



Type B Economic Development Policy

I. Purpose and Objectives

The purpose of this Type B Economic Development Policy is for the Board of Directors of the Daingerfield 4-B Economic Development Corporation (“DEDC”) to establish guidelines and criteria to guide the approval of economic development projects and those economic development projects that its anticipated, or will involve, the use of sales tax revenues to promote economic development initiatives within the City of Daingerfield, Texas. This policy supports a broad range of community development activities, including infrastructure improvements, quality of life projects, job creation, and business retention, in alignment with state and local laws governing Type B Economic Development Corporations.

The Main Objectives of this Policy are:

1. **Enhancing Community Infrastructure:** Support projects that improve public infrastructure, including roads, utilities, and parks, to attract and retain businesses.
2. **Job Creation and Retention:** Foster an environment that promotes the creation of high-quality jobs and the retention of existing jobs within the community.
3. **Promoting Quality of Life:** Invest in projects that improve the overall quality of life for residents, including public amenities, cultural venues, and recreational facilities.
4. **Supporting Business Development:** Provide assistance to new and existing businesses through grants, infrastructure improvements, and partnerships.
5. **Economic Diversification:** Encourage projects that diversify the local economy, making it more resilient to changes in the market.
6. **Providing for the use of sales tax revenue to promote economic development as authorized and as allowed under Chapters 501, 502, and 505 of the Texas Local Gov’t. Code.** These Policies shall not be applied or construed in any way that violates Texas law. To the extent these Policies as applied to any specific project will violate Texas law, these Policies shall be construed and applied in a manner that complies with applicable Texas law.

II. Eligible Projects

The DEDC may fund a variety of projects in accordance with state law, including but not limited to the following:

1. **Public Infrastructure Projects:**
 - Streets, roads, drainage, and utility projects.
 - Expansion or renovation of public buildings or facilities.
 - Construction of water and wastewater infrastructure to support commercial or industrial development.
2. **Quality of Life Improvements:**
 - Parks, recreational facilities, and open spaces.
 - Cultural and arts facilities, museums, and public gathering spaces.
 - Support for tourism and visitor attraction initiatives.





3. **Business Development and Retention:**
 - Grants, loans, or infrastructure support for business expansion.
 - Assistance for workforce development and training programs.
 - Support for small businesses and entrepreneurial ventures.
4. **Affordable Housing Initiatives:**
Projects that promote the development of affordable housing options for low to moderate-income families, provided these initiatives support job creation or retention.
5. **Economic Development Programs:**
 - Marketing and promotion efforts aimed at attracting new businesses or industries.
 - Support for local workforce development programs.
 - Public-private partnerships for business incubators, innovation centers, or workforce training centers.

III. Funding Criteria

For a project to be eligible for funding under this policy, it must meet the following criteria:

1. **Alignment with Community Goals:** The project must align with the city's comprehensive economic development plan and support long-term community and economic goals.
2. **Job Creation or Retention:** The project must result in measurable job creation or retention or provide clear economic benefits to the community (such as increased tax revenue or new business activity).
3. **Public Benefit:** The project must deliver substantial public benefits, whether through infrastructure improvements, quality of life enhancements, or other community development outcomes.
4. **Sustainability:** The project should be financially sustainable and show potential for long-term success without ongoing support from the DEDC.
5. **Leveraging Other Funds:** Preference will be given to projects that leverage additional sources of funding, such as state or federal grants, private investment, or partnerships with other entities.
6. **Loan and Grant Limitation Policy:**
 - a) An applicant may not have more than one active grant or loan from the Type B DEDC at any given time.
 - b) An applicant is eligible to apply for a new grant or loan only after 12 months have elapsed from the completion and closure of their most recent grant or loan.





- c) Exceptions to this limitation may be granted solely by a unanimous vote of the Type B DEDC Board under special circumstances, provided such exceptions are in compliance with applicable laws and policies.

IV. Application and Approval Process

The following steps outline the process for submitting and approving projects for DEDC funding:

1. **Project Proposal Submission:** Interested applicants, including businesses, non-profits, or governmental entities, must submit a detailed proposal to the DEDC. The proposal should include:
 - Project description, goals, and timeline.
 - Detailed budget, including requested funding amount and any additional funding sources.
 - Expected economic or community impact (job creation, business growth, quality of life improvement, etc.).
2. **Staff Review:** DEDC staff will conduct a preliminary review of the proposal to ensure it aligns with policy goals and meets eligibility criteria. Staff may request additional information or clarification during this phase.
3. **Board Review:** The DEDC board will evaluate the proposal, considering its alignment with economic development priorities, expected impact, and community benefit. Public hearings may be held to gather feedback from stakeholders and community members.
4. **City Council Approval:** After the board's recommendation, the project will be presented to the city council for final approval. Certain projects, particularly those involving significant public funds or infrastructure changes, may require additional public input and legal review.
5. **Performance Agreement:** If approved, the applicant will enter into a formal agreement with the Type B EDC, outlining the terms of the funding, performance metrics, and reporting requirements. The agreement will specify how the funds will be used and the consequences of non-compliance with project goals. Failure to meet these targets may result in the termination of the agreement and repayment of funds.

