THE CITY OF Anna EDC

THE CITY OF Anna CDC

GROUNDBREAKING POSSIBILITIES

ECONOMIC DEVELOPMENT INCENTIVE POLICY

The City of Anna, Texas, (City), in partnership with the Anna Community Development Corporation (CDC) and the Anna Economic Development Corporation (EDC), is committed to the promotion and retention of high quality development that increases economic diversity and sustainability, creates jobs, and provides value to the community. The CDC and EDC considers incentives based on the merit of each project and in accordance with the criteria outlined in this document, the City of Anna Strategic Plan, and the City of Anna Economic Development Strategic Plan. All recipients that are awarded incentives must meet or exceed the criteria and performance standards outlined below and enter into a performance agreement with the City, CDC, and/or EDC. Nothing in this policy shall imply or suggest that the City, CDC, or EDC are under any obligation to provide an incentive to any applicant. All applications are considered on a case-by-case basis.

CITY OF ANNA CDC / EDC STRATEGIC PLAN GOALS:

- Continue to build the organizational infrastructure to support a successful economic development program that achieves local, state, and national recognition
- Strengthen the City's commercial and employment base by focusing on catalyst areas and other opportunity areas
- Continue to foster relationships with businesses, partners, and allies
- Create and promote a positive identity that differentiates Anna from surrounding communities using an integrated marketing/communications strategy
- Transform Downtown Anna into a vibrant district
- Improve the aesthetics and appearance of the community through public and private investment
- Increase retail, restaurant, and entertainment options in Anna

FEBRUARY 2026

ANNA ECONOMIC DEVELOPMENT VISION

Anna is creating a balanced and sustainable tax base that invites high quality jobs, facilitates excellent quality of life with well-maintained and first-rate infrastructure, and offers a wide range of housing and public facilities that builds community identity and engages neighbors in meaningful ways.

ECONOMIC DEVELOPMENT CORPORATION (EDC) & COMMUNITY DEVELOPMENT CORPORATION (CDC)

The City has both a Type A and Type B Economic and Community Development Corporation as set up by the Texas Development Corporation Act of 1979. The Type A sales tax is primarily intended for manufacturing and industrial development. EDCs may use Type A revenues to fund land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements for projects and job creation. The Type B sales tax may be used for any project eligible under Type A rules and several other project types, including quality of life improvements.

PROJECT CRITERIA:

Eligible projects must provide a return on investment (ROI) and benefit for public funds provided. ROI may be determined through an analysis of:

- Total capital investment and resulting taxable value generating annual increases of property tax revenue
- The number and type of jobs to be created
- Estimated ability to generate direct and/or indirect sales tax revenue
- Estimated ability to generate future overnight stays that result in future direct hotel occupancy fund revenue and indirect revenue associated with visitors

Recommendations for incentives are based on the evaluation of the following:

FISCAL IMPACT

1. What is the estimated total value of capital investment for buildings, other real property improvements and furniture, fixtures, and equipment?
2. What is the total projected annual operating budget of the facility?
3. What is the value of real and business personal property that will be added to the tax rolls?
4. How much direct sales tax will be generated?
5. How much infrastructure construction be required?
6. What is the estimated return on public investment?

EMPLOYMENT IMPACT

1. How many permanent jobs will be brought to Anna?
2. How many jobs will be retained?
3. What types of jobs will be created?
4. What will the total annual payroll be?
5. What is the average annual salary of jobs created and/or retained?

COMMUNITY IMPACT

1. How compatible is the project with the City's Comprehensive Plan and Economic Development Strategic Plan goals?
2. How does the project support quality of life benefits such as preservation of open space and development enhancements?
3. What effect would the project have on the local housing market?
4. What environmental impact, if any, will be created by the project?
5. What effect would the project have on other taxing entities?

TARGETED PRIORITIES:

The EDC / CDC may consider providing incentives for projects that further the City's strategic plans.

JOB CREATION

The EDC / CDC may consider an incentive for the creation and maintenance of jobs by offering a grant payment for companies that create or relocate a minimum of 25 full-time jobs within the City. The company must maintain the number of jobs created and/or relocated for at least a 5-year period to receive the total grant payment. Each job eligible for grant payment must pay at least 100% of the average annual wage for Collin County, as determined by the United States Dept. of Labor, Bureau of Labor Statistics.

DOWNTOWN

The EDC / CDC may consider incentives for projects within or immediately surrounding the City's downtown that advance the goals of the Downtown Master Plan. Incentives may include grants or reimbursement for improvements to new or existing buildings, pedestrian corridors, façades, murals or public art, iconic signage and/or lighting.

