

# **LIBERTY HILL ECONOMIC DEVELOPMENT CORPORATION**

## **BUSINESS INCENTIVE PROGRAM**

### **STATEMENT**

The Liberty Hill Economic Development Corporation (LHEDC) has established and funded the Business Incentive Program for the City of Liberty Hill. The program provides performance linked funds for **new or expanding businesses** within Liberty Hill and its extraterritorial jurisdiction (ETJ).

### **OVERVIEW**

This program is designed to encourage new or expanding eligible businesses to undertake responsible, high quality, aesthetically pleasing capital investment projects and to create new jobs within the City of Liberty Hill and surrounding areas with the goal of increasing economic diversity. *The program is intended for businesses within the city limits and ETJ of the City of Liberty Hill.* Every incentive approved must meet the requirement that it will promote new or expanded business enterprise within the City or ETJ and that it will benefit the City.

Incentive funds in the form of reimbursement for City permits and fees for eligible capital investment projects and partial salary reimbursement for eligible new jobs created are available for award on a first come, first served basis until total funds appropriated for the cycle are depleted. The annual funding cycle begins October 1st of each year and ends September 30th of the following year in alignment with the EDC's fiscal year.

The annual appropriation for the program for the 2017-2018 fiscal year is \$50,000. Reimbursement of City permits and fees could be up to \$20,000. Job creation incentives could be up to \$500 per position with a maximum of \$5,000.

### **QUESTIONS**

**Business Incentive Program Application questions:** Call LHEDC at 512-778-5449 x113

**Building permit questions:** Call Planning Department at 512-778-5449 x105

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**ELIGIBILITY GUIDELINES**

**All applicants are required to review the following items to ensure eligibility requirements are met.**

**Project Eligibility**

a. **Capital Investment Incentives:** New facility with a minimum investment by the applicant of \$1 Million or an expansion or remodel of an existing facility with a minimum investment by the applicant of \$500,000

No incentives will be offered for capital investments for businesses that have at the time of the application already started construction, completed renovations or for work covered by insurance. Application must be reviewed and approved before project may begin.

b. **Job Creation Incentives:** New business or expanding existing business that creates the following number/type of jobs:

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<b>Category</b>	<b>Minimum Requirements</b>
Retail	10 jobs \$25,000 average salary \$1 Million Investment
New Industry Development	10 jobs \$45,000 average salary \$1 Million Investment
Reuse Industry and Expansions (not Retail)	10 jobs \$45,000 average salary \$500,000 Investment

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No incentives will be offered for existing businesses within Liberty Hill unless they meet the minimum requirements listed for job creation, average salary and capital investment for reuse industry and expansions

If awarded an incentive, any deviation from the approved project or failure to meet performance requirements may result in total or partial withdrawal of the incentive.

**Complete the Application:** Fill out Business Incentive application form and sign the agreement.

**Projected Hiring Plan and Salary Structure:** A hiring plan and the anticipated yearly payroll projection will be required for determining job creation incentive qualifications. Any incentives offered will be tied to meeting and or exceeding the projected plan. Any shortfall in the number of jobs created or payroll projections may result in a partial or full withdrawal of the incentive.

**Provide Concept Plans:** All applications for capital investment incentives must include a set of plans showing the exterior elevations with the name of the project manager or contractor of the proposed project. Include color or colors for the improvements to be constructed. Acceptable building façade materials include Rock, Stone, Stucco or Architectural foam. The LHEDC does not dictate coloring of improvements however they must be compatible with other Highway 29 properties.

**Provide Project Cost Estimate:** Application must include a written estimate on total capital investment into the project.

**Submit the Application:** Return completed application to City Hall (926 Loop 332) no later than 12 Noon on the first **BUSINESS DAY of the month applicant wishes to be considered for inclusion on the EDC board meeting agenda. Late applications will not be considered until the next EDC Board meeting.**

**Approval Process & Eligibility:** The approval and eligibility process includes the following:

- a) All Business Incentive projects must meet the minimum eligibility requirements to be considered
- b) The LHEDC Board of Directors meets monthly. Pending applicants will be notified of any changes to this schedule as soon as possible. Applicants may be requested to attend to answer questions regarding their incentive application. Notwithstanding anything stated in this application to the contrary, final approval for any incentive shall be vested in the LHEDC Board of Directors and the Liberty Hill City Council.
- c) Only applications properly and fully completed and containing all information required will be considered. Incomplete applications will be returned with a notice of deficiencies.

