



Local Government Economic Development Toolkit

Partners

- [Development District of Central Texas \(DDCT\)](#): Covers a seven-county region (Bell, Coryell, Milam, Hamilton, Mills, Lampasas and San Saba counties) and coordinates regional economic development efforts. The DDCT board guides the creation and implementation of a five-year [Comprehensive Economic Development Strategy \(CEDS\)](#) which includes projects that address broadband access, tourism, workforce development, infrastructure improvements, emergency planning, industry attraction, and more. DDCT staff assist communities throughout our region in identifying, applying for, and administering grants and other financial assistance. The DDCT manages and tracks funding opportunities, distributes resources and legislative updates through newsletters, and maintains pertinent industry, occupation, and economic asset data for the region and each of our 32 cities-including a [Community Profiles document](#). We also run summits, classes, and other programs that provide valuable information and resources for effective economic development! For more information, contact Uryan Nelson, DDCT Director, uryan.nelson@ctcog.org.
- [Workforce Solutions of Central Texas \(WSCTX\)](#): Covers the same region as DDCT. Hosts regional job fairs and offers services such as employee skills training and recruitment, unemployment services, connecting local workforces with suitable jobs, training and education, youth CTE programs, and vocational rehabilitation.
- [Discover Central Texas](#): A regional tourism marketing effort created by DDCT to highlight the events, destinations, and attractions across our seven counties to bolster tourism and consequently lodging and sales tax revenue. Cities can select a representative (who can also be from a local chamber or EDC) who can have access to this site's backend to upload events, businesses, attractions, and recreational activities happening in their community. DDCT staff will then highlight these listings throughout each month depending on a theme (e.g. outdoors, Texas culture, New Year New You, etc.). If you would like to participate in this effort, contact Sam Agha, Regional Planner, and sam.agha@ctcog.org.
- [Grand Central Texas](#): A partnership between Belton EDC, Cameron Industrial Foundation, Copperas Cove EDC, Harker Heights Chamber of Commerce, Greater Killeen Chamber of Commerce, Lampasas EDC, the McGregor Chamber of Commerce, Temple EDC, and Greater Waco Chamber of Commerce to promote



business development and attraction in their area. This partnership assists with site identification for new businesses, business cost estimates, economic and workforce overviews, demographic data, and obtaining incentive packages for new investments. For more information, contact Ginger Watkins, Director, Cameron Industrial Foundation at gwatkins@cameronindustrialfoundation.com or 254-697-4970.

- Small Business Development Centers (SBDC): The federal Small Business Administration (SBA) established the SBDC program in 1979, and is funded by the SBA, states, and host organizations. SBDCs assist small businesses with business advising, training workshops, identifying financing opportunities, marketing and advertising, business plan development, strategies for growth, and regulation and compliance with local, state and federal laws. The SBDCs covering our region are the [McLennan SBDC](#) (serves Bell and Coryell counties), [Brazos Valley SBDC](#) (serves Milam County), [Texas State SBDC](#) (serves Lampasas and San Saba Counties), and [Tarleton State University SBDC](#) (serves Hamilton and Mills Counties).
- [Texas Veterans Commission Veteran Entrepreneur Program](#) (VEP): The VEP was established in 2013 and connects veteran entrepreneurs across the state with resources such as veteran verification letters, veteran owned business logos, 3rd party lenders, business plans, marketing research, and government contracts. For more information, contact Greg Shigemasa, Business Consultant, Texas Veterans Commission VEP at greg.shigemasa@tvc.texas.gov.
- [Service Corps of Retired Executives Austin](#) (SCORE): This organization can partner with experienced entrepreneurs and former executives across industries to mentor small businesses. SCORE also offers tips and tools for finance, marketing, business planning, funding, ecommerce, technology, and management and operations. The Austin chapter services the region from Austin to Waco.
- [Fort Cavazos](#): With total direct and indirect employment around 173,000, a \$23 million impact on GDP for the state, and around 1/3 of soldiers transitioning out of the base each year remaining in our region, the Fort is a major impetus for economic growth and should be a partner in any effort to retain veteran talent.
- [Hill Country Transit District](#) (HCTD): Regional public transportation district offering urban and rural service in Bell, Milam, Coryell, and Lampasas counties. HCTD operates microtransit zones in Killeen, Temple, Belton, Harker Heights, and Copperas Cove, which allow residents within those zones to reserve on demand



rideshare service in HOP vans to any other destination within the zone. These microtransit zones are connected by a regional commuter route that passes through all five cities. Additionally, HCTD is looking to partner with employers to form Transportation Management Associations (TMAs) which can provide employer subsidized transit for employees who need to commute to work. To contact HCTD, reach out to Raymond Suarez, General Manager, at rsuarez@takethehop.com or (254) 933-3700 Ext. 2005.