SPECIALTY RETAIL, RESTAURANT, & ENTERTAINMENT

The EDC / CDC may consider providing incentives to "destination" retailers or restaurants that have the capability to attract customers from outside the area, serve as a catalyst for other development in the area, and/or provide new and different shopping, dining, or entertainment experiences. Provided that they are at least 60% sales tax producing.

OFFICE

The EDC / CDC may consider providing incentives for corporate headquarters and/or regional offices as well as multi-tenant offices for professional services (accountants, engineers, architects, medical, information technology, lawyers, advertising and media, management consulting, financial, insurance, wealth management, actuary, etc.).

MEDICAL / HEALTHCARE

The EDC / CDC may consider providing incentives to provide additional medical and healthcare related businesses to support the existing and better serve current and future neighbors.

INDUSTRIAL / MANUFACTURING / DISTRIBUTION / DATA CENTERS

The EDC / CDC may consider providing incentives to support distribution and logistics operations that strengthen the supply chain of existing primary employers and better serve current and future neighbors, as well as advanced and light manufacturing projects, including corporate headquarters and regional service locations, and data center projects that support current and future businesses.

LIST OF AVAILABLE INCENTIVES:

The following may be offered by the City, CDC, and/or EDC for economic development projects that meet eligibility criteria. Not all tools are available for each project and any incentive is at the discretion of the Anna City Council and/or CDC and EDC Board. Investment from the City does not preclude other state, county or local incentives.

CHAPTER 380 AGREEMENTS

Authorized under Chapter 380 of the Texas Local Government Code, this agreement between the taxpayer and taxing entity offers a variety of fee-based or tax-based incentives, including grants, loans, or rebates to promote local economic development and stimulate business and commercial activity.

FEE REDUCTIONS / CREDITS

The City may consider decreasing or crediting certain development fees on eligible projects.

TRIPLE FREEPORT TAX EXEMPTION

The City, Anna Independent School District, and Collin County all allow freeport exemption on certain types of tangible personal property (i.e. inventory, etc.) from ad valorem property taxation provided the property is:

1. Acquired in or imported into Texas to be forwarded out of the state.
2. Detained in Texas for assembling, storing, manufacturing, processing, or fabricating purposes by the entity acquiring or importing it.
3. Transported out of state within 175 days after the date acquired or imported it into Texas.
4. Applications for freeport exemptions must be filed with the Collin County Appraisal District.

INFRASTRUCTURE ASSISTANCE

The City may facilitate development through enhancement of water, sewer, and/or roadway infrastructure relevant to sites selected for significant projects as needed.

MODIFICATION OF DEVELOPMENT REGULATIONS / STANDARDS

The City may provide provisions for modifying development standards or regulations for unique developments that support major new tax benefits for the City or incorporates construction or design features that far exceed the City's regulations.

PROPERTY TAX REBATES / ABATEMENTS

Authorized by Chapter 312 of the Texas Property Tax Code, the City may exempt all or a portion of the increase in the value of real and/or business personal property from taxation. A cost benefit analysis will be performed to determine the feasibility of the project as well as the percentage and terms of abatement. All abatements are subject to final approval of the City Council.

PUBLIC IMPROVEMENT DISTRICTS (PID)

Authorized by Chapter 372 of the Texas Local Government Code, the City may choose to finance the cost of qualified improvements within a defined area. Applications for a PID must be made separately from other incentives. Please refer to the City of Anna Public Improvement District Policy.

TAX INCREMENT REINVESTMENT ZONE (TIRZ)

Authorized by Chapter 311 of the Texas Tax Code, the City may use tax increment financing to enter into economic development and infrastructure reimbursement agreements to pay for improvements. The TIRZ, whether City-initiated or petitioned by the property owners, sets up a geographic boundary that can be used develop raw land and proactively address decline or deterioration. Note: The creation of a TIRZ may specify how tax revenue is allocated or spent but does not in any way impact the tax rate as TIRZs have no taxing or assessment powers.

STATEMENT ON TAX ABATEMENT:

The Property Development and Tax Abatement Act, Chapter 312, Texas Tax Code, allows the City to establish its own criteria for tax abatements. Tax abatements may be offered in two categories: 1) real property and/or 2) business personal property.

Real property abatements will be offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement will apply to the assessed value of improvements made.

Business personal property abatements will be offerred to applications that pursue the purchase or long-term lease of existing facilities. The abatement will apply to the assessed value of new personal property brought into the taxing jurisdiction. Assessed value shall mean the taxable value of real property improvements and business personal property as determined by the county appraisal district in which the property is located.

