



AGENDA
Economic Incentive Oversight Board

September 8, 2020
12:00 PM

VIDEOCONFERENCE MEETING

Board members will be meeting via videoconference. Members of the public who would like to attend the meeting may join by videoconference using the following information:

FREE WEB LINK FOR VIDEOCONFERENCE:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_OWJmYmViMDQtYjkMC00M2VkLTkxZTA+N2NjMjjYjk4NGI0%40thread.v2/0?context=%7b%22Tid%22%3a%2254cb5da6-c734-4242-bbc2-5c947e85fb2c%22%2c%22Oid%22%3a%229f47c974-69d1-4fce-bf98-97cefed2cac%22%7d

In accordance with section 418.016 of the Texas Government Code, Governor Abbott has suspended various provisions that require a quorum or a presiding officer to be physically present at a specified meeting location. It is the intent of the Board to have its members join from separate locations. Members of the public via the videoconference information provided will be able to hear audio of the meeting and can provide comments during the Public Comment portion of the meeting. The Board will also record the meeting, which will be made available to members of the public.

ITEM

- I. Call to Order
- II. Welcome of Board Members and Staff
- III. Discussion and Possible Action on Approval of Minutes from the March 31, 2020 Economic Incentive Oversight Board meeting. (Tab 1)
- IV. Review, Discussion, Consideration and/or Possible Action On:
 - A. Schedule of the Board (Tab 2)
 - B. Performance Matrix (Tab 3)

- V. Review, Discussion, Consideration and/or Possible Action On:
- A. Defense Economic Readjustment Zone Program – DERZ (Tab 4)
 - B. Spaceport Trust Fund (Tab 5)
 - C. Defense Economic Adjustment Assistance Grant - DEAAAG (Tab 6)
 - D. Texas Military Value Revolving Loan Fund – TMVRLF (Tab 7)

VI. Public Comment without Deliberation:

Public comment may be received on any matter under the Board’s jurisdiction without regard to whether the item was posted on the agenda. Public comment will be limited to three (3) minutes per person.

VII. Adjournment

Link to September 8, 2020 Economic Incentive Oversight Board meeting documents:

<https://gov.texas.gov/uploads/files/business/September2020.pdf>

Persons with disabilities who plan to attend the meeting, who may need auxiliary aids or services, or who need assistance in having English translated into Spanish, should contact Fauye Bennett at 512.936.0225, at least 2 days before the meeting so that appropriate arrangements can be made.

Si tiene planeado asistir a esta reunión y es usted una persona discapacitada que requiere servicios o instrumentos especiales; o bien si requiere de traducción al español, le rogamos comunicarse con Fauye Bennett al 512.936.0225 por lo menos 2 días antes de la reunión para hacer los arreglos necesarios.

THE BOARD MAY CONVENE INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE AS AUTHORIZED UNDER THE TEXAS OPEN MEETINGS ACT FOR THE FOLLOWING PURPOSES:

Tex. Gov’t Code § 551.071 Consultation with Attorney Tex.

Gov’t Code § 551.074 Personnel Matters

Tex. Gov’t Code § 551.087 Deliberation Regarding Economic Development Negotiations

The meeting will be reconvened in open session upon conclusion of any executive session to consider or take final action, if any, on matters deliberated during the executive session.

TAB 1

ECONOMIC INCENTIVE OVERSIGHT BOARD

Minutes of Board Meeting held March 31, 2020

The meeting was held via videoconference and teleconference in accordance with Government Code Section 490G.004(b). The location of the meeting where the member of the governmental body presiding over the meeting was physically present was:

In accordance with section 418.016 of the Texas Government Code, Governor Abbott has suspended various provisions that require a quorum or a presiding officer to be physically present at a specified meeting location. It is the intent of the Board to have its members join from separate locations. Members of the public via the call-in information provided will be able to hear audio of the meeting and can provide comments during the Public Comment portion of the meeting. The Board will also record the video and audio of the meeting, which will be made available to members of the public.

BOARD MEMBERS IN ATTENDANCE:

Massey Villarreal, Presiding Officer
Adrian Cannady
Dale Fowler
Windi Grimes
Jim Goldsworthy
Catherine Morse

STAFF IN ATTENDANCE:

Adriana Cruz – Executive Director, Economic Development & Tourism
Mary York – Deputy Director, Economic Development & Tourism
Larry McManus– Director, Community and Business Development
Terry Zrubek – Director, Economic Development Finance
Whitney Smith-Nelson – Senior Program Specialist, Economic Development Finance
Haileigh Meyers – Senior Program Specialist, Economic Development Finance
William Jackson – Program Specialist, Economic Development Finance
Kenneth Moreland – Office of General Counsel
Lindsey Aston – Office of General Counsel

Agenda Item I. Call to Order.

Meeting was called to order at 9:36 am.

Presiding Officer Villarreal of the Economic Incentive Oversight Board welcomed the board members and staff. A roll call was taken and a quorum was present.

Agenda Item II. Welcome of Board Members and Staff.

Board Members and staff introduced themselves to all present. A new member of the Board, A. Cannady was welcomed.

Agenda Item III. Discussion and Possible Action on Approval of Minutes from the December 3, 2019 Economic Incentive Oversight Board meeting.

Presiding Officer Villarreal presented the minutes from the meeting held December 3, 2019.

Action: Motion, by D. Fowler Second by J. Goldsworthy, with all members voting Yea, to the following:

Approval of the Minutes from the Board Meeting held December 3, 2019.

Agenda Item IV. Review, Discussion, Consideration and/or Possible Action On:

A. Schedule of the Board

No action taken.

B. Approval Matrix

No action taken.

Agenda Item V. Review, Discussion, Consideration and/or Possible Action On:

A. Texas Leverage Fund

Staff presented information on the Texas Leverage Fund. The Board discussed the program and determinations were recorded in the Approval Matrix.

Action: Motion, by A. Cannady Second by C. Morse, with all members voting Yea, to the following:

Approval of the Board's determinations regarding the Texas Leverage Fund.

B. Capital Access Program

Staff presented information on the Capital Access Program. The Board discussed the program and determinations were recorded in the Approval Matrix.

Action: Motion, by D. Fowler Second by A. Cannady, with all members voting Yea, to the following:

Approval of the Board's determinations regarding the Capital Access Program.

C. Product Development & Small Business Incubator Fund

Staff presented information on the Product Development & Small Business Incubator Fund. The Board discussed the program and determinations were recorded in the Approval Matrix.

Action: Motion, by A. Cannady Second by D. Fowler, with all members voting Yea, to the following:

Approval of the Board's determinations regarding Product Development & Small Business Incubator Fund.

Agenda Item VI. Public Comments without Deliberation.

There were no public comments.

Agenda Item VII. Adjournement.

Meeting adjourned at 11:03 am.

Massey Villarreal, Presiding Officer

Date

TAB 2

Economic Incentive Oversight Board Programs for Review

Office of the Governor Programs

- Texas Enterprise Fund – *Reviewed 2018*
- The Governor’s University Research Initiative (GURI)
- Texas Enterprise Zone Program
- Events Trust Fund
- Product Development & Small Business Incubator Fund (PDSBI) - *Reviewed 2020*
- Capital Access Program - *Reviewed 2020*
- Texas Leverage Fund (TLF) - *Reviewed 2020*
- Defense Economic Readjustment Zone Program (DERZ)
- Texas Military Value Revolving Loan Fund
- Spaceport Trust Fund
- Texas Moving Image Industry Incentive Program
- Tax Exempt Industrial Revenue Bonds
- Economic Development & Diversification In-State Tuition for Employees – *Reviewed 2018*

Comptroller Programs

- Texas Economic Development Act (Chapter 313) – *Reviewed 2018*
- Sales Tax & Use Tax Exemption
 - Manufacturing Machinery & Equipment
 - Natural Gas & Electricity
 - Data Center Exemption
 - Agriculture and Timber
- Franchise Tax Exemption & Deduction for Business Relocation
- Texas Research & Development Tax Credit
- Ad Volarem/Property Tax Exemption
 - Freeport Exemption
 - Goods-in-Transit Incentive
 - Pollution Control Equipment Incentive
- Renewable Energy Incentives
 - Wind and Solar Energy Tax Exemptions and Deductions

