

Elia Garcia
Mayor

Rene Rodriguez
At-Large

Cesar Nevarez
District 1 Mayor ProTem



Ralph Duran
District 2

Victor Perez
District 3

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District 4

UPDATED POLICY 380

City of Socorro Incentives Policy- Guidelines & Criteria

SECTION I. PURPOSE

It is the policy of the City of Socorro to provide incentives to selected private businesses that make or will make a **measurable** difference in achieving economic growth and development, expanding and diversifying the tax base and creating new quality jobs within the City of Socorro.

The purpose of this policy is to define the financial incentives and to establish standards for implementation. New businesses or expansion of existing businesses can be considered for financial incentives. In order to be eligible for incentives, businesses or individuals must be current on all city taxes or any other obligation to the City

Incentives cannot be transferred as a result of a change in the majority ownership of the business without the expressed written consent of the City of Socorro. Any new owner shall file a new application for an economic development incentive. It shall be the responsibility of the business to notify the City of any such substantive change.

The City of Socorro is under no obligation to approve any requested incentive and no right to these incentives is neither intended nor implied. The City of Socorro reserves the right to grant incentives on a case-by-case basis as may be decided by the City Council.

SECTION II. STRATEGIC OBJECTIVES

The City of Socorro, through the implementation of this policy, shall endeavor to accomplish the following strategic objectives:

1. The City of Socorro will pursue a stable, year-round economy with an emphasis on targeting quality jobs. A quality job is defined as a job that pays a wage or salary equal to or greater than the current El Paso County Median Wage as computed annually by the Texas Workforce Commission and provides health insurance benefits to employees for which the employer pays at least 50%.
2. The City of Socorro supports the retention and expansion of existing businesses within the City.

3. The City of Socorro supports the attraction of primary and secondary targets identified in the City of Socorro's strategic plan and identified in Exhibit "A" or;
4. The City of Socorro supports large private commercial recreational and tourism ventures that attract a Regional or National client base.
5. The City of Socorro supports the revitalization of designated redevelopment areas.
6. The City of Socorro supports the attraction and retention of companies that have strong Regional and National markets for their products or services.
7. The City's economic development efforts should be consistent with the City's Growth & Development Policy and General Plan for the Socorro area.

SECTION III. GENERAL CRITERIA

The City of Socorro may provide incentives for any business or commercial development project if that project:

1. Will substantially enhance the economic health of the City of Socorro;
2. Will result in a net increase or retention of jobs in the City or add to the tax base or will otherwise improve or enhance the economic welfare of the residents or businesses of the City; or
3. Demonstrates the potential to generate revenues to the City which outweigh costs associated with incentives.

In addition, the following criteria must be satisfied. The project **MUST**:

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

The business, in order to receive any such incentives from the City of Socorro will make available credible information, including but not limited to capital investment and employment projections, to enable the City to prepare a fiscal impact analysis. The

recipient will also make available an update of this data available annually after business operations have begun. The decision to provide any economic development incentives will be considered on a project-by-project basis, in accordance with the criteria set forth in this policy, and at the discretion of the City Council of the City of Socorro.

SECTION IV. QUALIFICATION CRITERIA

In order to be eligible for incentives, a project must meet qualifying standards in at least ONE of the categories below. ALL projects must receive a job credit of 25 or more to be eligible.

Job Credit Scoring:

A. Wages

Less than \$12.25/hr. = 0X

12.25-14.58/hr. (or 100% to 119% of MCW whichever is greater) = 1.0X

14.70 -18.25/hr. (120% to 149% of MCW whichever is greater) = 1.5X

18.37/hr. or more (150% of MCW whichever is greater) = 2.0X

B. Number of Jobs

Example: ABC Company is establishing operations and hiring or retaining 40 workers

Credit for number of jobs will be based on the wage levels above. For instance, if a company is hiring or retaining 5 jobs at less than \$12.25/hr., 5 jobs at \$12.50/hr., 10 jobs at \$14.80/hr. and 20 jobs at \$18.50 /hr. then their job credit would be calculated as follows:

Salary	Jobs	*	Factor	=	Credits
>\$12.25/hr.	5	*	0	=	0
\$12.50/hr.	5	*	1	=	5
\$14.80/hr.	10	*	1.5	=	15
\$18.50/hr.	20	*	2	=	40
Totals:	40			=	60

Category 1 - Quality Jobs - 80% of jobs must be at or above \$12.25/hr. (or the prevailing median county wage, whichever is higher).

If 80% of the jobs pay at least 12.25/hr.. or the prevailing Median County Wage

(Whichever is greater) the company is eligible for up to 50% Grant.

