



INCENTIVE GUIDE

A. INTRODUCTION

The Economic Development Corporation of Weslaco (EDC) was formed under Section 4A of the Texas Development Corporation Act. The primary purpose of the EDC is to diversify the economic base and to create new job opportunities in Weslaco.

B. INCENTIVES

Economic development is the purposeful intervention by an entity to encourage private investment in a specific location when it otherwise might not have been made. That encouragement often represents public assistance with a financial value and is popularly referred to as an incentive or inducement. An economic development project may be an expansion of an existing business, location of a new business in the community, a start-up, or any activity undertaken by the private (or in some cases, public) sector to create economic benefit or additional wealth in a community.

The EDC performs an unbiased evaluation of the project's merits. Its basic task is to ensure, to the extent possible, that a business project is a sound investment for the community. The EDC will require current financial statements on companies requesting incentives and/or loans. While the negotiations are ongoing, all records are kept confidential. Once a development agreement is executed, the record is governed by the Texas Public Information Act.

C. PROJECT CHARACTERISTICS

Each of the following characteristics is evaluated to determine the public investment, if any:

1. Total dollar value of project
2. Number of new jobs created
3. Wage scale and skill level of employees
4. Value of property improvements
5. Property tax contribution at current rate
6. Sales tax currently generated
7. Projection of sales tax to be generated

D. PUBLIC INVESTMENT / INCENTIVE

1. A percentage of total cost (10-15%) based on capital investment and new jobs
2. Preference given to local business expansion

E. GENERAL GUIDE

Each project is judged on its own merits and standards. The size and form of the incentive will depend on the overall positive economic impact to Weslaco. Incentive agreements are based on jobs created or retained and the amount of the investment. The incentive may range from Seven Hundred Fifty Dollars (\$750.00) to Three Thousand Dollars (\$3,000.00) per job for job retention and from One Thousand Five Hundred Dollars (\$1,500.00) to Five Thousand Dollars (\$5,000.00) per job for new jobs created.