## **Project Performance**

- a) If a capital investment project is awarded an incentive, the incentive recipient (“Recipient”) must commence construction as described in the application within six (6) months of the site development approval. (is this feasible if we are covering permit and fees)
- b) Recipient must complete the construction as described in the submitted application within twelve (12) months from the date of the award.
- c) When the capital improvement project has been issued a Certificate of Occupancy, the Recipient will present the LHEDC Board with an accounting of the total project cost if the award is for a single payment reimbursement of the permits and fees. Recipients of job creation incentives must have the proposed number of employees hired, supported by payroll records and average salary requirements met by the anniversary of the Certificate of Occupancy date in order to qualify for the incentive.
- d) If the Recipient is unable to complete the project within twelve (12) months of the award, the Applicant must submit a written request for extension of the completion date. However, the extension request MUST be made prior to the twelve (12) months’ time limit. The LHEDC Board is not obligated to allow extensions but may do so for reasonable cause if so determined by the LHEDC Board.
- e) An extension, if granted, will be for the term and conditions determined exclusively by the LHEDC Board. An extension denial cannot be appealed and will be final.
- f) The LHEDC Board and the Liberty Hill City Council shall have sole discretion in awarding any incentive amount, configuration or combination. Applicant has no proprietary right to receive an incentive.
- g) The review criteria may include, but is not limited to, number of jobs created, average salary, capital investment and potential economic impact to Liberty Hill.
- h) Applicant is responsible for obtaining all City permits and City approvals regardless of whether an incentive is awarded for reimbursement of permits and/or fees
- i) An Applicant may attend LHEDC Board meetings at which the Board considers the application, and may be requested to do so by the LHEDC Board. Failure to attend an LHEDC Board meeting when requested shall be cause for rejection of the application.

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**GENERAL CHECKLIST**

- Meet with the EDC Director (or their Designee) to determine eligibility and walk through the Business Incentive Program and instructions.
- Meet with the City's Planning Director and / or Building Inspector for any work which may involve building permits.
- Complete the incentive application and sign the agreement. (Include ALL required attachments – supporting documentation is a necessity).
- Initial Submittal: Submit application and agreement with required attachments by the first business day of the month you wish to be considered for inclusion on the EDC meeting agenda. Scheduling is at the sole discretion of the EDC Director and Board. Submit a digital copy of the application and attachments; applicants need to retain a copy.**
- You will be notified of the EDC Board meeting date and may be requested to attend in order to answer questions regarding the incentive application.
- Approval will be granted or denied on the application by the LHEDC Board and will then be forwarded to City Council for final approval. If approved, the application and Agreement will be signed / dated by the LHEDC Board and City Council to validate approval and award.
- Project construction may commence after final approval. Work must commence within six (6) months of site development approval and be completed within 12 (12) months
- Applicants may be requested to attend meetings to be recognized as a recipient or awardee of a Business Incentive.

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**APPLICATION**

Return the completed application with necessary attachments and signatures to City Hall (926 Loop 332) **no later than noon on the first business day of the month you wish to be considered for inclusion on the EDC meeting agenda.** Scheduling of consideration of any application is at the sole discretion of the EDC Board and Director. You will be notified of the date your application will be considered. If you have questions, contact City Hall at 512-778-5449 – Extension 113. For permit questions, contact the City Planner at 512-778-5449 – Extension 105.

Applicant Name \_\_\_\_\_

Date \_\_\_\_\_

BusinessName \_\_\_\_\_

Mailing Address \_\_\_\_\_

Contact Phone \_\_\_\_\_ Email \_\_\_\_\_

Physical Building Address \_\_\_\_\_

Type of Business Activity \_\_\_\_\_

**Provide project details for business incentive program: (attach additional paper if necessary)**

\* For Job Creation incentive requests include the number of projected new employees, job titles and salaries.