Department of Agriculture Programs

<http://texasagriculture.gov/GrantsServices/GrantsandServices.aspx>

- Young Farmer Grant Program
- Interest Rate Reduction Program
- Agricultural Loan Guarantee Program
- Go Texan Partner Program (GOTEPP)
- Texas Regional Event

TAB 3

Program Name								
Administered by:								
What is the purpose of the program?								
Who are eligible applicants?								
Item of Evaluation		Score					Comment	
		1	2	3	4	5		
1	The program has an efficient application process.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
2	An adequate due diligence process for reviewing applications is in place.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
3	After approval of the application, an adequate process for reviewing the use of state funds is in place.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
4	Awarded entities/Approved applicants regularly fulfill their obligations under the program.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
5	Adequate procedures are in place to penalize awarded entities/approved applicants who do not fulfill obligations.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
6	Sufficient resources are available to effectively administer the program.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
7	Information regarding the program, eligible entities, and the application process is clear and accessible.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
8	The program is a high value incentive for the state to offer.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	
9	The program meets its purpose and satisfies the intent of the Legislature.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	N/A	

Score Total: XX of XX

NOTE: All determinations are made based on public information available to the Economic Incentives Oversight Board

TAB 4

Defense Economic Readjustment Zone (DERZ)

Administered by: Texas Economic Development Bank, within the Economic Development Finance, Division of the Economic Development and Tourism Office, Truited Programs within the Office of the Governor

Number of Projects: Six zones and five project applications approved since inception.

Established: 1997 (75th Texas Legislature) [SB 225](#)

Statutory Authority: DERZ was given Statutory Authority under Texas Government Code, Title 10, Subtitle G, Chapter 2310, Subchapter A. [Link to statute](#)

Texas Administrative Rules: DERZ also operates under the administrative rules Title 10, Part 5, Chapter 175 was given Statutory Authority Link to TAC: [DERZ TAC](#)

Purpose: DERZ is a tool for business recruitment and job creation in adversely impacted military communities. It is designed to provide assistance to Texas communities, businesses, and workers impacted by, or vulnerable to, the closure or realignment of military installations and the reduction of federal defense contracting expenditures.

Designated readjustment projects are eligible to apply for franchise tax credit and state sales and use tax refund on qualified expenditures. The level and amount of credit / refund is related to the sales and use tax on qualifying expenditures and jobs created or retained at the site.

Allocation of jobs eligible for a refund at a number equal to 110% of the anticipated new, permanent, or retained jobs not to exceed 500.

\$2,500 potential refund per allocated job.

Statutory Authority: DERZ has statutory authority under Texas Government Code, Chapter 2310, Subchapter A, and operates within the Texas Economic Development Bank.

Eligibility Requirements: To be eligible for DERZ, a municipality or county must demonstrate adverse impact for a defense-dependent community. A community is adversely affected and defense-dependent according to criteria specified in Section 2310.102 of the Defense Economic Readjustment Zone Act. Conditions include:

- a) The proposed or actual establishment, realignment, or closure of a defense facility;
- b) The cancellation or termination of a DoD contract or the failure of the DoD to proceed with an approved major weapon system program;
- c) Publicly announced planned major reduction in DoD spending that would directly and adversely affect the municipality or county; or
- d) The closure or significant reduction of operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility.

Scoring Criteria Includes:

- Impact of the Reduction or Closure (50%)
- Local Effort (25%)
- Private Effort (25%)

Application: Available by request from the Economic Development Finance Division, by emailing ecodevfinance@gov.texas.gov.

Funding Structure: Designated readjustment projects are eligible to apply for franchise tax credit and state sales and use tax refund on qualified expenditures. The level and amount of credit/refund is related to the sales and use tax on qualifying expenditures, as well as the jobs created or retained at the site.

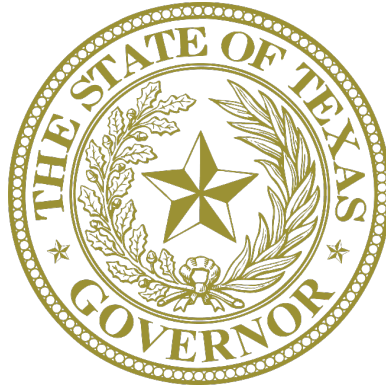
The maximum refund a project can receive per allocated job is \$2,500. The maximum amount of allocation of jobs eligible for a refund at a number equal to 110% of the anticipated new permanent or retained jobs not to exceed 500. Local communities may offer benefits to participants under the DERZ program as well. These may include tax abatement, tax increment financing, one-stop permitting and others.

Program Information: Available by request from the Economic Development Finance Division, by emailing ecodevfinance@gov.texas.gov.

Explanation of current status of the program: DERZ is currently inactive. There were no zone or project applications in FY 2019 or 2020, nor has there been any program activity for the past ten years.

Reasons for Lack of Use:

- Cumbersome and time-consuming zone designation process
 - There must be a finding that the area to be designated is located in an adversely affected defense-dependent community and the zones must be created in accordance with the application process in Section 2310.105.
 - Identical to former Texas Enterprise Zone creation process, which was updated to reduce the complexity of the application process.
 - Once an area is identified as a defense economic readjustment zone, only then can the community nominate projects in that area as Defense Readjustment Projects.
- Statute has not been amended to reflect changes in the definition of Adversely Affected Defense-Dependent Community found in Sec. 2310.102.
 - Existing language only allows areas that have been identified as adversely affected.
 - Limits adversely affected to the areas that had a loss of military related economic activity.
- Program limits types of expenditures that qualify for incentive rebates. Investments currently limited to:
 - The purchase, lease, or rental of equipment or machinery for use in a readjustment zone;
 - The purchase of material for use in remodeling, rehabilitating, or constructing a structure in a readjustment zone;
 - Labor for remodeling, rehabilitating, or constructing a structure in a readjustment zone; and
 - Electricity and natural gas purchased and consumed in the normal course of business in the readjustment zone



Defense Economic Readjustment Project Application

Office of the Governor
Economic Development & Tourism
Texas Economic Development Bank

For OOG EDT Use Only:

Date Received: _____

Application Fee Enclosed

Project: _____

Community: _____

File Number: _____

Defense Economic Readjustment Zone Program

The Texas Economic Development Bank was created by the 78th Legislature as a tool that provides flexible funding and oversight of several finance and incentive programs. These programs target three key audiences: Texas businesses, Texas communities and Texas lending institutions.

The Texas Defense Economic Readjustment Zone program is one of the programs available under the Enterprise Incentives section of the Bank. This program is designed to help Texas communities adversely impacted by, or vulnerable to the closure or realignment of military installations or a reduction in federal defense contracting expenditures.

To be eligible for this program, a municipality or county must demonstrate adverse impact for a defense-dependent community. A community is adversely affected and defense-dependent according to criteria specified in Section 2310.102 of the Defense Economic Readjustment Zone Act. Conditions include:

- a) the proposed or actual establishment, realignment, or closure of a defense facility;
- b) the cancellation or termination of a DoD contract or the failure of the DoD to proceed with an approved major weapon system program;
- c) publicly announced planned major reduction in DoD spending that would directly and adversely affect the municipality or county; or
- d) the closure or significant reduction of operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility.

The evidence must demonstrate that the municipality or county is expected to experience direct defense worker job loss of:

- a) 2,500 or more defense worker jobs in any area of the municipality or county that is located in an urbanized area of a metropolitan statistical area; or
- b) 1,000 or more defense worker jobs in any area of the municipality or county that is not located in an urbanized area of a metropolitan statistical area; or
- c) one or more percent of the civilian jobs in the municipality or county.

The attached application is a primary step in your request for evaluation. Once you have completed the application, place the application in a three-ring binder with the required attachments tabbed as indicated, sign where indicated and mail the application along with a non-refundable check in the amount of \$500.00 made payable to the Texas Economic Development Bank to the address listed below.

