

MARSHALL'S Enterprise Zones

Would the following potential benefits be of benefit to your business?

- State sales and use tax refunds
- State franchise tax reductions
- City of Marshall Tax Abatements
- MEDCO added incentives

Then, what are Marshall's Enterprise Zones?

The Marshall city Commission would like to obtain new investment in the areas within the City that are distressed. These areas (map attached) have been designated as "Enterprise Zones." A distressed area has a number of residents who are economically disadvantaged.

To participate, a business needs to be qualified. What does this mean?

A qualified business is one that meets the following criteria:

1. Is engaged in or has been provided substantial commitment to initiate the active conduct of a trade or business in any of the Marshall Enterprise Zones;
2. At least 25% of the business's new employees in the zone are residents of any Marshall Enterprise zone or are economically disadvantaged individuals (see definition below); and
3. A franchise or subsidiary of a new or existing business may be certified by the City of Marshall as a qualified business if the franchise or subsidiary is located entirely in any Marshall Enterprise Zones and maintains separate books and records of the business activity conducted in the zone.

Economically Disadvantaged Individuals:

An individual who:

1. Was unemployed for at least three months before obtaining employment with a qualified business; or
2. Receives public assistance benefits, such as welfare or food stamp payments, or a member of an employee's immediate family receiving Supplemental Security Income or Aid to Families with Dependent Children payments (Food Stamps must be received by the employee only, not a member of the employee's immediate family); or
3. Has a physical or mental disability (a disability, which constitutes or results in a substantial barrier to employment and can reasonably be expected to benefit in terms of employability from vocational rehabilitation services. NOTE: Individuals should be certified by an authorizing agency or doctor); or
4. Is homeless (lacks a fixed or regular night time residence or whose residence is a supervised public private shelter providing temporary living accommodations); or
5. Is a foster child (an individual on behalf of whom state and local government payments are made and for whom a court order removing the child from the custody of the parent and specifying a manager conservator exists) or

6. Is on parole or entering the workplace after being confined in a unit of correctional facility of the Institution Division of the Texas Department of Criminal Justice or the Texas Youth Commission; or
7. Is an individual whose total family income meets the low income or moderate income limits developed under Section 8, United States Housing Act of 1937 for Harrison County. Includes all income by employee, spouse, all dependents, and family members living with employee as of the employment date. (Income limits are attached for reference as attachment B).

A business must be located in one of the zones and 25% of the business employees must be residents of any of the zones or economically disadvantaged.

What else is Necessary?

To be considered for tax abatement, the business must meet the minimum criteria of the City Commission Tax Abatement Policy. These criteria investment, number of jobs, and wages/benefits. A copy of the policy is included as Attachment C.

Now, let's talk about process.

How and who administers the Enterprise Zone Program? The decision to nominate a business to the Texas Economic Development Department is made by the City Commission. The process begins by a business making application to the Marshall Economic Development Corporation – MEDCO. An application is included as Attachment D.

MEDCO office is located at 2660 East end Blvd., S. in front of the TSTC Campus and their office hours are 8 a.m. – 5 p.m. daily, closed on weekends and holidays. The phone number is 903-934-8035. The e-mail address is: info@medco.org

The MEDCO staff will provide the necessary applications and review the project to determine if it meets the requirements of the City ordinances and State Law. (The Tax Abatement Policy has additional requirements that include other taxing districts and a special City Commission committee). When a project meets the requirements and is recommended to the City Commission by the MEDCO Board of Directors, the City has the option to nominate the project to the Texas Department of Economic Development. With the state's approval, the business will be eligible for the benefits.

What are the state benefits?

The State Sales and Use Taxes paid on machinery and equipment, building materials, labor for the rehabilitation of existing buildings, and electricity/natural gas purchased for use in the Marshall Enterprise Zones are eligible for refund. The refund is based on \$5,000 for each permanent job created or retained during the five-year designation period. The number of jobs for which a refund may be received is based on commitments made in the project application. Each project is limited to a maximum refund of \$1.25 million over the five-year life of the project and a maximum of \$250,000 per year for the five-year period.

The process involved for the State Sales and Use Tax refund has two requirements:

1. Certification of jobs created and/or retained by the Texas Department of Economic Development.
2. Certification of sales and use tax paid on qualifying items by the Comptroller of the Public Accounts.

