May 28, 2014

Article 6: Qualifying Companies for Incentives Part 2 of 3

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The first article in this three part series introduced some ground work on qualifying companies for incentives and using abatements. Now, I will turn to describing the details of qualifying companies.

There are three main items when considering companies for abatements. The first is the quality of the company in terms of their industry and affect on the environment. The second is the number and quality of jobs. Third, is the amount of capital investment.

One of the first discussion points when working with a new prospects is whether or not they have any requirements to file for environmental permits. While this is not always a bad thing, it's important to know what potential impact a company may have on the environment. Local EDOs have no jurisdiction in the permitting process, but if we feel the company will have a negative impact on the environment, we can pass on qualifying them for incentives.

"The largest project capital investment so far was $98M."

The discussion then turns to the type and quality of jobs. To qualify this, the economic impact analysis documents up to ten job classes and their associated pay. This tells us how many executives, managers, and primary staff (etc.) they have. These job classes are then averaged for the overall average wage. We hope these exceed current wage estimates provided by the local workforce agency. If they are paying well, then we consider them a good company that will have a positive impact on the community.

Finally, we look at the capital investment made by the company. The county policies require a minimum $1M to qualify for abatements. Most of the companies seeking incentives are well above this. In fact, the average project size in 2013 was a little under $9M. The largest project so far is $98M.

To ensure that the company actually complies with the investments used in the impact analysis, the company is required to provide a listing of all real property improvements and a list of qualifying personal property. This is included in the agreement and must match the first year property rendition provided to the appraisal district. So far, all companies have met or exceeded the stated capital investment.

As time goes on, the tax records are monitored to see the actual taxable values over time. This gives us an ongoing basis to calculate the county's return on investment for economic development activities.

Stay tuned for the next part in this series on economic development. If you have any questions or feedback, please feel free to email me at vyokom@wallercounty.org.

About the Waller County Economic Development Partnership (WCEDP): The WCEDP is a Texas non-profit corporation with an IRS 501 (C) 6 tax designation. We are non-political and have a 24-member board, which includes representation from every community in Waller County that has an economic development program. To learn more, visit www.wallercounty.org.

Mission: The WCEDP is organized to operate a charitable service center to foster increased, environmentally balanced business commerce, positive growth, and overall cooperation and coordination for all communities throughout Waller County, Texas.

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