

RESOLUTION NUMBER _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALHART, TEXAS, APPROVING AND ADOPTING THE LOCAL GOVERNMENT CODE, CHAPTER 380, ECONOMIC DEVELOPMENT AND BUSINESS STIMULUS PROGRAM.

WHEREAS, The Texas Legislature in Chapter 380 of the Texas Local Government Code authorizes the governing body of a municipality to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the Dalhart City Council finds it is in the best interest of the City to adopt a program under Chapter 380 of the Local Government Code

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALHART, TEXAS:

SECTION ONE. That the City of Dalhart Chapter 380 Economic Development and Business Stimulus Program Policy, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, be and is hereby adopted.

SECTION TWO. That the City Secretary or designee be and is hereby directed to keep a copy of the Chapter 380 Economic Development and Business Stimulus Program Policy on file at all time.

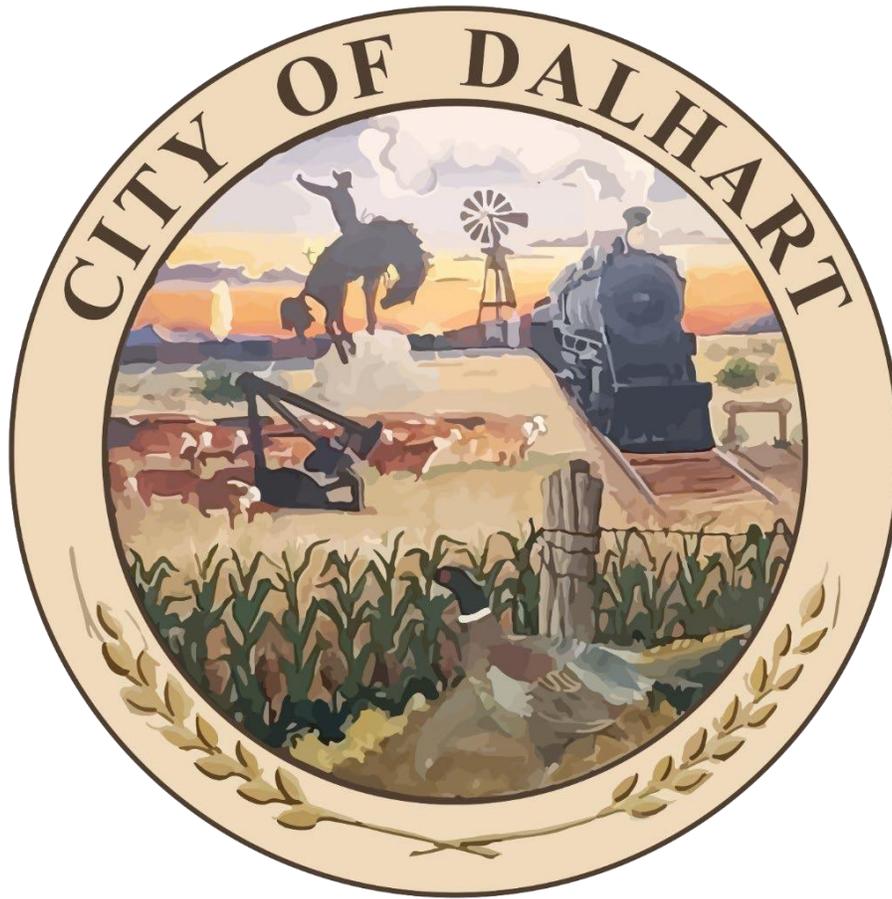
PASSED AND APPROVED ON THIS _____ DAY OF _____ 2026.

James Stroud, Mayor

ATTEST:

Wendy Austin, City Secretary

EXHIBIT "A"



CITY OF DALHART

LOCAL GOVERNMENT CODE, CHAPTER 380 ECONOMIC DEVELOPMENT AND
BUSINESS STIMULUS PROGRAM POLICY

**Public-Private Partnership Framework & Program Development Guidelines to
Support Sustainable Growth, Strengthen the Regional Economy, and Expand
opportunity in the City of Dalhart through Strategic Investment**

Introduction

Why Economic Development Matters for Dalhart

A strong economic development strategy is essential for rural and regional communities like Dalhart. Dalhart's unique position at the crossroads of agriculture, manufacturing, transportation, and energy gives the community an opportunity to foster:

- Job creation and workforce retention
- Expansion of value-added agriculture and agribusiness
- Growth in light manufacturing and logistics
- Support for local small businesses
- Increased local tax base (Sales and Ad Valorum)
- Long-term community stability and prosperity

Purposeful economic development allows Dalhart to respond to shifting market conditions, create a resilient local economy, and attract private investment that benefits local residents.