**\*\* For Capital Investment Projects provide total project amount (please attach copy of project concept and cost):**

Attach site plan, materials and colors to be used for building facade, sign design, etc., as well as photographs of the project site. (Square footage)

TOTAL COST OF PROPOSED PROJECT: \$ \_\_\_\_\_

AMOUNT OF INCENTIVE  
REQUESTED \$ \_\_\_\_\_

APPLICANT'S SIGNATURE & DATE

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**LHEDC BOARD REVIEW**

SIGNATURE & DATE

Signature: \_\_\_\_\_

Date of Board Meeting: \_\_\_\_\_

Incentive Requested: \$ \_\_\_\_\_

- Approved
- Rejected

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**CITY COUNCIL REVIEW**

SIGNATURE & DATE

Signature: \_\_\_\_\_

Date of Council Meeting: \_\_\_\_\_

Incentive Requested: \$ \_\_\_\_\_

- Approved
- Rejected

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DATES TO REMEMBER:

Work must commence 6 months after site development approval: \_\_\_\_\_

Work must be completed 12 months after site development approval: \_\_\_\_\_

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**PERFORMANCE AGREEMENT**

As authorized by Texas Local Government Code Section 501.158, this *PERFORMANCE AGREEMENT* (hereinafter “this Agreement”) is made and entered into by and between the **Liberty Hill Economic Development Corporation**, hereinafter “LHEDC”), acting through its Board of Directors; and \_\_\_\_\_, owner of [name of business] \_\_\_\_\_ of Liberty Hill, Texas, hereinafter referred to as “Grantee.”

WHEREAS, LHEDC was formed to administer the sales and use tax approved by the citizens of Liberty Hill, Texas and collected pursuant to the Development Corporation Act of 1979 (“the Act”) for the development, promotion, creation, retention, or expansion of business enterprises which create or retain jobs, and for suitable infrastructure necessary to promote or develop business enterprises; and

WHEREAS, Grantee applied for financial assistance from the LHEDC under the Liberty Hill Economic Development Corporation Business Incentive Program for performance based incentives related to a project to undertake capital investment or job creation in accordance with the eligibility guidelines of the Program; and

WHEREAS, the LHEDC Board approved an incentive award to Grantee in the total amount of \_\_\_\_\_; and

WHEREAS, LHEDC has determined that Grantee’s request is in keeping with the statutory purpose of the Act and the guidelines of the Program;

NOW, THEREFORE, LHEDC AND GRANTEE FOR AND IN CONSIDERATION of the mutual promises contained herein, do hereby contract and agree as follows:

**A. Grantee Statements:**

I have met with (names) \_\_\_\_\_ and fully understand the Business Incentive program established by the LHEDC Board. I intend to use these incentive funds for the aforementioned project(s) in support of Liberty Hill’s economic development efforts. I have not received, nor will I receive, insurance monies for this project.

I have read the Business Incentive Program Introduction, Eligibility Guidelines, General Checklist, Application and Agreement

I understand that if I am awarded an incentive, any deviation from the approved project or failure to meet hiring and salary projections may result in partial or total withdrawal of the incentive. Furthermore, if the business ceases operations or leaves Liberty Hill within (3) years from approval, I shall be required to reimburse the EDC immediately for the full amount of any funds



from the incentive program. I understand the application processes involved and have been given an opportunity to ask questions regarding the incentive program.

