



**Cross County Economic Development Corporation
Incentive Policy
APPROVED ON JULY 17, 2008**

1. Intent of this Policy

The voters of Cross County, Arkansas on May 4, 1999, approved a temporary sales tax to fund economic development activities in or near Cross County, Arkansas. Current and future revenues will be used in a variety of ways including as incentives to qualifying businesses that pledge to generate or retain jobs, wages and benefits, capital investments or broadening of the area's tax base (collectively referred to as "New Economic Activity").

The Cross County Economic Development Corporation (CCEDC) recognizes that new economic activities in or near Cross County, Arkansas is dependent upon being competitive with other locations. This policy intends to make the Cross County, Arkansas area more competitive for new economic activity.

2. Qualifying Businesses

a. Eligible Businesses

The CCEDC generally defines an eligible business as one that is entitled to receive incentives offered through the Arkansas Economic Development Commission or as may be defined by other local, state or federal laws or regulations.

b. Non-Eligible Businesses

Generally, retail, service, government and non-profit businesses are ineligible to receive incentives.

i. Exceptions

The CCEDC recognizes that economic development occurs at different levels among different communities. What may have a substantial economic impact in one community may not have the same economic impact in a larger community. It is the intent of the CCEDC to ensure that the development of the local economy occurs at all levels respective of the community's current economic development status.

Therefore, the CCEDC may consider businesses whose primary means of activity are beyond those that are eligible for incentives from the Arkansas Economic Development Commission. Such consideration will be on a case-by-case basis and will include, among other factors, a measurement of the direct and indirect new economic activity that might be created or retained by the actions of the requesting business. The business, and, when necessary, the owners and/or investors, may be required to turn over to the CCEDC certain requested financial documents.

c. Expanding Businesses

The CCEDC is aware that most new economic activity in a community results from existing businesses that are expanding their operations.

The qualifying existing business that pledges to create new economic activity will receive the same types of attention and assistance as what might be offered to qualifying businesses that are new to the area.

d. Retention Of Economic Activity

The CCEDC must be cautious in its approach to offering incentives to qualifying businesses that already exist in the Cross County, Arkansas area that request incentive assistance to retain economic activity while not promising to create new economic activity.

Determinations of whether assistance may be offered and the extent of that assistance will be on a case-by-case basis. The CCEDC will give much deference to the Arkansas Economic Development Commission's policies regarding assistance to economic activity retention.

3. Amount & Types Of Assistance

a. Amount of Assistance

The amount of assistance offered to a qualifying business will be determined on a case-by-case basis using objective criteria to ensure a net positive economic impact for the people of Cross County, Arkansas.

b. Flexibility

The CCEDC will remain flexible in the incentives it may offer to qualifying businesses by working with the business and, when applicable, other organizations, including the Arkansas Economic Development Commission, to formulate the most aggressive incentive package that benefit all parties involved.

While the CCEDC prefers that a qualifying business use incentives in either workforce training and education programs or infrastructure development, the CCEDC pledges to tailor the best possible package for all parties involved. This may include land acquisition assistance, employee relocation packages or other forms of support with which the Arkansas Economic Development Commission may not be at liberty to offer or that may require a source of matching funds.

c. Factors of Consideration

The CCEDC will examine many factors when determining whether it will financially assist with a project. Some of the factors that may be considered are the number of new jobs, amount of new wages and benefits, amount of capital investments, the number of positions to be filled by local residents versus positions that will be filled due to relocation or the quality of the business', owners' or investors' financial statements including balance sheets and income statements.

4. Clawback Provisions

a. Contracts

Any business that receives benefits from the CCEDC shall sign a binding contract that will specifically outline the duties and responsibilities of all parties including, but not limited to, the business' promise of a specific number of net new jobs, wages and benefits, and/or capital investments to be made in or near Cross County, Arkansas.

b. Failure To Perform

Failure to comply with the contract may result in the repayment of some or all of the benefits received from the CCEDC.

c. Reasonable Inspections

The business shall submit to reasonable inspections by the CCEDC to ensure that it is upholding the various requirements of the incentive agreement.