This policy provides the guiding principles, processes, and criteria the City of Dalhart will use when considering Chapter 380 agreements.

The Purpose of Dalhart's Chapter 380 Policy

The City of Dalhart desires to promote economic development, including the retention and expansion of existing business, within the City or its extraterritorial jurisdiction. To facilitate such economic development, the City establishes the City of Dalhart Chapter 380 Economic Development and Business Stimulus Program (the "Program").

The purpose of the Program is to stimulate the City's economy and bring resources into the City, such as new employment opportunities and increased tax revenue. The City will evaluate opportunities to provide economic incentives to businesses and individuals to relocate, retain and expand business development within the City or its extraterritorial jurisdiction. After presentation by City staff and evaluation of a project, the City Council will make the final decision on whether to offer economic incentives to an individual or business that applied for incentives through the Program.

Under Chapter 380 of the Texas Local Government Code, cities may provide grants, loans, and incentives to promote economic development. The City of Dalhart intends to use Chapter 380 tools to:

- Encourage business growth and expansion
- Support local job creation and workforce development



- Promote value-added agriculture, manufacturing, and logistics
- Strengthen small businesses
- Stimulate downtown revitalization
- Increase housing and commercial opportunities
- Improve community services and amenities

This policy provides a consistent and transparent framework for evaluating all incentive requests.

Economic Development Values for Dalhart

When entering into an economic development partnership, the Parties may contribute:

City of Dalhart May Contribute:

1. Facilitation and project coordination
2. Local tax reimbursements based on performance
3. Fee waivers when allowable
4. Support for workforce development partnerships
5. Business retention and expansion assistance
6. Land use coordination and development support
7. In limited circumstances, infrastructure support (water, sewer, roadway improvements, as applicable)

Private Partners May Contribute:

1. Capital investment in Dalhart
2. Local job creation and workforce training
3. Long-term commitments to operate locally
4. Community benefits (e.g., placemaking, public improvements)
5. Expansion of the tax base
6. Local hiring and equitable employment practices
7. Supporting local vendors and small businesses
8. Infrastructure support (water, sewer, roadway improvements, as applicable)

Dalhart does not expect every project to meet every value listed above. Instead, each program and project will be selected based on alignment with specific community goals.



Program Creation and Strategic Priorities

Dalhart's 380 programs will be designed around these local priority areas:

1. Job Creation & Workforce Development

Supporting projects that create new permanent jobs or retain existing ones.

2. Agribusiness & Value-Added Agriculture

Encouraging food processing, animal health, commodity conversion, and related industries.

3. Manufacturing, Freight, and Logistics

Leveraging Dalhart's rail, highway, and regional position.

4. Small Business & Entrepreneurship

Providing support to local businesses that form the backbone of Dalhart's economy.

5. Housing Development

Encouraging workforce and attainable housing solutions.

6. Downtown Development & Community Revitalization

Supporting investment that strengthens Dalhart's commercial core.

7. Quality of Life Improvements

Enhancing amenities that support talent retention and family-friendly growth.

Basic Requirements for Use of Public Funds

As required by the Texas Constitution and Chapter 380:

1. City funds must support a clear municipal purpose.
2. The City must receive a benefit to its investment.
3. Performance must be measurable and reportable.
4. Funds cannot be gifts—only earned, performance-based incentives.
5. The private partner must demonstrate compliance with all applicable laws.

Application & Evaluation Process



All applicants must:

- Submit a “*But For*” statement demonstrating the incentive is needed for the project to proceed in Dalhart.
- Complete any application form prepared by the City and submit other documents as part of the application, including, but not limited to, professional estimates or quotes, business balance sheets, business and/or personal financial statements, business plan, or any other information and documentation the City deems necessary.
- Provide documentation showing compliance with federal, state, and local laws.
- Agree to pay above the City’s local minimum employment standard.
- Provide employee health insurance or healthcare access options.
- Document commitments to local hiring where feasible.

Dalhart will evaluate applications using:

1. Cost-Benefit Analysis

Determining the fiscal impact to the City.

2. Community Benefit Scoring

Evaluating factors such as:

- Job creation
- Local investment
- Industry alignment
- Downtown or corridor impact
- Infrastructure improvement
- Workforce development commitments
- Support for small/local businesses

3. Compliance Review

Ensuring the project meets performance targets annually.