For more information on the Defense Economic Readjustment Zone Program, contact the Texas Economic Development Bank at 512-936-0100.

CERTIFICATION OF APPLICATION

Governing Body Authorized Representative

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

To the best of my knowledge and belief, the information contained in this Defense Economic Readjustment Project Application is true and correct and I have read the Defense Economic Readjustment Zone Act and the Defense Economic Readjustment Zone Program Rules and am familiar with the provisions contained therein, as evidenced by my signature below.

Signature: _____ Date: _____
(Governing Body Authorized Representative)

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

Notary Public, State of Texas

(Notary Seal)

My commission expires: _____

CERTIFICATION OF APPLICATION

Governing Body Liaison

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

To the best of my knowledge and belief, the information contained in this Defense Economic Readjustment Project Application is true and correct and I have read the Defense Economic Readjustment Zone Act and the Defense Economic Readjustment Zone Program Rules and am familiar with the provisions contained therein, as evidenced by my signature below.

Signature: _____ Date: _____
(Governing Body Liaison)

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

Notary Public, State of Texas

(Notary Seal)

My commission expires: _____

CERTIFICATION OF APPLICATION

Administrative Authority Liaison (if applicable)

Not Applicable

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

To the best of my knowledge and belief, the information contained in this Defense Economic Readjustment Project Application is true and correct and I have read the Defense Economic Readjustment Zone Act and the Defense Economic Readjustment Zone Program Rules and am familiar with the provisions contained therein, as evidenced by my signature below.

Signature: _____ Date: _____
(Administrative Authority Liaison)

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

Notary Public, State of Texas

(Notary Seal)

My commission expires: _____

QUALIFIED BUSINESS CERTIFICATION AND AGREEMENT

The nominated Defense Economic Readjustment Project hereby certifies and agrees that it:

1. is located in, or has committed to locate in the _____ Defense Economic Readjustment Zone (the Zone); and
2. will maintain separate payroll and tax records of the business activity conducted in the Zone, or other information as required by local and state government units; and
3. commits to participate in local efforts to achieve development and revitalization of the area; and
4. understands that to be a "qualified business" eligible for defense economic readjustment project designation, twenty-five percent (25%) of the new or additional employees hired must be residents of the applicant's jurisdiction, or dislocated defense workers, or economically disadvantaged persons; and
5. commits that _____ percent of its new employees will be residents of the applicant's jurisdiction, or dislocated defense workers, or economically disadvantaged persons; and
6. understands that the project must maintain the level of employment and the jobs for which a refund has been received for at least three (3) years from the date of refund of state sales and use taxes, or it may become liable for recapture of refunded taxes and interest by the Comptroller; and
7. will annually certify to the parties named herein no later than October 1 that we are, and will remain in compliance with the above criteria, and that, if during any time period that compliance is not met, we understand that we will be ineligible to claim any benefits to which we may be entitled to as a qualified business in the Defense Economic Readjustment Zone; and
8. understands that the state sales and use tax refund is subject to approval by the Texas Comptroller of Public Accounts and the requirements of the Tax Code and applicable Administrative Rules – specifically chapter 151.429 of the Tax Code and Rule 3.329. Construction contracts must be "separated" (i.e. contract in which the agreed contract price is divided into a separately stated agreed contract price for incorporated materials and a separately stated agreed contract price for skill and labor) and not "lump-sum" in order to claim a refund of state sales tax.

This certification and agreement is effective from the date of designation through the date of expiration as a defense economic readjustment project.

To the best information and belief, the information contained in this Defense Economic Readjustment Project Application is true and correct and I, as primary business representative, and I, as the local business liaison, have read the Defense Economic Readjustment Zone Program Act and the Defense Economic Readjustment Zone Program Rules and we are familiar with the provisions contained therein as evidenced by the signatures below.

Signed: _____
(Primary Business Representative)

Signed: _____
(Local Business Liaison)

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPLICATION FEE

\$500.00 Non-Refundable Application Fee attached (*made payable to the Office of the Governor*)

STATE SENATOR AND REPRESENTATIVE FOR PROJECT LOCATION

State Senator

District No.: _____ Senator Name: _____

State Representative

District No.: _____ Rep. Name: _____

OFFICIAL ACTION

Nominating Resolution Attached (*Tab 2*)

The nominating resolution must be submitted with original signatures or an original certification of the copy, and must:

- Nominate the project or activity for designation as defense economic readjustment project.
- Certify that the business is a qualified business under Section 2310.302, Texas Government Code (the Act).
- State that the qualified business is located in, or has made a substantial commitment to locate in a Defense Economic Readjustment Zone.
- State that there has been and will continue to be a high level of cooperation between public, private and neighborhood entities within the Zone.
- State that designation of the qualified business as a defense economic readjustment project will contribute significantly to the achievement of the plans of the governing body for development and revitalization of the Zone.

LOCAL INCENTIVES OFFERED AND OTHER PROGRAMS USED

Check each local incentive available, both in the proposed zone and/or jurisdiction-wide.

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Local Sales and Use Tax Refund | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Tax Abatement | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Tax Increment Financing | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Development Bonds | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Amend Zoning Ordinances for Economic Development | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Waiver of Performance Bonds | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Zoning Changes / Variances | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Building Code Exemptions | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Development Fee Exceptions / Waivers | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Deferred Compliance | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Priority and Preference for Receipt of CDBG monies | <input type="checkbox"/> Zone Only | |

Defense Economic Readjustment Project Application

- | | | | | |
|--------------------------|--|--------------------------|-----------|--|
| <input type="checkbox"/> | Priority and Preference for Receipt of Industrial Revenue Bonds | <input type="checkbox"/> | Zone Only | |
| <input type="checkbox"/> | Establish Permitting Preferences for Zone Businesses | <input type="checkbox"/> | Zone Only | |
| <input type="checkbox"/> | Simplified, Accelerated or Special Permit Procedures for Zone Businesses | <input type="checkbox"/> | Zone Only | |
| <input type="checkbox"/> | Streamlined / One-Stop Permitting | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Enhanced Municipal Services | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Improved Police and/or Fire Protection | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Community Crime Prevention Programs | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Special Public Transportation Routes or Reduced Fares | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Reduced Utility Rates for Zone Businesses | <input type="checkbox"/> | Zone Only | |
| <input type="checkbox"/> | Improvements in Public Facilities | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Infrastructure Improvements | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Capital Improvements in Water and Sewer Facilities | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Road Repair | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Creation or Improvement of Parks | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Low-Interest Loans for Housing Rehabilitation or New Construction | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Transfer of Abandoned Housing to Individuals or Community Groups | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Business and Industrial Development Services | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Low-Interest Loans for Business | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Use of Surplus School Buildings for Incubators | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Use of Underutilized Publicly Owned Facilities for Incubators | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Provision of Publicly Owned Land for Development Purposes | <input type="checkbox"/> | Zone Only | |
| <input type="checkbox"/> | One-Stop Permitting | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Problem Resolution Center or Business Ombudsmen | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Promotion and Marketing Services | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Job Training and Employment Services | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Retraining Programs | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Literacy and Employment Skills Programs | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Vocational Education | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Customized Job Training | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | _____ | <input type="checkbox"/> | Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Freeport Exemption | | | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Economic Development Sales Tax (4A) | | | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> | Economic Development Sales Tax (4B) | | | <input type="checkbox"/> Jurisdiction-wide |

PROJECTS AVAILABLE FOR THIS DEFENSE ZONE

Is this the first Project for this Zone? Yes No

If no, what is the name of the company that received the previous designation?

Also if no, we understand that if this Project application is approved, there are no further Project designations available for this Zone Yes

ZONE ELIGIBILITY

Name of Impacted Facility: _____

Choose all that apply (at least one)

The municipality or county is an adversely affected defense-dependent community because of:

- the proposed or actual establishment, realignment, or closure of a United States Department of Defense (DoD) facility;
- the cancellation or termination of a DoD contract or the failure of the DoD to proceed with an approved major weapon system program;
- a publicly announced planned major reduction in DoD spending that would directly and adversely affect the municipality or county; or
- the closure or a significant reduction of the operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility.