V. Monitoring and Compliance

Once a project is approved and underway, the DEDC will monitor its progress to ensure compliance with the agreed-upon terms. The following monitoring activities will be conducted:





1. **Progress Reports:** Project recipients must submit regular progress reports to the EDC, including updates on job creation, construction milestones, and expenditures.
2. **Site Visits:** DEDC staff may conduct site visits to verify the project's progress and adherence to the agreement.
3. **Final Review:** Upon project completion, a final review will be conducted to evaluate whether the performance targets (e.g., job creation, infrastructure improvements) were met. Failure to meet these targets may result in repayment of funds or other penalties, as outlined in the project agreement.

VI. Applicants and Projects Must Comply with Chapter 2264 of the Texas Government Code.

Each applicant or business that submits an application to receive any funds or financial assistance from the DEDC must include in their application a statement certifying that the business, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker.

VII. Amendments to the Policy

This policy may be amended from time to time by the DEDC Board, with approval from the city council, to reflect changes in state law, community needs, or economic conditions. Any amendments will be made in a transparent manner, with public input as appropriate.

VIII. Sunset Clause

This Type B Economic Development Policy will be reviewed every five years to ensure its relevance and effectiveness in achieving economic development goals.

IX. Approved Form of Performance Agreement

An approved form Performance Agreement is attached to these Policies. The Board reserves the right and authority to make necessary changes to the approved form Performance Agreement as deemed reasonable and necessary for any specific project.





Performance Agreement

This Performance Agreement dated as of _____, 202__ (“Effective Date”) is by and between the Daingerfield Type B Economic Development Corporation (DEDC) and _____ [Applicant/Project Name]:

Project Name: [Project Name]
Company/ Organization Name: [Company Name]
DEDC Contact: [DEDC Representative Name]
Date: [Agreement Date]
Review Date: [Review Date]

1. Purpose of the Agreement

This Performance Agreement is entered into by the Daingerfield Type B Economic Development Corporation (“DEDC”) and [Company Name] to outline the specific performance metrics and outcomes related to the [Project Name]. This project has been approved for funding based on its alignment with the DEDC’s goals of enhancing community development, promoting quality of life, and fostering economic growth. Failure to meet the established performance targets may result in termination of the Agreement and a requirement to repay funds.

2. Project Overview

Project Description:

The [Project Name] is focused on [describe the nature of the project, such as creating a public park, expanding recreational facilities, supporting arts and culture, etc.]. The project is expected to enhance the community and contribute to the overall quality of life for residents in [City/Region Name].

Project Timeline:

The project will commence on [Start Date] and is expected to be completed by [Completion Date].

3. Performance Metrics and Targets

The following performance metrics must be achieved for the project to receive and retain Type B DEDC funding:

1. Quality of Life Improvements: The project will provide [X new amenities, public spaces, or facilities] to improve the quality of life in the community by [Target Date].





2. **Community Impact:** The project must demonstrate measurable community benefits, such as increased usage of public spaces, engagement in cultural programs, or improved access to recreational facilities.
3. **Job Creation (if applicable):** The project will create or retain [X] full-time or part-time jobs within [Specify Timeframe].
4. **Economic Investment:** [Company Name] agrees to invest at least [\$X] in the development or construction of public infrastructure, facilities, or improvements.
5. **Completion of Milestones:** The project must meet the following milestones:
 - [Milestone 1]: [X date].
 - [Milestone 2]: [X date].
 - [Final completion]: [X date].

4. **Funding Details**

A. Funding Information:

1. Total Funding Amount:
2. The Type B DEDC agrees to provide funding in the amount of [\$X] to support the [Project Name].

B. *Funding Disbursement Schedule:*

1. Funds will be disbursed based on the achievement of project milestones:
 - a. [Percentage/Amount] of funds released upon [Milestone 1].
 - b. [Percentage/Amount] of funds released upon [Milestone 2].
2. Final payment upon completion and verification of performance targets.

5. **Monitoring and Reporting**

To ensure that the project meets its performance objectives, [Company Name] agrees to the following monitoring and reporting requirements:

1. **Progress Reports:** [Company Name] will submit quarterly reports to the Type B DEDC that outline progress toward performance metrics, including updates on construction, community engagement, and economic impact.





2. **Site Visits:** The Type B DEDC may conduct periodic site visits to assess the project's progress and ensure compliance with the terms of this Agreement.
3. **Final Report:** Upon project completion, [Company Name] will submit a final report detailing how the performance metrics were achieved, along with evidence of project impact (e.g., job creation, community benefits, financial statements).

6. Failure to Meet Performance Metrics

- A. If [Company Name] fails to meet the agreed-upon performance metrics, DEDC may take the following actions:
 1. **Termination of Agreement:** The DEDC reserves the right to terminate this Agreement if performance targets are not met within the specified timeline.
 2. **Seek the Repayment of Funds:** In the event of termination or failure to meet targets, [Company Name] agrees to repay all or part of the funding received. The amount to be repaid will be determined by the extent to which the project has failed to meet its performance objectives.