VALUE OF INCENTIVES:

The subject criteria outlined herein will be used in determining whether it is in the best interest of the City, CDC and EDC to provide incentives. Specific considerations include how the individual project furthers the goals and objectives of the community and the impact of the project. The public benefit or amount of revenue realized by the City and attributable to the project must equal or exceed the value of any incentives granted under the application.

ELIGIBLE ACTIVITIES:

Incentive funds may be used for one or more of the following to assist development or redevelopment:

- Capital investment related to real property construction and acquisition
- Improvements to an existing building
- Infrastructure
- Site enhancements such as upgraded aesthetics or amenities
- Other purposes which bring value to the community as determined by the Anna City Council, EDC and CDC

EXCLUSIONARY FACTORS:

While a project may meet all minimum project qualifications, it will not be considered for public investment if any of the following factors apply:

- The project would, for any reason, result in a net reduction of the ad valorem tax valuation of facilities in the City owned by the company, or its parent, subsidiary or affiliated companies
- The company is not in good legal or financial standing with the State of Texas (or other state if not formed in Texas), Collin County, or City
- The company is not registered to do business in Texas as evidenced by the records of the Texas Secretary of State
- The financial condition of the company is such that the ability of the company to meet its obligations is uncertain

PUBLIC INFORMATION:

While Section 522.131 of the Texas Government Code (Public Information Act) makes information related to economic development negotiations between the City and business prospect confidential, any information provided by an applicant may be subject to release to the public pursuant to the Act.

It is the responsibility of the applicant to clearly identify proprietary or confidential information it wishes to protect from release. According to Section 312.003 of the Texas Tax Code, part of an application that describes the specific process or business activities to be conducted or equipment or other property is not subject to public disclosure until the incentive agreement is executed.

The City will make reasonable attempts to notify the applicant if a request is made for information that is indicated as confidential so that the applicant may assert its rights to be withheld from release to the Texas Attorney General.

APPLICATION:

The first step for any applicant is to submit an application and include information detailing the criteria outlined above. For the application to be complete, the applicant shall prepare a map or other documents that show the precise location of the property. The map or other documents should show the existing uses and conditions of real property, proposed improvements and uses, and proposed zoning changes if applicable. Additional documentation should also show compatibility with the City of Anna 2050 Comprehensive Plan and/or City of Anna Downtown Master Plan, applicable building codes and City ordinances. An application for financial or other incentives shall not be considered an application for a permit under Chapter 245 of the Texas Local Government Code. A Business Plan addressing all criteria questions should accompany the application and the map.

Applications and supporting documents are submitted to the EDC Director.

APPLICATION REVIEW PROCEDURAL GUIDELINES:

- All information in the application package will be reviewed for completeness and accuracy.
- The City, EDC and CDC will not enter into an incentive agreement with any business entity unless, in accordance with Section 2252.908 of the Texas Government Code and rules adopted by the Texas Ethics Commission, a disclosure of interested parties is submitted. (Referenced: Form 1295) https://www.ethics.state.tx.us/filinginfo/1295/
- The disclosure form is required to be executed before a notary and submitted before any incentives will be approved.
- The City's Economic Development Department will review the application with the City Manager and appropriate City departments for internal review and comments. Additional information may be requested as needed.
- The Board of Directors for the Anna Community Development Corporation (CDC) and Anna Economic Development Corporation (EDC) may serve as an advisory body which make recommendations to the City Council regarding whether economic development incentives should be offered in each individual case. The CDC and/or EDC Board may also provide incentives using CDC/EDC funds when appropriate. All meetings of the CDC/EDC Board shall be held in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Additional information may be requested as needed.
- The CDC / EDC Board may consider adoption of a resolution approving the terms and conditions of a contract between the CDC / EDC and the applicant.
- If the City Council decides to grant a tax abatement, it shall call a public hearing to consider establishment of a tax reinvestment zone in accordance with Section 312.201 of the Tax Code. This does not preclude the City from entering into a Chapter 380 agreement that may have incentives similar to those derived by tax abatement.
- The City Council may consider adoption of an ordinance or resolution approving the terms and conditions of a contract between the City and the applicant governing the provision of the tax abatement or incentive and the commitments of the applicant, including all terms required by Section 312.205 of the Tax Code and other terms and conditions as the City Council may require.

- The City reserves the authority to enter into tax abatement agreements at differing percentages and/or terms, consistent with the requirements of the Texas Tax Code. The City also reserves the authority to enter into incentive agreements under Chapter 380 of the Texas Local Government Code.

- Those receiving incentives will be required to enter into a performance agreement including requirements for job creation/expansion and infrastructure/facility/capital expenditures. Projects that do not meet performance measures are subject to recapture of all or a portion of the incentive value.