

Commercial Recruitment Program

The City of Harlingen and the Development Corporation of Harlingen, Inc. (“HEDC”) would like to encourage new and/or existing commercial enterprises to locate or expand in Harlingen. Retail activity along the US – Mexico border is a basic economic driver which attracts, promotes, develops, and supports new commercial facilities and job growth and retention in the greater Harlingen area. Some of these new and/or retained retail enterprises may qualify for assistance from HEDC based on the number and types of jobs newly-created or retained and the type of commercial entity. Applicants’ commercial operations must qualify under the provisions of the Development Corporation Act (“Act”). Developers may apply on behalf of their tenants/retailers, but are not eligible to be the recipient of the grants without the full knowledge and consent of the retailer and approval from the HEDC Board and City Commission.

To encourage new retail development into the City of Harlingen, the HEDC may pay an incentive amount equal to a portion of the local sales tax revenues generated by qualifying projects for a period of up to five years, and in an amount not to exceed half of the city tax revenue generated by the retailer annually, or \$100,000, whichever is less. Amounts greater than \$100,000 per year will not carry forward to the next year.

A retailer and/or developer would be evaluated and graded on criteria established by the HEDC annually. The term granted and incentive amount is subject to the score generated by the retailer’s information, and subject to a written performance agreement and proper governmental approval. The basic scoring criteria is below:

Basic Performance Criteria

Number of FT Employees (with benefits)	5 -25	26 – 50	51 +	Points Awarded
Points	10	20	30	
Number of PT Employees	10-100	101-200	201+	
Points	5	10	20	
Capital Investment	\$250,000 - \$1M	\$1M - \$5M	\$5M+	
Points	5	10	15	
Taxable Retail Sales	\$100,000 - \$1M	\$1M - \$5M	\$5M +	
Points	5	10	15	

Location	Points	Points Awarded
Opportunity Zones	10	
Downtown District	5	
Medical District	5	
Bass Pro Shop zone	20	
Aerotropolis	20	
Valle Vista Mall	20	
Harlingen Corners	20	

Community Involvement	Points	Points Awarded
Chamber membership	2	
HMA membership	1	
TSTC Foundation	2	
HCISD Education Foundation	2	
Museum support	2	
Discovery Center Donor	5	
Boys & Girls Club	2	
Literacy Center	2	
Loaves & Fishes	2	
Animal shelter	2	
Habitat for Humanity	5	
KHB	5	
Crime stoppers	5	
Other non-profit support	Range from 1 to 5	

Upon submittal of a letter of interest and other information as outlined below by the applicant, staff will determine if the applicant qualifies under the Act and will grade the project and present findings to the HEDC Board of Directors for consideration.

The incentive amount for this program will, in part, be determined based on the following:

If score is:	Then, rebate will be equal to:	Total Points
90 or higher	50% of the city sales tax revenue generated and paid by the applicant	
70-89	37.5% of the city sales tax revenue generated and paid by the applicant	
50-69	25% of the city sales tax revenue generated and paid by the applicant	
25-49	12.5% of the city sales tax revenue generated and paid by the applicant	

In order to be considered, the applicant must submit a letter of interest outlining the project. Plans (site, floor, utility, off-site and on-site improvements) and cost estimates must also be submitted. Other restrictions may apply, and this document serves only as a guide for the HEDC. Financials and proformas for the project, the retailer, and the developer should be included in the applicant's package. A definitive performance agreement would need to be drafted and approved by the EDC Board of Directors and the City Commission before any incentive is considered officially adopted. This program is subject to change and cancellation at any time, if the HEDC Board of Directors chooses.