

ATTACHMENT A

1. Targeted Incentive Objective

The City of Lockhart recognizes that a varied retail sector is an important component of a livable, vibrant community and an essential part of the quality of life in Lockhart – residents shop, dine and seek entertainment locally. New businesses examine local quality of life when looking to expand or relocate a business. The City of Lockhart relies on sales tax revenues to support the general fund, and the 1-cent sales tax revenue makes up approximately 20% of the general fund that supports public safety services such as police, fire and parks/recreation departments. To provide the level of services necessary to remain a vibrant and livable city, the sales tax base must continue to grow. The goal of this policy is to help ensure that Lockhart continues to be a regional retail center by supporting retail businesses that:

- a. Expand the City’s retail trade area
- b. Increase sales tax revenues through direct sales
- c. Increase property tax revenues to the City and other local taxing districts
- d. Diversify the local economy by encouraging a variety of retail stores
- e. Endeavor property appreciation in surrounding neighborhoods

2. Targeted Incentives Available for Destination Retail

- i. **Economic Development Performance** —Single-use, single-standing ventures that create a minimum of \$3 million in new Total Taxable Value may qualify to receive an Economic Development Performance Agreement. This may include certain infrastructure improvements, such as streets and roads for retail or water/wastewater upgrades.
- ii. **Chapter 380** - Ventures that create a minimum of \$5 million in new Total Taxable Value may qualify to receive a Chapter 380 Performance Agreement
- iii. **Sales and Use Tax**—Ventures that create a minimum of \$12 million in annual gross retail sales, that is subject to local sales and use tax collection, may receive a Sales and Use Tax Matching Grant.

3. Destination Retail Recruitment Policy

The City seeks to recruit new and retain existing unique specialty retailers that draw shoppers to Lockhart and expand the retail trade area. The Destination Retailer

Incentive serves the City's desire to attract and retain unique, quality retailers not already serving the market. A list of eligibility factors includes:

- i. Have the capability to attract customers from outside the City;
- ii. Do not have another existing location within a ten (10) mile radius of the City;
- iii. Fit well into the existing retail economy and provide a new and different shopping experience;
- iv. Minimum of 3,000 square
- v. For profit, sales tax paying businesses;
- vi. Private investment shall exceed the amount of grant funds given by the EDC for tenant
- vii. Applicant may own the real estate in which the business is located. Alternatively, the applicant must have a fully executed lease with a term of not less than five (5) years;
- viii. Retailer must have projected annual total gross retail sales of five (5) million dollars at the end of the first year of operations
- ix. A mix of office and/or service uses is permitted but the retail uses and the resulting sales are required to be the primary use of the center. For purposes of eligibility, the primary use shall mean at least sixty percent (60%) of the space shall be dedicated to retail.
- x. Relocation from one retail location to another retail site without fifty percent (50%) enlargement is not an eligible use of retail incentives.

4. Targeted Incentives Available for Grocery Stores

- i. **Economic Development Performance** —Single or inline ventures that create a minimum of \$10 million in new Total Taxable Value may qualify to receive an Economic Development Performance Agreement. This may include certain infrastructure improvements, such as streets and roads for retail or water/wastewater upgrades.
- ii. **Chapter 380** - Ventures that create a minimum of \$13 million in new Total Taxable Value may qualify to receive a Chapter 380 Performance Agreement

5. Grocery Store Recruitment Policy

The City seeks to recruit a new grocery store that supports local shopping, creates jobs, reduces inflation by local competition and helps provide access to fresh and nutritious food. The Grocery Store Recruitment Policy serves as the City's desire to

recruit and retain grocery store companies that can help alleviate existing and constrained facilities. A list of eligibility factors includes:

- I. Minimum of 20,000 Square Feet, maximum of 120,000 Square feet
- II. Must break ground within 2 years of signing agreement
- III. Employ minimum of fifty (50) people)
- IV. No limit to number of eligible stores
- V. This support will be active for a period of 5 years from adoption of related resolution.