And, Choose the one that applies

- Loss of 2,500 or more defense worker jobs in an area of a municipality or county that is located in an urbanized area of a Metropolitan Statistical Area (MSA)
_____ Number of Defense Worker Jobs Lost
 Attach Backup Documentation (*Tab 3*)
- Loss of 1,000 or more defense worker jobs in an area of a municipality or county outside an MSA
_____ Number of Defense Worker Jobs Lost
 Attach Backup Documentation (*Tab 3*)
- Loss of one percent or more of civilian jobs in the municipality or county
_____ Percent of Civilian Jobs in the Municipality or County Lost
 Attach Backup Documentation (*Tab 3*)

Defense Economic Readjustment Project Application

Provide a summary of the above event(s) that has brought about, or will bring about, the basis of eligibility described below.

COMMUNITY EFFORT

Provide a brief description of efforts by the governing jurisdiction, within the last year, to encourage participation by residents, neighborhood groups, and other businesses in the zone. For example, identify community efforts to revitalize the zone by implementing or supporting programs such as rebuilding neighborhoods, neighborhood watch, national night out, or creating a public-private partnership academic program for students.

ZONE ACTIVITY

Provide a brief description of the type of business activity that has occurred within the last two years to revitalize the zone. Also, estimate and describe the privately sponsored invest or in-kind services used to improve the area or create jobs (i.e. infrastructure, day care facilities, adopt-a-school, paint fix-up programs, public park enhancements, literacy or other special training, etc.).

PROJECT LOCATION

Primary Business Address of the Qualified Business Site for Project Designation

Street Address: _____

City: _____ State: TX Zip: _____ - _____

County where Qualified Business is Located: _____

Street Map which clearly outlines the boundaries of the Defense Economic Readjustment Zone, and clearly shows the location of the proposed project is attached (*Tab 4*) Yes

PROPERTY ACCESS

Check the appropriate box below and provide a copy of the executed documents indicating property access (*Tab 12*)

Lease Agreement

Purchase Agreement

Lease/Purchase Agreement

Other: _____

BUSINESS INFORMATION

Exact Legal Name Under Which Application is Made *(must match nominating document)*

Corporate Resolution attached *(Tab 5 - see sample in Application Guidelines for format)*

Federal Tax ID No _____

Comptroller of Public Accounts No _____

Will the Business be required to pay State Sales and Use Tax on equipment? Yes No

Is business current on tax payments with the State of Texas? Yes No

If no, explain:

Is there any outstanding litigation between the business entity and the State of Texas (attach additional pages as necessary)? Yes No

Is there any material litigation involving the business entity that may impact the project? Yes No
(attach additional pages as necessary)

Defense Economic Readjustment Project Application

BUSINESS TYPE

- | | |
|--|---|
| <input type="checkbox"/> Energy | <input type="checkbox"/> Consumer / Non-Cyclical |
| <input type="checkbox"/> Basic Materials | <input type="checkbox"/> Healthcare |
| <input type="checkbox"/> Capital Goods | <input type="checkbox"/> Financial |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Consumer Cyclical | <input type="checkbox"/> Telecommunication Services |
| <input type="checkbox"/> Services | <input type="checkbox"/> Utilities |

SIC Code: _____ NAICS Code: _____

Primary Product Produced: _____

INDUSTRY CLUSTER

If applicable, identify the targeted industry cluster within which this project falls:

- Advanced Technologies and Manufacturing, including four sub-clusters:
 - Nanotechnology and Materials
 - Micro-electromechanical Systems
 - Semiconductor Manufacturing
 - Automotive Manufacturing
- Aerospace and Defense
- Biotechnology and Life Sciences, not including medical services
- Information and Computer Technology, including three sub-clusters:
 - Communications Equipment
 - Computing Equipment and Semiconductors
 - Information Technology
- Petroleum Refining and Chemical Products
- Energy, including three sub-clusters:
 - Oil and Gas Production
 - Power Generation and Transmission
 - Manufactured Energy Systems
- Other, Identify : _____

MARKET FOR PRODUCT OR ACTIVITY

- | | |
|--|--|
| <input type="checkbox"/> Regional | <input type="checkbox"/> Exporter (<i>International</i>) |
| <input type="checkbox"/> National | <input type="checkbox"/> Non-Exporter |
| <input type="checkbox"/> International | |

Provide an introduction, history and description of the qualified business, its products, services, total sales, number of employees, location(s) (international, national and in Texas), primary materials purchased, product transportation, etc.

Provide a brief history of the company, markets of the proposed project, international exporting operations, as well as future plans.

BUSINESS STRUCTURE

- | | |
|--|--|
| <input type="checkbox"/> Privately Held Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Publicly Held Corporation | <input type="checkbox"/> Limited Liability Partnership (LLP) |
| <input type="checkbox"/> Limited Liability Corporation (LLC) | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Sole Proprietorship | |
| <input type="checkbox"/> Currently a Texas Company | <input type="checkbox"/> Not Currently a Texas Company |

Does the company have the authority to do business in Texas?

Yes No

Defense Economic Readjustment Project Application

Check Applicable Documents indicating authority to do business in Texas from the Texas Secretary of State and attach (Tab 6)

- | | |
|--|---|
| <input type="checkbox"/> Articles of Incorporation | <input type="checkbox"/> Certificate of Authority |
| <input type="checkbox"/> Assumed Name Certificate | <input type="checkbox"/> Other: _____ |

Is the Business a Franchise? Yes No

Is the Business a Subsidiary? Yes No

Ownership Public Private

	<u>Name</u>	<u>Percent</u>
List any person or entity that has over 5% ownership in the Corporation:	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

Number of Years in Business _____

Number of Employees Worldwide _____

Parent Company _____

Years Parent Company in Business _____

Including the parent company, will any other entity of the controlled group be financially involved with this proposed enterprise project or activity? Yes No

If yes, list here and attach an Additional Participating Entities form (page 17 of this application) for each entity in the corporate controlled group (Tab 7).

PRIMARY BUSINESS REPRESENTATIVE

(Must match page 6 of this application and have been granted authority to submit this application on behalf of the company, as outlined in the Corporate Resolution located under Tab 5 of this application)

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

LOCAL BUSINESS REPRESENTATIVE

*(Must be located **at the qualified business site** and match page 6 of this application)*

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

EXISTING JOBS AT OTHER TEXAS LOCATIONS

City	Number of Jobs
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Total Jobs, Other Texas Locations: _____

PROJECT CHARACTERISTICS

(Check all that apply)

- | | | |
|--|---|---|
| <input type="checkbox"/> New Jobs | <input type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
| <input type="checkbox"/> Retained Jobs <i>(for benefit)</i> | <input type="checkbox"/> Expand Existing Facility | <input type="checkbox"/> Relocation from Out-of-State |
| <input type="checkbox"/> Both New & Retained Jobs <i>(for benefit)</i> | <input type="checkbox"/> Renovate Existing Facility | <input type="checkbox"/> Expansion |
| | <input type="checkbox"/> Purchase Machinery & Equipment | <input type="checkbox"/> Consolidation |
| | | <input type="checkbox"/> Relocation within Texas* |

*Benefit will only be received for new jobs to Texas. Jobs moved from one Texas city to another Texas city are not eligible for benefit.

ADDITIONAL PROJECT COMMITMENTS

- | | | |
|------------------------------|-----------------------------|--|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to negotiate or cooperate in the achievement of the purposes of the Act. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to hire under-skilled, inexperienced, disadvantaged or displaced workers. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to hire minority workers. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to contract with minority-owned businesses. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to provide technical and vocational job training for enterprise zone residents or economically disadvantaged employees. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to provide child care for employees. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to work toward the prevention or reduction of juvenile criminal activity. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Commit to make contributions to the well-being of the community, such as job training, donation of land for parks or other public purposes, etc. |

PROJECT DESCRIPTION

- Description of the project plan in the form of a letter on company letterhead is attached (*Tab 8*). The proposed plan must include:
- a general description of the company’s structure;
 - a list of location(s) in Texas;
 - the location of the parent company, if any;
 - the current number of employees at the qualified business site;
 - the nature of the business, including markets and transportation needs;
 - projected dates;
 - a summary of expected capital investment;
 - jobs to be created and/or retained for benefit during the designation period.