**B. Grantee Obligations:**

1. The Grantee agrees to comply with the terms of this Agreement, the LHEDC Business Incentive Program Requirements, Eligibility Guidelines and Application as completed by Grantee and approved by the LHEDC Board and the City of Liberty Hill, all of which are attached hereto and incorporated herein by reference.
2. As consideration for the incentives provided under this Agreement, Grantee agrees to hire and maintain at least \_\_\_\_\_ Full Time Equivalents (FTE with such employees to be paid annually an average salary of \_\_\_\_\_. A full-time employee means an employee who is hired and paid to work at least thirty (30) hours per week. A part-time employee means an employee who is hired and paid to work less than this amount.
3. As consideration for the incentives provided under this Agreement, Grantee agrees to make the following capital investment in accordance with the LHEDC Business Incentive Program Application submitted by Grantee and approved by LHEDC and the City of Liberty Hill.
4. Applicant must create full time or part-time jobs and sustain these positions and/or make the capital investments described herein according to the guidelines in the LHEDC Business Incentive Program Application which is attached hereto and incorporated herein by reference as if set forth in full herein.
5. The Grantee represents that it does not and will not knowingly employ undocumented workers.
6. The Grantee agrees not to employ any undocumented workers in accordance with current laws. If after receiving a public subsidy, the business is convicted of a violation under 8 U.S.C. 1324a, the Grantee shall repay the amount of the public subsidy with interest, at the rate and according to other terms provided by the agreement not later than 120 days after the date LHEDC notifies the Grantee of the violation.
7. The Grantee agrees to pay all ad valorem, employment, income, franchise, and other taxes due and owing by Grantee to all local, state, and federal entities.
8. The Grantee agrees to provide to LHEDC (a) documentation of payroll taxes paid, (d) documentation of sales tax collections, (e) documentation on ad valorem taxes paid, and (f). All required documentation shall be provided quarterly or as requested by LHEDC. If required documentation is not provided as required, LHEDC may audit the Grantee's payroll and sales tax records as necessary to verify the requirements in this Agreement.
9. The Grantee agrees to comply with all City of Liberty Hill, Texas city ordinances.

10. The Grantee agrees to affect no change in ownership of the business during the term of this Agreement without prior notice to and consent by the LHEDC.

11. The Grantee agrees not to transfer rights in this Agreement without the prior written consent of LHEDC.

**C. LHEDC Obligations:**

1. The LHEDC agrees to provide a \_\_\_\_\_ incentive to Grantee in the amount \_\_\_\_\_ to include:

A. \_\_\_\_\_ to the Grantee for the purpose of creating and maintaining job(s) in Liberty Hill Texas, and these incentive monies shall be used for the following:

\_\_\_\_\_;

B. The LHEDC agrees to provide up \_\_\_\_\_ for a capital investment incentive based on reimbursement for the cost of City permits and fees related to the construction of the eligible facility as described in the Application.

2. Financial assistance will be paid to Grantee as a reimbursement upon submission of paid receipts or in a lump sum at LHEDC's discretion.

**TERM OF THE AGREEMENT:**

This Agreement shall become effective upon execution by Grantee and shall remain in force for three (3) years from the date the Certificate of Occupancy is issued.

**MODIFICATION:**

If a material adverse event occur which disrupts business activity, the Grantee should notify the LHEDC office manager immediately. The LHEDC Board may consider a modification of this Agreement in such circumstances.

**DEFAULT AND REPAYMENT:**

Should LHEDC find that Grantee has not maintained the required number of employee(s) in accordance with the terms of this Agreement, or should LHEDC find that Grantee has breached any other term of this Agreement; the Grantee agrees to repay all Grant monies that have been disbursed by LHEDC to Grantee as remedy for the default. \_\_\_\_\_, owner or \_\_\_\_\_ [Title] of \_\_\_\_\_, a \_\_\_\_\_ [type of entity], agrees to personally guarantee the subject Grant of \$\_\_\_\_\_.

Repayment shall be made by Grantee within 30 days of receipt of a written demand from LHEDC. Failure to timely repay the Grant shall constitute a breach of this Agreement.

## **WAIVER AND RELEASE OF LIABILITY:**

The Grantee releases, waives and discharges, in advance, the LHEDC and the City of Liberty Hill, Texas, its agents and employees, of and from any and all liability, actions, claims, demands, damages, costs, judgments and executions either in law or in equity, causes of action of any kind whatsoever, at common law, statutory or otherwise, which Grantee has, or might have, known or unknown, now existing or that might arise hereafter, directly or indirectly, including any personal injuries or expenses, death and/or injuries to property, real or personal, caused by or arising out of this Agreement.

The Grantee discharges, in advance, the LHEDC and the City of Liberty Hill, Texas, its agents and employees from and against any and all liability arising out of, or connected in any way with Grantee's performance of this Agreement.

## **VENUE**

This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Williamson County, Texas.

## **SUCCESSORS AND ASSIGNMENT**

This Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns where permitted by this agreement.

This Agreement may not be assigned by Grantee without prior written approval by LHEDC.

## **SOLE AGREEMENT:**

This *Performance Agreement* and referenced attachments, constitutes the only agreement of the parties concerning this transaction and supersedes any prior understandings or written or oral agreements between the parties.

*Signature Pages Follow*