7. Businesses and Projects Must Comply with Chapter 2264 of the Texas Government Code.

A. **Required Certification:**

_____ (business), or a branch, division, or department of _____, does not and will not knowingly employ an undocumented worker.

Applicant Signature /
Signature of Authorized Representative

- B. If, after receiving a public subsidy, the business, or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f), the business shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Section 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the business of the violation.
- C. Remedies for a Violation of Chapter 2264 of the Texas. Government Code:
 1. A public agency, local taxing jurisdiction, or economic development corporation, or the attorney general on behalf of the state or a state agency, may bring a civil action to recover any amounts





owed to the public agency, state or local taxing jurisdiction, or economic development corporation for a violation of Chapter 2264 of the Texas Government Code.

2. The public agency, local taxing jurisdiction, economic development corporation, or attorney general, as applicable, shall recover court costs and reasonable attorney's fees incurred in an action brought under Chapter 2264 of the Texas Government Code.
3. A business is not liable for a violation of this chapter by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

8. **Conditions for an Amendment to this Agreement**

This Agreement may be amended only with the written consent of both DEDC and [Company Name]. Any request for amendments to performance targets, timelines, or funding must be submitted in writing and supported with justification for the requested changes.

9. **Term of Agreement**

This Agreement will remain in effect from [Start Date] to [End Date], or until all performance targets have been achieved and verified by DEDC.

10. **Miscellaneous Provisions:**

1. **Governing Law.** This Agreement shall be governed by the laws of the State of Texas. This Agreement is solely performable in Morris County, Texas. Venue for any dispute that arises under this Agreement shall lie exclusively in a State District Court of Morris County, Texas.
2. **Mediation.** In the event a dispute arises regarding or involving any obligation created by this Agreement, the parties agree to participate in mediation within thirty (30) days of either party's written request for mediation. The mediation shall be conducted in Daingerfield, Texas. The duration of the mediation shall not exceed one (1) day. The mediator shall be mutually agreed upon by the parties. If the parties do not agree to a mediator, the mediator shall be assigned by a state district court located in Morris County, Texas. The parties agree to share the costs of a single (1) mediator equally. If the parties' dispute is not resolved in mediation, either party may pursue any remedy available under the law.
3. **Enforcement.** This Agreement may be enforced by the DEDC as authorized by law, including seeking injunctive relief as authorized by Texas law, for the purposes of protecting and preventing the expenditure or use of public funds or sales tax revenue in violation of the law or this Agreement. In the event DEDC must enforce the terms and provisions of this Agreement by seeking injunctive relief, DEDC will not be required to provide a bond.





- 4. Severability: If any provision of this Agreement is found to be unenforceable or invalid, the remaining provisions will remain in full force and effect.
- 5. Authority: The signing parties identified below represent that they are validly and properly authorized to sign and enter into this Agreement.

THIS AGREEMENT IS A BINDING AND FINAL AGREEMENT:

Business (Applicant)	Daingerfield 4-B Economic Development Corporation
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By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____





Here's a checklist of talking points to discuss with a new applicant based on the Type B Economic Development Policy:

1. Purpose and Objectives of the Policy

- Overview: Explain that the policy aims to guide project approval using sales tax revenues for economic development in Daingerfield, Texas.
- Key Objectives: Highlight goals like enhancing community infrastructure, job creation, improving quality of life, business support, and economic diversification.

2. Eligible Projects

- Types of Projects: Review eligible categories such as public infrastructure (roads, utilities), quality of life improvements (parks, cultural facilities), business development (grants, loans), affordable housing (linked to job creation), and economic development programs (workforce training, business incubation).

3. Funding Criteria

- Alignment with Goals: Ensure the project aligns with community economic goals.
- Job Creation: Discuss expectations for measurable job creation or retention.
- Public Benefit: Emphasize the need for substantial public benefits.
- Sustainability: The project should demonstrate long-term viability.
- Leveraging Additional Funds: Preference is given to projects with other funding sources.

4. Application and Approval Process

- Proposal Submission: The applicant should provide a detailed proposal, including budget and expected impact.
- Review Process: Outline staff review, board evaluation, and city council approval stages.
- Performance Agreement: Upon approval, a formal agreement will set funding terms, performance metrics, and compliance requirements.

5. Monitoring and Compliance

- Progress Reporting: The applicant must submit regular progress reports.
- Site Visits: DEDC staff may conduct site visits to verify progress.
- Final Review: Upon completion, a review will assess if performance metrics were met.

6. Certification of Compliance with Chapter 2264

- Employment Compliance: Applicant must certify that they do not and will not employ undocumented workers, per Texas Government Code requirements.

7. Amendments and Sunset Clause

- Policy Amendments: Policy changes may occur to reflect legal or economic conditions.
- Review Period: The policy is reviewed every five years for relevance and effectiveness.