PROJECTED DATES AND MILESTONES

Begin Construction	
Construction Complete	
Purchase Machinery & Equipment	
Begin Hiring New Employees	
Begin Operations	
Fully Operational	
End Project Designation	

PROJECTED CAPITAL INVESTMENT

IMPORTANT NOTE: The project designee must make the investment, pay state sales and use taxes *and* create the jobs in order to receive benefit.

Land	
Buildings	
Labor on Construction	
Machinery & Equipment	
Other: _____	
Total	

IMPORTANT NOTE: If using a contractor to construct the facility, a “separated contract” (a contract in which the agreed contract price is divided into separately stated prices for materials and labor) must be executed. If, however, a “lump sum” contract is executed, a claim for refund of taxes invoiced to, and paid by a third party, will not qualify for a refund under this Program. Please call the Comptroller’s Office at 1-800-531-5441 ext. 51083 if you have any questions about this issue.

SOURCE OF FUNDING

Three years of audited financial reports attached (required):

Yes No

Internally Funded

Externally Financed

Industrial Revenue Bond Financed

Explain

EXISTING JOBS AT THE QUALIFIED BUSINESS SITE

Attach a breakdown of types of existing jobs by classification and title for each (*Tab 9*). These jobs do not represent jobs for which the company is seeking benefit. These jobs are listed for baseline purposes only, and do not factor in for a refund.

Full-Time Jobs	_____
Part-Time Jobs	_____
Temporary / Seasonal Jobs	_____
Contract Jobs	_____
Total Jobs at the Qualified Business Site	_____

NEW FULL-TIME JOBS TO BE CREATED FOR BENEFIT

Attach a breakdown of types of new full-time jobs by classification, title, and the salary range or hourly rate for each (*Tab 10*). Part-time, leased, contract, seasonal, temporary and construction jobs or any jobs transferred from one Texas city to another Texas city do not qualify as new jobs, and will not be eligible to receive state benefits.

Total Number of New Full-Time Jobs to be Created for Benefit _____
Total Amount of Annual Payroll for New Jobs _____

JOBS TO BE RETAINED FOR BENEFIT

Attach a breakdown of types of jobs to be retained for benefit by classification and title, and the salary range or hourly rate for each (*Tab 11*).

IMPORTANT NOTE: In order to receive benefit for retained jobs, a qualified business must submit to the governing body a written request for the retained jobs benefit, with documentation verifying which retained job criterion is being met. The governing body must then authenticate the documentation and certify that the qualified business meets the criteria for designation under the retained job benefit. A copy of the qualified business' documentation must also be placed under Tab 10.

Total Number of Jobs to be Retained for Benefit _____
Total Amount of Annual Payroll for Retained Jobs _____

STATUS OF PERMITS

Pending Current No Permits Required

List any local, state or federal permits that are pending, along with the issuing agency and the expected date of receipt.

COMMITMENT TO THE COMMUNITY

Outline the company's commitment to the community by specific recipient and dollar value of anticipated contribution(s) during the designation period. This commitment must match those for which private effort score is calculated.

THE BUSINESS

Provide an introduction, history and description of the qualified business, its products, services, total sales, number of employees, location(s) (international, national and in Texas), primary materials purchased, product transportation, etc.

BENEFIT TO THE STATE

Economic Impact Analysis attached

Yes No

At a minimum, the analysis must include:

- Total capital investment and employment, with timeline for each
- Economic and fiscal impacts of
 - Project construction
 - Annual operation
- Economic impacts include construction phase and annual changes in
 - Direct, indirect, induced and total output
 - Direct, indirect, induced and total employment
 - Direct, indirect and induced payroll
- Fiscal impacts include construction phase and annual changes in
 - Gross State product
 - State Personal Income
 - Retail Sales
 - State Revenue

If no, what is the expected delivery date?

_____ Yes

Participating Consultant Form Attached for Preparer (*page 24 of this application*)

Yes

Outline the benefit to the State of Texas by dollar value. Be as specific as possible (*attach additional pages as necessary*).

ADDITIONAL PARTICIPATING ENTITIES FORM

Complete the following information, including a contact, for each related entity that is a member of a controlled group that is necessary to the project or activity (*Tab 7*)

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Provide a brief description of this entity's role with respect to the project, and the amount of investment and percentage of investment of the project.

PARTICIPATING CONSULTANT FORM

Complete the following information for each consultant involved with this project (attach copy of Power of Attorney, if applicable – Tab 8)

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

- Site Selection Economic Impact Analysis
 Financial Advisor Other: _____

Provide a description of this consultant's role with respect to the project.

PROJECT SCORE

Impact of the Reduction or Closure (50%)

Name of Impacted Facility: _____

- the proposed or actual establishment, realignment, or closure of a DoD facility 10 points _____
- the cancellation or termination of a DoD contract or the failure of the DoD to proceed with an approved major weapon system program 10 points _____
- a publicly announced planned major reduction in DoD spending that would directly and adversely affect the municipality or county 10 points _____
- the closure or a significant reduction of the operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility 10 points _____
- Loss of 2,500 or more defense worker jobs in an area of a municipality or county that is located in an urbanized area of a Metropolitan Statistical Area (MSA) 25 points _____
- Loss of 1,000 or more defense worker jobs in an area of a municipality or county outside an MSA 25 points _____
- Loss of one percent or more of civilian jobs in the municipality or county 25 points _____

Total Impact Score (max. 50 pts.) _____

Local Effort (25%) *Check local incentives given to the qualified business and record points earned up to the maximum of 25 points*

- | | | | |
|--------------------------|---|----------|-------|
| <input type="checkbox"/> | Local Sales Tax Refund | 2 points | _____ |
| <input type="checkbox"/> | Tax Abatement | 2 points | _____ |
| <input type="checkbox"/> | Tax Increment Financing | 2 points | _____ |
| <input type="checkbox"/> | Development Bonds | 2 points | _____ |
| <input type="checkbox"/> | Development Fee Exceptions / Waivers | 2 points | _____ |
| <input type="checkbox"/> | Infrastructure Improvements | 2 points | _____ |
| <input type="checkbox"/> | Low-Interest Loans for Business | 2 points | _____ |
| <input type="checkbox"/> | Zoning Changes / Variances | 1 point | _____ |
| <input type="checkbox"/> | Building Code Exemptions | 1 point | _____ |
| <input type="checkbox"/> | Streamlined / One-Stop Permitting | 1 point | _____ |
| <input type="checkbox"/> | Enhanced Municipal Services | 1 point | _____ |
| <input type="checkbox"/> | Improved Police and / or Fire Protection | 1 point | _____ |
| <input type="checkbox"/> | Community Crime Prevention Programs | 1 point | _____ |
| <input type="checkbox"/> | Special Public Transportation Routes or Reduced Fares | 1 point | _____ |
| <input type="checkbox"/> | Capital Improvements in Water and Sewer Facilities | 1 point | _____ |
| <input type="checkbox"/> | Road Repair | 1 point | _____ |
| <input type="checkbox"/> | Creation or Improvement of Parks | 1 point | _____ |
| <input type="checkbox"/> | Low-Interest Loans for Housing Rehabilitation or New Construction | 1 point | _____ |
| <input type="checkbox"/> | Transfer of Abandoned Housing | 1 point | _____ |
| <input type="checkbox"/> | Use of Surplus School Buildings for Incubators | 1 point | _____ |
| <input type="checkbox"/> | Provision of Publicly Owned Land for Development Purposes | 1 point | _____ |
| <input type="checkbox"/> | Problem Resolution Center or Business Ombudsmen | 1 point | _____ |
| <input type="checkbox"/> | Promotion and Marketing Services | 1 point | _____ |
| <input type="checkbox"/> | Job Training and Employment Services | 1 point | _____ |
| <input type="checkbox"/> | Retraining Program | 1 point | _____ |
| <input type="checkbox"/> | Literacy and Employment Skills Programs | 1 point | _____ |
| <input type="checkbox"/> | Vocational Education | 1 point | _____ |
| <input type="checkbox"/> | Customized Job Training | 1 point | _____ |
| <input type="checkbox"/> | _____ | 1 point | _____ |
| <input type="checkbox"/> | _____ | 1 point | _____ |

