEDC Loan Program* will be subject to the application process described in Section 3. All agreements approved for the *PEDC Loan Program* will be in the form of a forgivable loan, shall be performance-based, and shall be subject to recapture as described in Section 6.

Sec. 3 Application and Application Process

All applicants must fill out the “Pantego Business and Development Assistance Program Application,” and submit the form to the City Manager or other designee identified by the *PEDC Board*. Included with the application, the applicant must submit the following:

- A. A written description of the business and the general nature and extent of the operations to take place in the Town of Pantego, and (if applicable) any new construction associated with the project.
- B. A document detailing the type, amount, and purpose of any incentives sought.
- C. A document detailing the impact of the requested assistance upon the applicant business.
- D. A document illustrating the financial benefit to the town generated by the addition of the applicant business.
- E. A description of any construction associated with the project (if applicable), including site plans and elevations if available.
- F. A map of the facility location and property description (including current ownership).
- G. A time schedule detailing the anticipated relocation to the Town of Pantego (including any construction and initiation of operations).
- H. Financial documents indicating projected sales for the new or expanded business (if applicable) as well as the anticipated impact of any and all improvements upon sales

revenue (if sales tax applies).*

* Other financial information including but not limited to annual reports, balance sheet, income statement, cash flow report, or tax returns may be required upon request by the *PEDC Board* or designee.

Please refer to Exhibit A for an explanation of the financial incentive application process. Any assistance must be approved by the *PEDC Board* and may be subject to approval by additional jurisdictions.

It is required that all applicants (or a duly designated agent) be present to answer questions at any *PEDC Board* meeting at which their application is under consideration for approval unless prior arrangements have been submitted and approved by the *PEDC Board*. Notice will be given to the applicant at least two weeks in advance of any such meeting.

All Incentive Program Applications must be submitted prior to (re)locating in Pantego and/or prior to any associated construction, and prior to the commencement of any projects for which financial assistance is being sought. **No application will be considered after construction has begun and/or after the applicant has begun any activities for which assistance is being sought in Pantego.**

Sec. 4 Advisory Review Committee

The *PEDC* may designate members of the *PEDC Board* or Town Staff to serve within a Business and Development Assistance Advisory Review Committee (*Review Committee*) that will be responsible for the review, assessment, and analysis of any and all applications submitted to the *PEDC* and to work with City Staff and City Council as necessary to the application process. The *Review Committee* may also be required to meet with applicants (or their designated representative) in order to evaluate the applicant's request and to provide guidance to the applicant on the form and content of the Final Incentive/Assistance Proposal to be submitted to the *PEDC Board* for approval (as described in Exhibit A).

Moreover, it will be the responsibility of the *Review Committee* to coordinate, as appropriate, matters relating to the review of an applicant's request with appropriate staff (and/or other designated body) of the Town of Pantego should the applicant's request relate to or be submitted concurrent to an application to the Town of Pantego for incentives or assistance.

The role of the *Review Committee* is strictly advisory in nature. No recommendations or declarations on behalf of the *Review Committee* shall be considered binding with regards to the *PEDC*.

It shall be left to the discretion of *PEDC Board* to determine the appropriate form and makeup of the *Review Committee*. No restrictions shall be established regarding the size or membership of the *Review Committee* unless so desired by the *PEDC Board*.

Sec. 5 Additional Community Guidelines

The Town of Pantego and the *PEDC* work hard to create a favorable family and business environment. Strong corporate support of the community is highly encouraged. The *PEDC Board* urges all incentive recipients to act as strong community citizens, and, though not required, any demonstration or commitment to this end that is included with the incentive application, including plans for community service, etc., will be most welcome.

The *PEDC* also seeks to support existing area businesses in its economic development activities. Therefore, it is also requested that applicants look first to Pantego as a source for labor, supplies, lending, and construction assistance.

Sec. 6 Recapture

All incentive agreements shall be performance-based, therefore any Programs dispersed by the *PEDC* shall be contingent upon certain performance measures to be identified in the assistance agreement. Any loans awarded through the *Program* shall be deemed in default should any performance measures not be met and all funds shall be paid to the *PEDC* immediately.

Sec. 7 The Agreement

Guided by the application process illustrated in Exhibit A, any agreement to extend economic development incentives will be individually suited to the merits of the project, the needs of the applicant, and the capabilities of the *PEDC*. The terms and conditions of any incentive agreement shall be contained in the final version submitted to the *PEDC Board* for approval and may be subject to review by the City Council of Pantego as required by Chapter 505 of the Texas Local Government Code. No terms shall apply that are not contained in the Final Incentive Proposal approved by the *PEDC Board*, unless already stipulated in these Guidelines and Criteria.

Sec. 8 The Application

Please refer to the “Pantego Incentive Program Application” for further instructions on the initial application process.

Exhibit A

Pantego Program Application Process