Tools

- [The Texas Enterprise Zone Program](#) (EZP) is a state sales and use tax refund program designed to encourage private investment and job creation in economically distressed areas of the state. Texas communities must nominate companies in their jurisdiction to receive an Enterprise Zone designation and thus be eligible to receive state sales and use tax refunds on qualified expenditures by submitting an application on the company's behalf. Companies must meet minimum capital investment thresholds and create and/or retain jobs that employ a certain percentage of economically disadvantaged individuals, enterprise zone residents, or veterans. The cities of Belton, Buckholts, Cameron, Copperas Cove, Gatesville, Goldthwaite, Harker Heights, Hico, Killeen, Lampasas, Lometa, Milano, Rockdale, San Saba, and Temple have census tracts designated as Enterprise Zones.
- [The Qualified Opportunity Zone Program](#) was created by the 2017 Tax Cuts and Jobs Act and is administered by the Department of Treasury. Opportunity Zones are designated census tracts that meet eligibility criteria through chronic unemployment, low population density, and economic disruptors. On March 22, 2018, Governor Greg Abbott nominated 628 census tracts in 145 Texas counties as potential Opportunity Zones across the state's 5,265 census tracts. Opportunity Zones incentivize investments by allowing for deferment of capital gains tax on prior gains until Dec.31, 2026 if gains are reinvested into a Qualified Opportunity Zone Fund (QOF) within 180 days. Investors in QOFs can defer on capital gains taxes as well as see a 10-15% step up in tax basis depending on how long the investment is held. After ten years the gains in the investment are tax-free. QOFs can invest in projects ranging from multifamily residential and affordable housing to community revitalization and commercial real estate. The cities of Killeen, Temple, Belton, Harker Heights, Gatesville, Cameron, and San Saba have designated Opportunity Zones.



- [Economic Development Corporations](#) (EDCs): If your community does not currently have an EDC, it is a great tool to develop industry, finance business enterprises, and bring in capital investment. An EDC is a 501(c)(3) non-profit entity which is created by cities to promote the creation of new or expanded industry and manufacturing operations within or near the city. Cities can levy a 1/8 to 1/2 cent sales tax (approved by voters) to fund three types of EDCs:
 - Type A: Focused on industrial development by funding infrastructure improvements, land, buildings, equipment, manufacturing and industrial facilities, job training, career centers, etc. Can only be created by cities in a county with less than 500,000 people if the imposed tax would not push the combined local sales tax rate past 2%.
 - Type B: Eligible Type A expenses as well as quality of life projects such as sports and recreation facilities, public parks, entertainment facilities, affordable housing, parking, transportation facilities, and street/roads/drainage improvements. All cities are able to form this EDC if the imposed tax does not push the combined local sales tax rate past 2%.
 - [Municipal Development District](#) (MDD): Can be created to cover all or part of a city as well as its extraterritorial jurisdiction. Manages a development project fund from sales tax revenue (can be 1/8, 1/4, 3/8, or 1/2 cent tax) which funds development projects including acquiring, selling, leasing, disposing of interest in, constructing, renovating, or developing properties for industrial use, as well as issue bonds, construct convention or civic centers, parking, and tourism related facilities.
- [County Assistance Districts](#): Under the Texas Local Government Code Chapter 387, all counties are eligible to create County Assistance District/s which use sales tax revenue for promotion of economic development and tourism, construction, maintenance, or improvement of roads and highways, maintenance or improvement of libraries, museums, and recreational facilities. A county's commissioner's court must call an election to authorize district creation and impose an additional sales tax ranging from 0.125% to 2% in 0.125% increments.
- [Chambers of Commerce](#): Chambers are 501(c)(6) organizations dedicated to engaging, promoting, and assisting local businesses. Chambers can engage in a variety of activities, from ribbon cuttings to tourism events to networking to business databases, business training, and industry attraction.