Total Local Effort Score (max. 25 pts.) _____

Private Effort (25%)

Additional Commitments to:

- | | | | |
|---|--|---------|-------|
| <input type="checkbox"/> | Hire Under-Skilled, Inexperienced, Disadvantaged or Displaced Workers who reside in an Enterprise Zone | 1 point | _____ |
| <input type="checkbox"/> | Hire Minority Workers | 1 point | _____ |
| <input type="checkbox"/> | Contract with Minority-Owned Businesses | 1 point | _____ |
| <input type="checkbox"/> | Provide Technical and Vocational Training for Enterprise Zone Residents and Economically Disadvantaged Employees | 1 point | _____ |
| <input type="checkbox"/> | Provide Child Care for Employees | 1 point | _____ |
| <input type="checkbox"/> | Provide Tutoring or Mentoring Program | 1 point | _____ |
| <input type="checkbox"/> | Develop Juvenile Crime Prevention Program | 1 point | _____ |
| <input type="checkbox"/> | Donate Land for Parks | 1 point | _____ |
| <input type="checkbox"/> | Provide Job Training | 1 point | _____ |
| <i>Subtotal of Additional Commitments</i> | | | _____ |

Capital Investment (choose applicable range)

- | | | | |
|--------------------------|------------------------------|----------|-------|
| <input type="checkbox"/> | Up to \$399,999 | 1 point | _____ |
| <input type="checkbox"/> | \$400,000 to \$999,999 | 2 points | _____ |
| <input type="checkbox"/> | \$1,000,000 to \$4,999,999 | 3 points | _____ |
| <input type="checkbox"/> | \$5,000,000 to \$149,999,999 | 4 points | _____ |
| <input type="checkbox"/> | \$150,000,000 and Above | 5 points | _____ |

Number of Jobs for Benefit (choose applicable range)

- | | | | |
|--------------------------|--|----------|-------|
| <input type="checkbox"/> | 10 to 99 new and/or retained jobs for benefit | 1 point | _____ |
| <input type="checkbox"/> | 100 to 199 new and/or retained jobs for benefit | 2 points | _____ |
| <input type="checkbox"/> | 200 to 299 new and/or retained jobs for benefit | 3 points | _____ |
| <input type="checkbox"/> | 300 to 399 new and/or retained jobs for benefit | 4 points | _____ |
| <input type="checkbox"/> | 400 to 499 new and/or retained jobs for benefit | 5 points | _____ |
| <input type="checkbox"/> | 500 and Above new and/or retained jobs for benefit | 6 points | _____ |

Average Job Wage Level Compared to County Average Weekly Wage (AWW)

County where Qualified Business is Located: _____

Attached County Average Weekly Wage backup (use the most recent year for which all four quarters are available)

Year _____

First Quarter _____

Second Quarter _____

Third Quarter _____

Fourth Quarter _____

TOTAL _____ ÷ 4 = _____
 (County AWW)

County AWW _____

110% of County AWW _____

120% of County AWW _____

Calculate the average weekly wage in the formula below including only the new and/or retained jobs represented in this application for state benefit.

$$\frac{\text{Total Annual Payroll}}{\text{\# of Jobs}} = \text{Avg. Annualized Wage} \div 52 = \text{AWW}$$

(Choose one)

AWW ≥ AWW for County 1 point _____

AWW ≥ 110% of AWW for County 3 points _____

AWW ≥ 120% of AWW for County 5 points _____

Total Private Effort Score (max. 25 pts.) _____

TOTAL SCORE OF PROJECT _____

NOTE: To determine the annual weekly wage of the county, go to the following web site and fill out the data link request.

<http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

Section 1: Select **COUNTY**

Section 2: Select the County you are researching i.e. **"ANDERSON"**

Click **CONTINUE**

Section 3: Select year – **2004** (use the most recent year for which all four quarters are available)

Section 4: Select Time Period – select **ALL**

Click **CONTINUE**

Section 5: Select Industry Code – **NAICS**

Section 6: Select Ownerships – select **ALL**

Section 7: Select Division – select **ALL**

Click **CONTINUE**

Section 8: Select Industries – select **TOTAL, ALL INDUSTRIES**

Section 9: Select Data Series – select **AVG WEEKLY WAGES**

Order by: select **AREA**

VIEW DATA



Defense Economic Readjustment Zone Application

Office of the Governor
Economic Development & Tourism
Texas Economic Development Bank

For Office Use Only:

Date Received: _____

Application Fee Submitted

Project: _____

Community: _____

Received By: _____

Defense Economic Readjustment Zone Program

The Texas Economic Development Bank was created by the 78th Legislature as a tool that provides flexible funding and oversight of several finance and incentive programs. These programs target three key audiences: Texas businesses, Texas communities and Texas lending institutions.

The Texas Defense Economic Readjustment Zone program is one of the programs available under the Enterprise Incentives section of the Bank. This program is designed to help Texas communities adversely impacted by, or vulnerable to the closure or realignment of military installations or a reduction in federal defense contracting expenditures.

To be eligible for this program, a municipality or county must demonstrate adverse impact for a defense-dependent community. A community is adversely affected and defense-dependent according to criteria specified in Section 2310.102 of the Defense Economic Readjustment Zone Act. Conditions include:

- a) the proposed or actual establishment, realignment, or closure of a defense facility;
- b) the cancellation or termination of a DoD contract or the failure of the DoD to proceed with an approved major weapon system program;
- c) publicly announced planned major reduction in DoD spending that would directly and adversely affect the municipality or county; or
- d) the closure or significant reduction of operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility.

The evidence must demonstrate that the municipality or county is expected to experience direct defense worker job loss of:

- a) 2,500 or more defense worker jobs in any area of the municipality or county that is located in an urbanized area of a metropolitan statistical area; or
- b) 1,000 or more defense worker jobs in any area of the municipality or county that is not located in an urbanized area of a metropolitan statistical area; or
- c) one or more percent of the civilian jobs in the municipality or county.

The attached application is a primary step in your request for evaluation. Once you have completed the application, place the application in a three-ring binder with the required attachments tabbed as indicated, sign where indicated and mail the application along with a non-refundable check for \$500.00 to the Texas Economic Development Bank at the address below.

For more information on the Defense Economic Readjustment Zone Program, contact the Texas Economic Development Bank at 512-936-0100.

CERTIFICATION OF APPLICATION

Governing Body Authorized Representative

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

To the best of my knowledge and belief, the information contained in this Defense Economic Readjustment Zone Application is true and correct and I have read the Defense Economic Readjustment Zone Act and the Defense Economic Readjustment Zone Program Rules and am familiar with the provisions contained therein, as evidenced by my signature below.

Signature: _____ Date: _____
(Governing Body Authorized Representative)

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

Notary Public, State of Texas

(Notary Seal)

My commission expires: _____

Defense Economic Readjustment Zone Application

CERTIFICATION OF APPLICATION

Governing Body Liaison

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

To the best of my knowledge and belief, the information contained in this Defense Economic Readjustment Zone Application is true and correct and I have read the Defense Economic Readjustment Zone Act and the Defense Economic Readjustment Zone Program Rules and am familiar with the provisions contained therein, as evidenced by my signature below.

Signature: _____ Date: _____
(Governing Body Liaison)

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

Notary Public, State of Texas

(Notary Seal)

My commission expires: _____

APPLICATION TYPE

- \$500.00 Non-Refundable Application Fee attached (*made payable to Texas Economic Development Bank*)
- New Defense Economic Readjustment Zone (Readjustment Zone)
 - Municipality Only County Only Joint Zone*
- Amendment to existing Readjustment Zone Date Zone Last Amended: _____
- Application Includes an Administrative Authority (*if so, complete AA section, beginning page 11*)

*If a joint zone, complete pages 2-6 for each participating jurisdiction and attach a certified copy of the inter-local agreement (*Tab 4*).