Category 2- Targeted Location

- a. Within the City of Socorro's portion of the Historic Mission Trail
- b. Recognized Historic Sites within the city of Socorro
- c. Alameda Street
- d. (North Loop and/or Old Hueco Tanks Road)
- e. Future Growth Areas #4, #5 and #6, as identified in Figure 11: "Future Land Use Map" within the City of Socorro's 2013 Comprehensive Master Plan.

Grant Amounts will be based on the following:

Up to 25% Grant- A minimum of 80% of the jobs paying at least \$11.03/hr. (or 90% of the MCW whichever is higher) or;

Up to 50% Grant- A minimum of 90% of the jobs paying at least 11.03/hr. (or 90% of the MCW whichever is higher).

Category 3 • Business Type

- a. Market for service or product is Regional, National or Global, or;
- b. Primary and additional targets identified in the City of Socorro's strategic plan and identified in Exhibit "A" or;
- c. *R&D, publishing, software, television & radio, design, music, film, toys & games, advertising, architecture, performing arts, crafts, video games design, fashion design and art.

Grant Amounts will be based on the following:

Up to 25% Grant -A minimum of 80% of the jobs paying at least \$11.03/hr. (or 90% of the MCW whichever is higher) or;

Up to 50% Grant -A minimum of 90% of the jobs paying at least \$11.03/hr. (or 90% of the MCW whichever is higher).

Category 4 - Capital Intensive Project

If 80% of Jobs pay at least \$11.03/hr. (or 90% of MCW whichever is higher)

AND

Capital Investment is \$30M- \$49M – up to 30% Grant

Capital Investment is \$50M or more- up to 35% Grant

OR;

If 90% of Jobs pay at least \$11.03/hr. (or 90 % of MCW whichever is higher)

AND;

Capital Investment is \$30M - \$49M - up to 60% Grant

Capital Investment is \$50M or more – up to 65% Grant

SECTION V. ECONOMIC DEVELOPMENT INCENTIVE

An economic impact analysis will be conducted by the Economic Development Department on every project considered for incentives. The delivery mechanism of choice for incentives will be the Chapter 380 agreement; however, the City reserves the right to use any other source (City, State, Federal, Foundation, etc.) in the award of incentives. As a matter of general policy, tax abatements and Chapter 380 agreements entered into as a result of this policy will not be used simultaneously unless the revenue stream from which the Chapter 380 agreement is paid is derived from sources other than property tax.

Agreements may be conditioned on the completion of specific improvements to real property and/or job numbers and salaries levels being met. The Agreements shall contain recapture clauses in the event that such conditions are not met.

The Economic Development Department is charged with developing a recommendation to council. In most cases, Incentives will be limited to 50% of the calculated direct, indirect and induced benefit, (excluding any bonus incentives earned) unless extraordinary benefit can be shown. All incentives packages will be limited to 100% of the taxes (real & property) actually collected in any given year unless approved by specific

council action. For Category 2(c) (Targeted Redevelopment Area), the City Council may consider offering incentives based on capital investment only. Final Percentages of all grants will be at the sole discretion of City Council.

SECTION VI. BONUS INCENTIVES

In order to be eligible under this section, a company must first establish eligibility in one of the prior categories (1 - 4)

A 50% Bonus may be earned if:

1. The company agrees to locate within the area covered by the Socorro Comprehensive Master Plan.
2. The company locates a headquarters unit with a minimum of 100 employees to Socorro.

3. The company locates their Research & Development (as defined by Federal Tax Code) in Socorro (25% of the total jobs must be Research & Development related or directly support the Research & Development function).

Exhibit A – City of Socorro's Target Industries

PRIMARY TARGETS

Military Defense & Homeland Security

Entertainment and Accommodation

- Hotels
- Restaurants
- Movie Theatres Medical and Life Sciences

SECONDARY TARGETS

Alternative / Renewable Energy


Data Centers

Suppliers to the Maquila Industry

Headquarters and Technical Support Centers

Water Technologies

Approved this 6th day of August, 2020.