- **Property Tax Abatements:** This is an incentive that can be structured in a variety of ways to exempt all or a portion of the increase in value on commercial property from taxes over a period of up to ten years. This serves to attract investment in a community by reducing a company's tax burden if they develop a property for commercial or industrial use, and can serve as a mechanism for retaining existing businesses in an area with rising property values. Examples include:
 - A 100% property tax abatement on the non-school district portion of property tax in Killeen.
 - Industrial and business parks throughout Central Texas that offer partial or full property tax abatements to new businesses, generally for manufacturing, technology, or other targeted industries that will invest in the park.
 - Lampasas County offering property and business personal property (equipment, fixtures, and inventory used to produce income) tax abatements.
 - The city of Goldthwaite having no property tax at all and instead utilizing a ½ cent sales tax for economic development.
 - Temple offering refunds, rebates, and abatements for taxes on equipment, machinery, electricity, and natural gas for certain companies and purchases.
 - Copperas Cove offering tax abatements to new businesses depending on job creation and capital investment.

As of January 1, 2024, Texas has approved a new Local Government Code [Chapter 403 tax abatement](#) which allows companies to abate 50% (75% if in an Opportunity Zone) of their property value from school property taxes in abatement agreements for up to 10 years after construction completion if the company is constructing or expanding a manufacturing facility, an electrical generation operation, and critical infrastructure, developing natural resources, and conducting research and development. Companies must create a minimum number of jobs and capital investment depending on the county population. For more information on the tax abatement process, visit the state Comptroller's Office [here](#).

- **[Tax Increment Financing](#) (TIF):** The Texas Tax Code Chapter 311 allows for local governments to establish Tax Increment Reinvestment Zones (TIRZ) to fund projects that build public infrastructure to bring in business investment, develop properties, and/or reimbursing private development for certain public improvements. Projects are funded by increased tax revenue incurred as a result of property values increasing in the zone; this increase in tax revenue from the base value when the zone is established is called the "increment." Local



governments determine what portion of the increment will be used to repay financed improvements. Counties can designate a TIRZ in a contiguous area while cities can designate one in a contiguous or non-contiguous area as well as its extraterritorial jurisdiction. TRZs operate for a limited time period, after which the tax revenue from the increased property values goes to the taxing entities.

- Loan, Grant, and Other Financial Assistance Programs: [Chapters 380 and 381](#) of the Local Government Code allow local governments to offer loan and grant incentives to promote economic development and encourage private investment. Additionally, there are various other financial incentives local governments can utilize. Examples in our region include:
 - Temple: offers refunds and rebates, loans, and infill incentives for certain businesses moving into the community
 - Copperas Cove, which offers land grants through its Business and Professional Park or its EDC's Narrows Business and Technology Park, cash incentives, infrastructure improvements, and waivers for development fees and permitting.
 - Hico's EDC offering low or no interest loans and grants as well as tailored incentive packages for new businesses.
 - Goldthwaite utilizing a ½ cent economic development sales tax for business attraction incentives, infrastructure improvements, and industrial site development.
 - Rockdale MDD assisting with land acquisition, construction, and grant funding for projects as well as the city of Rockdale offering negotiated permit fees.
 - Lampasas offering incentives such as free land, development grants, waivers of all city fees, public infrastructure to relating to a project, training and education, and reduced rates on water, sewer, and solid waste in certain cases.
 - Nolanville EDC's Business Improvement Grant Program for properties, facades, signage, utilities, and entrepreneurship.
 - Killeen's property tax reimbursements in lieu of abatements and its EDC's job creation payments, reduced cost or free land in the Killeen Business Park, employment assistance, and 5-10 year build-to-suit lease agreements (EDC develops a property to a particular business's needs and in exchange the business leases it for a period of time).



Funding

- There are a wide variety of federal and state grants, loans, and other forms of financial assistance for all aspects of economic development, including:
 - Water/sewer/utility access
 - Infrastructure
 - Workforce Development
 - Broadband
 - Business Development
 - Transportation
 - Parks and Recreation
 - Housing
 - Community Revitalization

To view available funding programs, visit the DDCT Funding Opportunities page [here](#)!