PUBLIC HEARING

Attached

Date

- Public Hearing Held _____
- Notice of Hearing to the Bank (*Tab 2*) _____
- Government Posting (*Tab 3*) _____
- Published in Newspaper of General Circulation (*Tab 4*) _____
(with publisher's affidavit)

OFFICIAL ACTION

- Nominating Ordinance or Order Attached (*Tab 5*)

The nominating ordinance or order, as applicable, must be submitted with original signatures or an original certification of the copy, and must:

- Nominate the area as a Readjustment Zone.
- Provide a description of the continuous zone boundary by a legal description or reference to roadways, lakes, waterways or municipal or county boundaries (with a point of beginning, following the entire zone boundary back to the original point of beginning).
- State the finding that the zone meets the qualification of the Defense Economic Readjustment Zone Act.
- Provide a list of local incentives offered. The list must include provision for any local incentive(s) (including tax incentives) available throughout the municipality or county as well as provision for any local incentives (including tax incentives) available only in the proposed zone (**at least three local incentives must be exclusive to the zone, and at least one of the three exclusive incentives must be financial in nature**). (*This does not prohibit a municipality or county from extending additional incentives, including tax incentives, for business enterprises in a readjustment zone by a separate ordinance or order.*)
- State that the area is designated as a defense economic readjustment zone subject to approval by the Bank.
- Designate the governing body representative (by position title), the zone liaison (by position title), and if applicable, the administrative authority and the administrative authority liaison (by position title).
- State that a public hearing was held and provide the date of the hearing. (*The public hearing must occur prior to passing the nominating ordinance or order, or the ordinance or order is null and void.*)

ELIGIBILITY

Choose all that apply (at least one)

The municipality or county is an adversely affected defense-dependent community because of:

- the proposed or actual establishment, realignment, or closure of a United States Department of Defense (DoD) facility;
- the cancellation or termination of a DoD contract or the failure of the DoD to proceed with an approved major weapon system program;
- a publicly announced planned major reduction in DoD spending that would directly and adversely affect the municipality or county; or
- the closure or a significant reduction of the operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility.

Provide a summary of the above event(s) that has brought about, or will bring about, the basis of eligibility described below.

Name of Impacted Facility: _____

Defense Economic Readjustment Zone Application

And, Choose the one that applies

- Loss of 2,500 or more defense worker jobs in an area of a municipality or county that is located in an urbanized area of a Metropolitan Statistical Area (MSA)
_____ Number of Defense Worker Jobs Lost
 Attach Backup Documentation (*Tab 3*)
- Loss of 1,000 or more defense worker jobs in an area of a municipality or county outside an MSA
_____ Number of Defense Worker Jobs Lost
 Attach Backup Documentation (*Tab 3*)
- Loss of one percent or more of civilian jobs in the municipality or county
_____ Percent of Civilian Jobs in the Municipality or County Lost
 Attach Backup Documentation (*Tab 3*)

GEOGRAPHIC MAKEUP OF THE ZONE

- Total square miles of Readjustment Zone (*must be at least one square mile, but no larger than 20 square miles*) _____
- Square miles of Readjustment Zone located on an existing or former DoD facility _____
- Percent of Readjustment Zone on an existing or former DoD facility _____
- Total square miles in applicant's jurisdiction (*city limits and ETJ, or county*) _____
- Zone has a continuous boundary Yes
- Annotated street map is attached Yes
- Official U.S. Census map with proposed zone outlined is attached Yes

LOCAL INCENTIVES OFFERED

Check each local incentive available, both in the proposed zone and/or jurisdiction-wide.

- | | | |
|--|------------------------------------|--|
| <input type="checkbox"/> Tax Abatement | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Tax Increment Financing | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Development Bonds | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Amend Zoning Ordinances for Economic Development | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Waiver of Performance Bonds | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Zoning Changes / Variances | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Building Code Exemptions | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Development Fee Exceptions / Waivers | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Deferred Compliance | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Priority and Preference for Receipt of CDBG monies | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Priority and Preference for Receipt of Industrial Revenue Bonds | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Establish Permitting Preferences for Zone Businesses | <input type="checkbox"/> Zone Only | |

Defense Economic Readjustment Zone Application

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Simplified, Accelerated or Special Permit Procedures for Zone Businesses | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Streamlined / One-Stop Permitting | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Enhanced Municipal Services | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Improved Police and/or Fire Protection | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Community Crime Prevention Programs | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Special Public Transportation Routes or Reduced Fares | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Reduced Utility Rates for Zone Businesses | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> Improvements in Public Facilities | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Infrastructure Improvements | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Capital Improvements in Water and Sewer Facilities | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Road Repair | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Creation or Improvement of Parks | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Low-Interest Loans for Housing Rehabilitation or New Construction | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Transfer of Abandoned Housing to Individuals or Community Groups | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Business and Industrial Development Services | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Low-Interest Loans for Business | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Use of Surplus School Buildings for Incubators | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Use of Underutilized Publicly Owned Facilities for Incubators | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Provision of Publicly Owned Land for Development Purposes | <input type="checkbox"/> Zone Only | |
| <input type="checkbox"/> One-Stop Permitting | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Problem Resolution Center or Business Ombudsmen | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Promotion and Marketing Services | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Job Training and Employment Services | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Retraining Programs | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Literacy and Employment Skills Programs | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Vocational Education | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> Customized Job Training | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> _____ | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| <input type="checkbox"/> _____ | <input type="checkbox"/> Zone Only | <input type="checkbox"/> Jurisdiction-wide |
| | | |
| <input type="checkbox"/> Freeport Exemption | | |
| <input type="checkbox"/> Economic Development Sales Tax (4A) | | |
| <input type="checkbox"/> Economic Development Sales Tax (4B) | | |

Defense Economic Readjustment Zone Application

ECONOMIC IMPACT

Provide an estimate of the economic impact for the life of the proposed Readjustment Zone. The estimate must consider tax incentives, contemplated programs and community costs. Provide a table showing the calculation.

Economic Impact Table and Explanation Attached (*Tab 7*)

Total Number of Jobs Expected to be Created: _____

Total Number of Jobs Expected to be Retained: _____

Total Amount of Capital Investment Expected to be Injected: _____

NARRATIVES

Briefly describe the current business and labor conditions in the proposed Readjustment Zone. Describe the economic loss to the area that has occurred or predicated to occur as a result of the events presented for eligibility.

Defense Economic Readjustment Zone Application

Briefly describe the economic development and planning objectives for the proposed Readjustment Zone.

Briefly describe the procedures for communicating information to people and groups affected by the projected Readjustment Zone (i.e. residents, community groups, etc).

Defense Economic Readjustment Zone Application

Briefly describe the functions and duties of the liaison including decision-making authority to negotiate with affected parties and businesses seeking local and/or state incentives.

Briefly describe the functions and duties of the administrative authority, if applicable, including decision-making authority to negotiate with affected parties and businesses seeking local and/or state incentives. Include a brief description of the relationship between the zone liaison and the administrative authority.

ADMINISTRATIVE AUTHORITY

It is *not* required that an Administrative Authority be formed. The governing body of a Readjustment Zone may choose to have staff perform the administrative function of the zone, or they may delegate the administrative duties to an Administrative Authority appointed by the governing body.

Has an Administrative Authority been created to administer the Readjustment Zone? Yes No

If Yes, attach a certified copy of the ordinance or order creating the Administrative Authority (*Tab 8*)

Administrative Authority

Title: _____
Organization: _____
Street Address: _____
Mailing Address: _____
City: _____ State: TX Zip: _____ - _____
Phone Number: _____ Fax Number: _____
Email Address: _____

Administrative Authority Liaison

First Name: _____ Last Name: _____
Title: _____
Organization: _____
Street Address: _____
Mailing Address: _____
City: _____ State: TX Zip: _____ - _____
Phone Number: _____ Fax Number: _____
Email Address: _____

Administrative Authority Board

Number of Members of the Administrative Authority: 3 5 7 9 11 15

Are there private residences located in the proposed Readjustment Zone? Yes No

If yes, the Administrative Authority board must include one of the following:

- at least one elected official representing Readjustment Zone residents and businesses; *or*
- two residents of the Readjustment Zone.