The Franchise Tax Reduction is taken on its annual report filing for each year of the five-year designation. The reduction is based on the amount of capital investment made by the project in the Marshall Enterprise Zone. The state's franchise tax is computed on of two ways and the benefits are based on the method of computation. The project's apportioned taxable capital may be reduced by 50% of the capital investment made in the Marshall Enterprise Zone. The business must pay the highest liability.

There are a number of local incentives that really add value to the Zone project. What are these potential incentives?

Remember the purpose of the Enterprise zone program is to encourage investment in the zones – distressed areas of the City and local incentives are very important to the overall project.

Tax Abatement: The City of Marshall Tax Abatement Policy is included as Attachment C. While the City is not required to provide tax abatements for a project, they may consider them. Each project is independent and decided on its merits. While a tax abatement may be granted for manufacturing, warehousing, and distribution, it can also be granted for commercial and retail in an Enterprise Zone.

Commercial and retail can apply if they meet the minimum number of 50 new employees and a \$1000,000 capital investment. The current tax abatement policy allows up to an additional 20% tax abatement for manufacturing, warehousing, and distribution.

Waiver of Development Fees

Planning and Zoning: Preliminary and final plat fees, site plan review, zoning ordinance, zoning verification letter and specific use permit applications.

Building and Inspections: Inspection fees

Engineering: Driveway permits

Utilities: Water and Waste Water hook-up fees and permits

MEDC): Application fees

Additional Incentives

- Fast-track permitting from the City
- One-stop permitting from the City

- Job training grants from MEDCO
- Assistance in hiring and screening employees from the Texas Workforce Center
- Training assistance from Texas State Technical School
- Assistance from MEDCO in locating sites and buildings
- Economic and demographic data from MEDCO
- Workforce data from MEDCO

Summary

The Marshall Mayor and City Commission, city Staff, the Texas Department of Economic development and the Marshall Economic Development Corporation are working together to encourage new investment in Marshall. This new investment will create new job opportunities for the residents of the Marshall Enterprise Zones. It will also create opportunities for residents of the City who do not live in the zone, but who are economically disadvantaged. The City and its partners have outlined major opportunities for business to invest in the Enterprise Zones.

Attachments

A- Map: Enterprise Zones

B- Income limits for Harrison County

C- Tax Abatement Policy

D- Application

TEXAS ENTERPRIZE ZONE PROGRAM

OVERVIEW

The purpose of the Texas Enterprise Zone Program is to encourage job creation and capital investment in areas of economic distress. The program provides communities with an economic development tool to offer state and local incentives and program priority to new or expanding business in these designated areas.

Texas Economic Development (TxED) administers and coordinates local, state and federal efforts. TxED provides community and business assistance, approves applications and evaluates and reports the program's effectiveness to the Legislature.

RESOURCES:

[List of Enterprise Zones\(pdf format\)](#)

[List of Enterprise Projects\(pdf format\)](#)

[Map](#)

[2002-HUD Section 8 Income Limits by Texas Counties](#) Appendix ([word](#)) ([pdf](#))

Qualified Business Re-Certification:

FY 2001 ([word](#), [pdf](#))

FY 2002 ([word](#), [pdf](#))

FY 2003 ([word](#), [pdf](#))

APPLICATIONS:

Zone Application

Guidelines Word 6.0 ([word](#)) ([pdf](#))

Application Word 6.0 ([word](#)) ([pdf](#))

Project Application

Guidelines Word 6.0 [\(word\)](#) [\(pdf\)](#)

Application Word 6.0 [\(word\)](#) [\(pdf\)](#)

Job Certification Application

Guidelines Word 6.0 [\(word\)](#) [\(pdf\)](#)

Application Word 6.0 [\(word\)](#) [\(pdf\)](#)

ANNUAL REPORT:

[Annual Report 2002](#)

[Annual Report 2001](#)

[Annual Report 2000](#)

Federal Empowerment Zone/Enterprise Community
and Renewal Community Initiatives Linked Websites

U. S. Department of Health and Human Services

[RC/EZ/EC Initiative](#)

H. U. D.

[RC/EZ/EC Initiative](#)

U. S. D. A.

[EZ/EC Initiative](#)

CONTACT US:

Texas Economic Development

P.O. Box 12728

Austin, TX 78711

512-936-0274 (VOICE)

512-936-0520 (FAX)

512-936-0555 (TDD)

800-735-2989 (RELAY TEXAS)

E-Mail: finance@TxED.state.tx.us

Internet: <http://www.TxED.state.tx.us>