Types of Incentives Available

Dalhart may use the following tools:

1. Revenue-Positive or Revenue-Neutral Grants

Performance-based reimbursements tied to:



- Job creation
- Property value increases
- Sales tax revenue
- Operational milestones

2. Infrastructure Participation

City assistance for:

- Water/sewer extension
- Roadway improvements
- Drainage improvements
- Site development constraints

3. Fee Reductions or Waivers (when permitted by law)

Limited and performance-based.

4. Other Operational Support

- Expedited permitting
- City–business liaison services
- Development coordination

5. Loan or Gap Financing and/or Grant Programs

Where appropriate and financially viable for the City.

Program Structure & Scoring Framework

Minimum Eligibility Requirements

Projects must meet baseline thresholds (e.g., investment amount, job creation, alignment with targeted sectors).

Project Score Levels

- **High Score:** Eligible for maximum incentive consideration.
- **Moderate Score:** Eligible for scaled incentive consideration.
- **Low Score:** Not eligible for incentives without exception.

Exceptions/Waivers



May be considered when justified by extraordinary community benefit, particularly in:

- Agribusiness innovation
 - Large-scale manufacturing
 - Major logistics investments
 - Housing developments supporting workforce needs
 - Retail sectors showing significant unmet demand
-

Approval Process

Approval levels will include:

1. **Administrative Approval (City Manager, after consultation with EDC Director)**
2. **City Council Approval**
3. **Public Hearing**
4. **Chapter 380 Performance Agreement**

All documentation will be subject to the Texas Public Information Act.

Agreement Compliance & Monitoring

- Incentives will be **performance-based only**. No upfront payments.
 - Annual review and documentation will confirm compliance with job counts, investment levels, wages, and other commitments.
 - Third-party review may be used when advantageous.
 - Noncompliance shall result in termination, clawbacks, or reduction of incentives.
-

Program Duration & Reassessment

- Programs operate on a **five-year cycle**, after which they are reviewed and updated.
 - Existing agreements will remain in effect under the terms of their original contracts.
-

Program Metrics



To measure effectiveness, Dalhart will track:

Program Metrics

- Applications received/approved
- Investment totals
- Program utilization by sector
- Downtown development impacts
- Housing units supported
- Infrastructure improvements created

Project Metrics

- New jobs created/retained
- Capital investment
- New tax revenues
- Community benefits
- Compliance status



If relocating, what is the address of your current location(s)? _____

NAICS Code(s): _____

INCENTIVE REQUEST

What type of incentive(s) are you seeking?

_____ Partial Sales Tax Rebate

_____ Loan

_____ Grant (Infrastructure, Land, or Equipment)

_____ Forgivable Loan

What is your total local incentive request (in dollars)? _____

INVESTMENT

What is your total anticipated capital investment? \$ _____

Land	Building Lease/Construction	Equipment/Inventory
\$ _____	\$ _____	\$ _____

TAXES

Does or will your business remit sales tax? Yes No

If so, what is your projected local sales tax generation? \$ _____

What is the estimated net tax base valuation (real and personal property) that will be added by this project? _____

EMPLOYMENT

How many current employees live in the City of Dalhart? _____

How many current employees live in either County? _____

How many new full-time¹ employees will you hire? _____

Average salary of full-time employees: \$ _____

How many new part-time² employees will you hire? _____

Average wage of part-time employees: \$ _____

Number of new employees to be hired from Dalhart: _____ From outside either County: _____

Will you be relocating employees to this location? Yes No

If so, how many? _____

FINANCES

What is your company's total revenue? _____

Projected total annual sales for your business? _____

Have you or your business filed for bankruptcy in the last 10 years? Yes No

If so, explain: _____

¹ Defined as 40 hours per week or more

² Defined as less than 40 hours per week

Has your company received any government incentives/tax breaks in the last 10 years?

Yes No If so, when, and how much? _____

Have you pursued other financing options for this project? Yes No

If so, what type of financing have you pursued/secured?

Type: _____

Amount: _____

REAL ESTATE

How many square feet do you plan to occupy/build? _____

If constructing, how many acres do you plan to purchase? _____

If leasing, what is the lease rate and how long is the term?³ _____

What is your projected property value?⁴ _____

INFRASTRUCTURE

Will infrastructure extensions/improvements need to be made? Yes No

If so, what type? _____

Estimated cost of improvements					
Roads	Water	Sewer	Electric	Natural Gas	Telecom
\$	\$	\$	\$	\$	\$

REFERENCES

Provide Name, Address, Phone Number & Email

Banker: _____

Accountant: _____

Attorney: _____

³ If purchasing, skip this question

⁴ If leasing, skip this question

Understanding Performance Agreement as the Governing Framework

Chapter 380 of the Texas Local Government Code is a law that lets cities in Texas give money, grants, or other incentives to private businesses in order to encourage economic development.