Defense Economic Readjustment Zone Application

Administrative Authority Board Member Information

Board Member #1 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #2 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #3 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Defense Economic Readjustment Zone Application

Board Member #4 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #5 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #6 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Defense Economic Readjustment Zone Application

Board Member #7 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #8 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #9 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Defense Economic Readjustment Zone Application

Board Member #10 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #11 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #12 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Defense Economic Readjustment Zone Application

Board Member #13 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #14 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Board Member #15 Elected Official DERZ Resident Member

First Name: _____ Last Name: _____

Title: _____

Organization: _____

Street Address: _____

Mailing Address: _____

City: _____ State: TX _____ Zip: _____ - _____

Phone Number: _____ Fax Number: _____

Email Address: _____

TAB 5

SPACEPORT TRUST FUND (STF)

Administered by: Economic Development Finance Division of the Economic Development and Tourism Office, Trusteed Programs within the Office of the Governor

Number of Projects: Since the first appropriation for the Spaceport Trust Fund in Fiscal Year 2014, \$20 million has been appropriated to the program. There have been three total spaceport projects that have participated in the Spaceport Trust Fund program.

Established: The program was established in the 77th Regular Session, [SB 813](#)

Statutory Authority: The STF has statutory authority under Texas Government Code Section 481.0069, in which it establishes the Spaceport Trust Fund and designates the Texas Economic Development & Tourism Office as the administering agency. Refer to: <https://statutes.capitol.texas.gov/Docs/GV/htm/GV.481.htm>

Purpose: The Spaceport Trust Fund (STF) is a financial tool to support the development of infrastructure necessary or useful for establishing a spaceport. Fund proceeds are available to any spaceport development corporation, which has secured a viable business entity capable of launching and landing a reusable launch vehicle or spacecraft and intends to locate its facilities at the development corporation's planned spaceport in the state.

Eligibility Requirements: To be eligible for consideration, the following criteria must be met:

- 1) A viable business entity has been established that:
 - a) has a business plan that demonstrates that the entity has available the financial, managerial, and technical expertise and capability necessary to launch and land a reusable launch vehicle or spacecraft; and
 - b) has committed to locating its facilities at a spaceport in this state;
- 2) a development corporation for spaceport facilities created under Chapter 507, Local Government Code, has established a development plan for the spaceport project and has demonstrated the financial ability to fund at least 75% of the funding required for the project; and
- 3) the spaceport or launch operator, if required by federal law, has obtained or applied for the appropriate Federal Aviation Administration license or other appropriate authorization.

Application: Economic Development Finance, within the Office of Economic Development and Tourism, solicits proposals from eligible applicants for spaceport facilities as funds are appropriated from the Texas Legislature. The grant will be updated to reflect any new funding available following the 2021 Legislative Session. Grant Awardees receive a fixed award amount and must submit a budget reflecting planned expenditures up to the award amount.

Prohibitions: Money in the Spaceport Trust Fund may be used only to pay expenditures for the development of infrastructure necessary or useful for establishing a spaceport.

Funding Structure: The Legislature determines the funding amount for the biennium each session.

Program Information: Available online at <https://gov.texas.gov/business/page/spaceport-trust-fund>

TAB 6

Defense Economic Adjustment Assistance Grant (DEAAG)

Administered by: Texas Military Preparedness Commission, Trusteed Programs within Office of the Governor

Number of Projects:

Since FY2016: \$80 million awarded for 23 projects

From FY 1997 until FY 2015: \$32 million awarded for 37 projects

Established: 1997 (75th Legislature). The program came under the Trusteed Program within Office of the Governor in 2003.

Purpose: The Defense Economic Adjustment Assistance Grant (DEAAG) program is an infrastructure grant program designed to assist defense communities that have been positively or negatively impacted by a change or announced change from the Department of Defense. Funding can also be used proactively to support installations.

Statutory Authority: DEAAG has statutory authority under Texas Government Code, Title 4, Subtitle C, Chapter 436, Subchapter E, and operates within the Texas Military Preparedness Commission, a Trusteed Program within the Office of the Governor (OOG).

Texas Administrative Rules: DEAAG also operates under the administrative rules Title 1, Part 1, Chapter 4, Subchapter B. The Link to TAC: [DEEAAG TAC](#)

Eligibility Requirements:

Eligible applicants include local municipalities, counties, defense base development authorities, public junior college districts, and Texas State Technical College campuses all or part of which is located in a defense-dependent community.

Funding is available to these local governmental entities to meet matching requirements for federal funding or for the purchase of Department of Defense property, new construction, rehabilitation of facilities or infrastructure, or the purchase of capital equipment or insurance.

Applicants can request between \$50,000 and \$5 million for their projects.

Scoring criteria includes:

- Military value of the proposed project
- Likelihood of project completion
- Dual military/community benefit
- National Defense Strategy support of the proposed project
- Funding contributions from other sources
- Significance of Impact – adversely affected communities will receive preference.
- New missions
- Resiliency
- Installation cost/efficiency

Applicants are encouraged to acquire financial assistance for eligible development projects from a variety of sources, including federal, state, local, and public/private foundations.

Application: Available online at <https://gov.texas.gov/organization/military/grants> when the TMPC has opened a round of scoring.

Funding Structure: Funding for DEAAG is through state general revenue. The Legislature determines the funding amount for the biennium as part of the budgeting process each session.

Program Information: Available online at the TMPC's page at <https://gov.texas.gov/organization/military/grants>.

TAB 7

Texas Military Value Revolving Loan Fund (TMVRLF)

Administered by: Texas Military Preparedness Commission, Truusted Programs within Office of the Governor

Number of Projects: There have been three total with two projects having been paid off.

Established: 78th Texas Legislature, [SB 652](#)

Purpose: The Texas Military Value Revolving Loan Fund (TMVRLF) is a comprehensive loan program providing financial assistance to defense communities in Texas. The loan fund, financed through the sale of state general obligation bonds, is constitutionally approved at \$250 million.

As a low cost source of funding to eligible communities, the TMVRLF offers financing to projects that will:

- Enhance the military value of area military bases and defense facilities;
- Lessen the adverse impacts of BRAC 1995 or later; and
- Provide assistance to communities positively impacted by BRAC 1995 or later.

Statutory Authority: TMVRLF has statutory authority under Texas Government Code, Title 4, Subtitle C, Chapter 436, Subchapter D, and operates within the Texas Military Preparedness Commission that is administratively attached to the Office of the Governor (OOG).

Texas Administrative Rules: TMVRLF also operates under the administrative rules Title 1, Part 1, Chapter 4, Subchapter A. The Link to TAC: [TMVRLF TAC](#)

Eligibility Requirements:

Eligible applicants are a “defense community” meaning a political subdivision, which may include a municipality, county or special district, which is adjacent to, is near, or encompasses part of a military base or defense facility per Section 397.001, Local Government Code.

An applicant will submit a Military Value Enhancement Statement or a Defense Community Economic Redevelopment Value Statement as part of the loan application. The Texas Military Preparedness Commission (TMPC) will review the application and determine if the Value Statement meets standards for funding. If approved, TMPC staff will work with the applicant, the Texas Public Finance Authority and other state agencies towards completion of a loan.

Applicants can request a minimum of \$1 million and a maximum depending on the creditworthiness or ability of the applicant to pay back the loan. The project can be funded at 100%.

Projects must be completed within five years. Terms are structured and rates are determined based on the due diligence process by the Office of the Governor and the Texas Public Finance Authority.

Application: Available by request from the TMPC at <https://gov.texas.gov/organization/military/loans>.

Funding Structure: TMVRLF operates using bonds and was constitutionally approved at \$250 million. The fund currently has \$204 million available.

Program Information: Available online at the TMPC's page at <https://gov.texas.gov/organization/military/loans>.