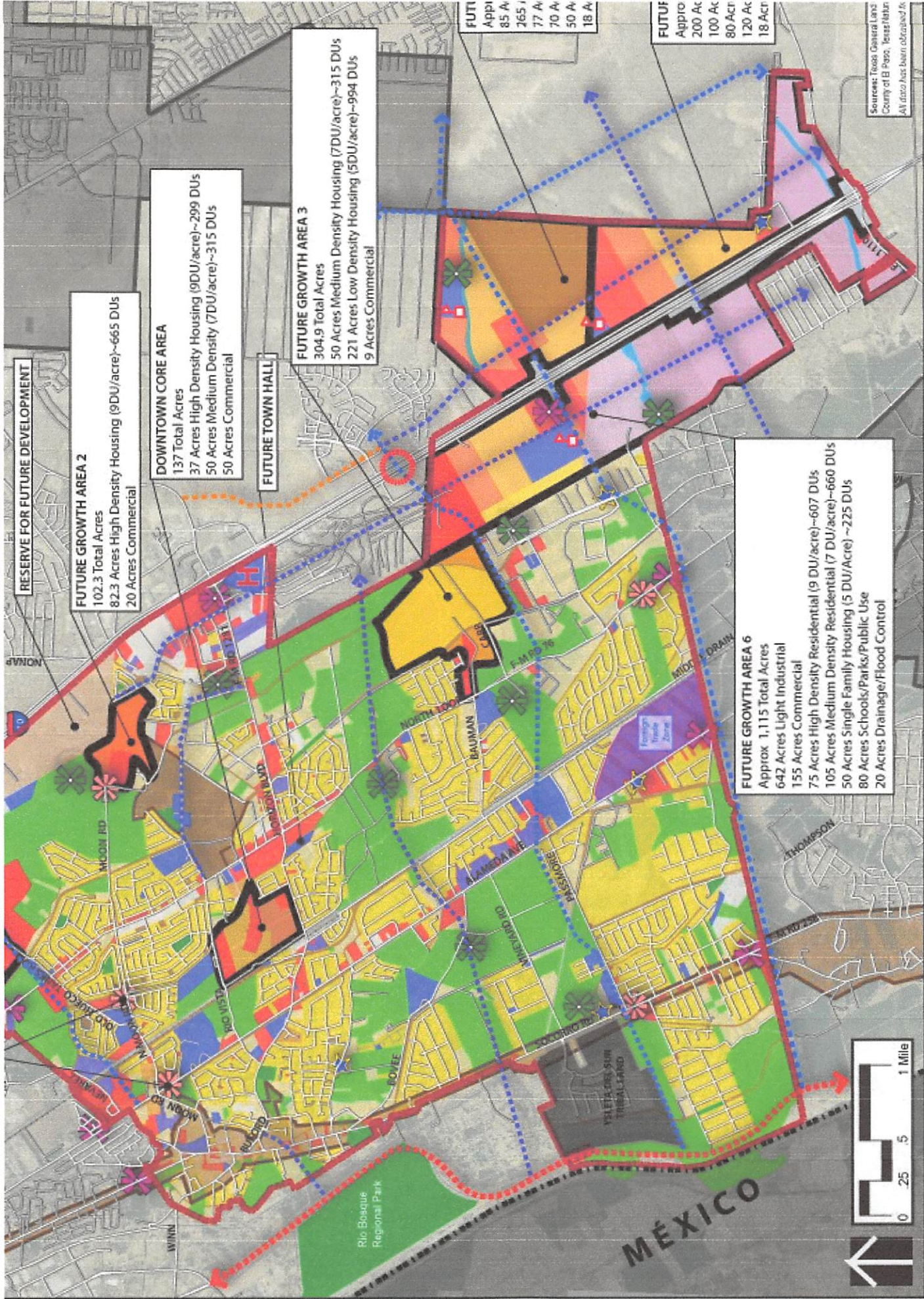
Elia Garcia, Mayor

ATTEST:



Olivia Navarro, City Clerk





RESERVE FOR FUTURE DEVELOPMENT

FUTURE GROWTH AREA 2
 102.3 Total Acres
 82.3 Acres High Density Housing (9 DU/acre) ~665 DUs
 20 Acres Commercial

DOWNTOWN CORE AREA
 137 Total Acres
 37 Acres High Density Housing (9 DU/acre) ~299 DUs
 50 Acres Medium Density (7 DU/acre) ~315 DUs
 50 Acres Commercial

FUTURE TOWN HALL

FUTURE GROWTH AREA 3
 304.9 Total Acres
 50 Acres Medium Density Housing (7 DU/acre) ~315 DUs
 221 Acres Low Density Housing (5 DU/acre) ~994 DUs
 9 Acres Commercial

FUT1	Appli	85 A
		265
		77 A
		70 A
		50 A
		18 A

FUTUF	Appro	200 Ac
		100 Ac
		80 Acr
		120 Ac
		18 Acr

Source: Texas General Land
 County of B. Paso, Texas/Habitat
 All data has been obtained from

FUTURE GROWTH AREA 6
 Approx 1,115 Total Acres
 642 Acres Light Industrial
 155 Acres Commercial
 75 Acres High Density Residential (9 DU/acre) ~607 DUs
 105 Acres Medium Density Residential (7 DU/acre) ~660 DUs
 50 Acres Single Family Housing (5 DU/Acre) ~225 DUs
 80 Acres Schools/Parks/Public Use
 20 Acres Drainage/Flood Control



MEXICO