In plain terms, it means a city can make deals with businesses to help them grow or move to the area — for example, by offering:

Cash grants or loans

Tax breaks or rebates

Help with infrastructure (like roads or utilities)

In return, the business usually agrees to do something that benefits the community — like creating new jobs, building facilities, or boosting the local tax base.

So, think of Chapter 380 as a tool cities use to partner with companies to bring investment and jobs to town, as long as the deal serves a public purpose and helps the local economy.

Texas Local Government Code

Section 501.155 – Loans to Finance a Project

An economic development corporation (EDC) can lend money to a business to help fund a project. The loan can be short-term or long-term and can cover all or part of the project costs — even refinancing old debts.

The EDC can decide on the loan terms and interest rates as long as they comply with the law.

In plain terms: The EDC can loan your business money to support your project under fair, board-approved terms.

Section 501.156 – Agreement Must Benefit the Corporation

Any deal made for a project must also benefit the EDC — meaning it must serve the community's or city's economic development goals, not just the business.

In plain terms: The project must help grow the local economy, create jobs, or add value to the community.

Section 501.157 – Default and Enforcement

If the business doesn't meet its payment or project obligations:

The EDC can enforce the agreement through legal means, such as a court order (mandamus), or

A court can appoint a receiver — a neutral party — to collect payments or revenue and use it to pay off the debt according to the agreement.

Section 501.158 – Performance Agreements

Before an EDC gives any direct financial incentive (like grants, loans, or infrastructure support) to a business, it must first sign a performance agreement with that business.

This agreement must clearly spell out what the business promises to deliver — such as how many jobs it will create or retain, how much new payroll or investment it will generate, and when.

It must also state that if the business doesn't meet those goals, it may have to repay some or all of the incentives it received.

In plain terms: The EDC must have a written contract with measurable results — and if the business doesn't meet its commitments, it could owe the money back.

By signing this document, you certify that you have read and fully understand:

Applicant Information

Legal Business Name: _____

DBA (if applicable): _____

Business Address: _____

City: _____ **State:** _____ **ZIP:** _____

Authorized Representative: _____

Title: _____

Phone: _____ **Email:** _____

Certification Required by Texas Government Code Sec. 2264.051

By signing this certification, the applicant acknowledges, understands, and affirms the following:

1. **Prohibition of Employing Unauthorized Workers:**
The applicant does not and will not knowingly employ an undocumented worker.
2. **Termination of Agreement if in Violation:**
If, after receiving a public subsidy or incentive, the applicant is found to have knowingly employed an undocumented worker, the governmental entity providing the incentive **shall immediately terminate** the incentive agreement and **require repayment** of all incentives received.
3. **Annual Verification:**
The applicant agrees to comply with any annual or periodic reporting requirements related to verification of employee eligibility.
4. **Penalties:**
The applicant understands that violation of these provisions shall result in:
 - Termination of the incentive agreement;
 - Repayment of all incentives received, plus possible interest or penalties not later than the 120th day after the date the economic development corporation notifies the business of the violation;
 - Ineligibility for future public subsidies.

Certification Statement

I, the undersigned authorized representative of the business entity applying for public incentives, hereby certify that the information provided in this form is true and correct. I further certify that the business complies with all requirements of Texas Government Code Sec. 2264.051 and related statutes.

Authorized Representative Name (Printed): _____

Signature: _____ **Date:** _____

Business Name: _____

****CERTIFICATION****

I certify the information contained in this application (including all exhibits and addendum) to be true and correct to the best of my knowledge. I understand that the City may require submission of other documents as part of this application, including, but not limited to, professional estimates or quotes, business balance sheet, business and/or personal financial statements, business plan, or any other information and documentation the City deems necessary, and I agree to provide any requested document or piece of information.

Signature: _____

Printed Name: _____

Date: _____

****CONFIDENTIAL****

To the extent allowed by applicable state law, this application will be kept confidential until an agreement between the City of Dalhart and the prospect is signed by both parties.

Please Return Completed Application To:

City of Dalhart

Attn: Economic Development Director

205 Rock Island Ave.

PO Box 2005

Dalhart, Texas 79022

PHONE (806) 244-5511

DalhartEDC@DalhartTX.gov

Sean Overeynder