

**GUIDELINES AND CRITERIA FOR THE ANGELINA COLLEGE
CHAPTER 381 COMMUNITY AND ECONOMIC DEVELOPMENT
INCENTIVE AND CHAPTER 312 TAX ABATEMENT PROGRAM**

WHEREAS, Chapter 381 of the Texas Local Government Code authorizes the College to develop, administer, and participate in projects for local economic development and to encourage commercial activity in the County; and

WHEREAS, Chapter 312 of the Texas Tax Code authorizes local taxing entities, like community colleges, to enter into agreements with property owners for certain tax abatements;

WHEREAS, Angelina College desires to provide financial incentives to select private businesses that contribute to economic development; and

WHEREAS, to be eligible to receive such financial incentives, a business must meet all of the criteria established by these Guidelines now and as they may be amended in the future in the sole discretion and determination of the College; and

WHEREAS, Angelina College desires to provide such incentives to projects whose properties are subject to Angelina College ad valorem taxes; and

WHEREAS, the Commissioner's Court of Angelina County, Texas has adopted Guidelines and Criteria for such Chapter 381 Community and Economic Development projects, which Guidelines and Criteria the Board of Trustees desires to adopt and incorporate into its own Guidelines and Criteria.

WHEREAS, Chapter 381 can be used in conjunction with tax abatements provided for under Chapter 312 of the Texas Tax Code or separately as a Chapter 381 Economic Development Agreement; and

WHEREAS, these guidelines and criteria shall not be construed to obligate Angelina College to provide an incentive under Chapter 381 to any applicant; and all applicants, requests, and/or projects shall be considered on a case-by-case basis; and

NOW THEREFORE, the Angelina College Board of Trustees does adopt these standards to define the Chapter 312 tax abatement and establish guidelines and criteria consistent with the Guidelines adopted by Angelina County, Texas, as follows:

GENERAL CRITERIA

Angelina College may provide Chapter 312 economic development incentives as tax abatements for a business or commercial development project ("Project") if that project:

1. Will enhance the economic vitality of Angelina County and the Angelina College service area;
2. Will result in a net increase or retention of jobs in the County or add to the tax base or will otherwise improve or enhance the economic welfare of the residents or businesses of the County; or
3. Demonstrates the potential to generate revenues to the County which outweigh costs associated with incentives.

In addition, the following criteria must be satisfied:

The Project MUST:

1. Show a clear demonstration of economic benefit through advancement of the County's and the College's economic goals which include expanding the tax base, creating quality jobs, increasing private capital investment in the community, spurring development in the targeted county locations, or encouraging development of targeted businesses or clusters desirable to enhance the county's economy,
2. Provide evidence that demonstrates the business' financial stability and capacity to complete the project; and
3. Be in compliance with all local, state, and federal laws.

In order to receive any Chapter 312 tax abatement from Angelina College, credible information must be made available by the applicant, including but not limited to capital investment and employment projections, to enable Angelina College to conduct an appropriate analysis of the proposed project at initiation and throughout the life cycle of the Chapter 381 agreement.

The decision to provide any Chapter 381 economic development incentives and Chapter 312 tax abatement will be considered on a case by case basis, in accordance with the criteria set forth in this document, and then at the discretion of the Angelina College Board of Trustees.

QUALIFICATION CRITERIA

In order to be eligible for Chapter 381 incentives and for Chapter 312 tax abatement, a project must meet the following qualifying criteria:

- The project must meet or exceed the qualifying criteria established by the Commissioner's Court of Angelina County, Texas; and

- The applicant must make sincere and documented effort to hire local employees and contractors and must purchase products and materials used in construction from vendors in Angelina County, Texas to the extent available and providing best value.

Projects qualifying under these General and Qualification Criteria will be eligible for Chapter 381 economic development incentives and Chapter 312 tax abatements, the terms for which will be at the sole discretion of the Angelina College Board of Trustees.

APPLICATION/PROPOSAL PROCESS

Applicants seeking a Chapter 312 tax abatement/economic development agreement with Angelina College may do so by submitting a written proposal to Angelina College.

The written proposal shall consist of a project description, general improvements to be undertaken; a general descriptive list of the improvements for which an incentive is requested; a list of the kind, number, and location of all proposed improvements of the property; a map and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements.

In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the proposal. The proposal may require such financial and other information as the participating municipality or County deems appropriate for evaluating the financial capacity and other factors related to the applicant.

FOR CHAPTER 381 AGREEMENTS

A complete review of the Project and proposal will be conducted by Angelina College and/or its representatives. Depending on the nature of the Project, the form of tax abatement provided via Chapter 312 Agreement will be determined.

After approval and the giving of requested notice, Angelina College shall formally pass a resolution and execute an agreement with the owner of the Project, which shall include the following:

- Project description
- Percent of value to discount
- Terms of agreement
- Project milestones and deadlines for investment and job creation and retention
- Assignment provisions
- Recapture provisions with interest provided.

In all other respects, Angelina College adopts the criteria and requirements adopted by Angelina County.

An Agreement shall be effective on the January 1st valuation date immediately following the execution of the Chapter 312 Agreement and will be conditioned on the completion of the specific improvements to real property, job creation, and any other factors deemed appropriate by the College.

Adopted this the ____ day of _____, 2020.

President, Board of Trustees
Angelina College

Attest:

Secretary, Board of Trustees
Angelina College