

SALES TAX REIMBURSEMENT PROGRAM

Purpose:

To establish an economic incentive program which encourages the development of new businesses, as well as promote reinvestment and development of new and existing business infrastructure in the City of Farmersville ("City").

COMMERCIAL DEVELOPERS

Eligibility for Developers:

1. Developer must generate more than \$5,000,000 in taxable sales or \$50,000 of new sales tax revenue to the City; and
2. The development must be larger than 50,000 square feet in retail building space.

Ineligibility:

1. Any business or developer that currently operates or is intending to operate as a "cannabis business" as defined under Farmersville Municipal Code Section 17.53.020(B)(8), and is subject to regulation under Farmersville Municipal Code Chapter 17.53, is not eligible to participate in this Sales Tax Reimbursement Program.

Limits:

1. The City will reimburse a master developer up to 50% of the annual sales tax for a period of five years, up to the amount they submitted to the City in development fees.
2. The Maximum Annual Compensation Amount paid annually to the developer will be no more than \$500,000, or (50%) of the sales and use tax revenue in which the site generated in the prior year; and
3. No Maximum Annual Compensation Amount will be set by the City or reimbursed by the same if the development subject to the program fails to generate \$50,000 in new sales tax revenue in any given reported year; and
4. The Applicant must enter into a binding agreement with the City.

Documentation:

Requests to participate in the program must include the following:

1. A letter of request;
2. An executed binding agreement;
3. Proof of ownership of property to be developed;
4. Documentation of expected annual retail sales transactions which will result in at least \$50,000 of sales tax for the City each year, or documentation of actual retail sales transactions which results in at least \$5,000,000 of sales tax for the City each year.

Determination of the applicant's revenue will be based on revenues received, as documented by the City's Finance Department.

Application Process:

Program applicants will follow all procedures required by Assembly Bill 562 (2013), including prevailing wage, public hearings and reporting requirements. Upon receipt of a complete request to participate in the City's Sales Tax Reimbursement Program, the request packet will be presented to City personnel and the City consultant for review and recommendation. Requests approved by City personnel will then be presented to City Council for final approval.