

WINDCREST ECONOMIC INCENTIVES

The Windcrest Economic Development Corporation (“WEDC”) is a Type B corporation authorized by The Development Corporation Act of 1979. WEDC utilizes a number of economic incentives. Funds for direct economic incentives are made possible from a dedicated .25 cent sales tax to promote economic development in the City of Windcrest. WEDC board of directors oversees the use of these funds and will work with new businesses who are choosing to locate or expand in Windcrest, Texas. WEDC is able to structure beneficial incentives to qualifying companies on a case-by-case basis as stimulation for economic development.

Both Type A and Type B corporations are authorized to fund projects which create or retain primary jobs or business infrastructure. However, Type B corporations may fund additional projects including quality of life projects such as parks and retail business incentives (in cities with populations under 20,000 residents). The following are permissible Type B projects that can receive WEDC funding:

- Primary job training facilities
- Corporate headquarters facilities
- Job training classes
- Career centers
- Telephone call centers
- General aviation business service airports
- Business infrastructure improvements
- Retail business incentives
- Sports and athletic facilities
- Entertainment, tourist, and convention facilities
- Public parks and related open space improvements
- Affordable housing
- Water supply and conservation programs (with special voter approval)
- Land and facilities improvements
- Machinery and supplies
- Financial transaction costs
- Planning costs
- Cleanup costs (requires voter approval)
- Administrative expenses
- Promotional expenses (10% annual max plus carry-over)
- Bonded debt expenses

In addition, WEDC provides access to and assists with other incentives available from the City, County and State. For example, the City of Windcrest will consider providing any type of economic development incentive not prohibited by state or federal law. Some examples of potential incentives include the following:

Tax Abatement/Tax Phase-In

Through Tax Phase-In Guidelines for Bexar County and the City of Windcrest, respectively, the collaborative efforts of Windcrest's economic development partners are refining strategies to attract and grow targeted industries in order to increase employment, expand the tax base, and create long-term investment and new wealth opportunities in the community. Tax Abatement (also known as Tax Phase-In) incentives may be offered to businesses in targeted industries based on job creation, investment, and wages paid to employees.

Tax abatements may be considered on the taxable real property (building and improvements) and business personal property (furniture, fixtures, machinery and equipment). Abatements are offered by the City of Windcrest and Bexar County. Recommendations for the abatement are made by the WEDC Board to the taxing entities. The WEDC will facilitate in drafting the legal documents and making recommendations to the various taxing authorities.

Chapter 380/381 Agreements

These chapters are referenced in the Local Government Code and authorize Texas municipalities, both home-rule and general law, and counties to provide assistance for economic development. Texas cities/counties may provide monies, loans, city personnel, and city services for promotion and encouragement of economic development. Incentives included in Chapter 380/381 Agreements may include cash incentives, loans, sales tax refunds agreements with retailers which include stipulations as to maximum amounts, number of jobs, etc.

Infrastructure Assistance

The WEDC can provide infrastructure assistance to qualifying projects. Assistance may be provided for, but not limited to, utilities, roads, drainage, telecommunications and other types of infrastructure required for the project.

Relocation Assistance

The WEDC can provide grants for relocation assistance to qualifying projects to help in offsetting corporate relocation costs.

Triple Freeport Inventory Exemption

This valuable exemption authorizes local taxing entities to provide exemption from local property taxation to qualifying companies. It offers a tax exemption for qualified inventory that is leaving the state within 175 days.

Foreign Trade Zones

Foreign Trade Zones (FTZs) serve to create jobs realized from the cost savings from delayed or forgiven tariffs. FTZs are sites in or near a US Customs port of entry where foreign and domestic

merchandise is generally considered to be in international trade. The City of Windcrest could have the site approved for Foreign Trade Zone activity in as little as 90 days.

Municipal Grants

The City of Windcrest may provide grants of City funds to promote economic development activity within the city. Eligible projects may contract with the City to receive sales tax grants, franchise fee grants, water or sewer line extensions, building permit fee waivers, and grants for capital recovery fees.

Enterprise Zone

An enterprise project is a business that is nominated by City Council and approved by the State to receive state and local benefits. The business must commit to create or retain new permanent jobs, make capital investment at the qualified business site, hire at least 25% of its new jobs with individuals who are either economically disadvantaged or enterprise zone resident's. Complete information, requirements, and an application can be found in the <http://governor.state.tx.us/ecodev/>.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is used to publicly finance needed public improvements and enhanced infrastructure in a defined area. The cost of improvements to the area is repaid by the contributions of future tax revenues by each participating taxing unit that levies taxes against the property. TIFs can be created on a case-by-case basis by the Windcrest City Council.

STATE INCENTIVES

A variety of state incentive programs are available. Contact the Economic Development & Tourism division of the Office of the Governor at (512) 936-0101 for information on these programs. Some examples are:

- Texas Enterprise Fund
- Texas Emerging Tech. Fund
- Texas Leverage Fund
- Texas Industrial Development
- Texas Product Business Funds
- Texas Capital Fund
- Texas Agricultural Finance Authority – TAFE
- Jobs for Texas – J4T

Financing Incentive Programs are also available through the State of Texas. [Click here](#) to visit the Texas Economic Development Bank website. [Click here](#) for information on the benefits of

doing business in Texas. Visit the [Governor's website](#) for additional information on state incentives.

FEDERAL INCENTIVES

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a federal tax credit that encourages employers to hire from targeted groups of job seekers by reducing employers' federal income tax liability by as much as \$2,400 per qualified new worker. The WOTC is one incentive tool that provides a direct benefit to employers, while helping prepare workers for good jobs and creating more productive workplaces.

Historically Underutilized Business (HUB) Zone

HUBZone Certification provides federal contracting assistance for qualified small business concerns that are located in historically underutilized business zones. Qualifying businesses may earn awards that have been set aside for companies located in HUBZone areas, sole source awards for specialized companies, and awards through full and open competition for any business within or outside a HUBZone area. Windcrest has one property within its city limits with HUBZone designation and that parcel of land is bounded by Eisenhower Road, Excalibur Dr., Ray Bon Dr. and Fratt Rd.

U.S. Citizenship and Immigration Services' (USCIS) EB-5 program

The EB-5 Program is a tool to attract foreign investment to the U.S. which will create new jobs. From an economic viewpoint, the key requirement of the program is that each investment must create a minimum of 10 new jobs. In some cases, the foreign investor must invest a minimum of \$1 million, while in other cases, the minimum is \$500,000.

The US Department of Homeland Security's U.S. Citizenship and Immigration Services (USCIS) administers the Immigrant Investor Program since under U.S. immigration law, there are five different categories of immigrating to the US through employment-based programs and this program is the employment-based 5th category.

The program was created by Congress in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. Under a pilot immigration program first enacted in 1992 and regularly reauthorized since, certain EB-5 visas also are set aside for investors in regional centers designated by USCIS based on proposals for promoting economic growth. The regional center provision of the program is currently scheduled to end on September 30, 2012. However, most industry experts believe that the program will be reauthorized.