



Appendix – Federal and State Assistance Programs

Federal Assistance Programs

The federal government offers states, local governments and communities a number of economic and community development grants and loans. These provide funds for construction, operations and other projects needed to foster or revitalize economic development. Available funding includes:

Community Development Block Grants (State Programs) — These funds from the Department of Housing and Urban Development (HUD) are distributed to states for the expansion of economic opportunities in both urban and rural communities. For more information, please visit <http://www.hud.gov/>.

Community Facilities Loans and Grants — These loans and grants from the U.S. Department of Agriculture are provided to local and state governments for the construction of or improvements to community facilities. For more information, please visit <http://www.rurdev.usda.gov/rhs/cf/cp.htm>.

Grants for Public Works and Economic Development Facilities — These grants from the U.S. Department of Commerce are for improving the physical infrastructure of regions in economic distress to attract new business and industry. States, counties, institutions of higher education and other political subdivisions are eligible for the grants. For more information, please visit <http://www.eda.gov/InvestmentsGrants/Investments.xml>.

State Assistance Programs

Emerging Technology Fund — The ETF provides grants for applied research and development activities for the purposes of creating a commercialized product and acquiring new or enhancing existing research talent at institutions of higher education. The ETF seeks to establish new jobs and medical and scientific breakthroughs. Grants are awarded by the governor. The ETF has \$116.6 million available for fiscal years 2008 and 2009. For more information, please visit <http://www.governor.state.tx.us/divisions/ecodev/etf/>.

Texas Enterprise Fund — The fund was created to provide grants to economic development projects. The governor awards these grants to projects for the purposes of infrastructure development, community development, job training programs and business incentives. Grants are used to attract new businesses and expand existing businesses. The Enterprise Fund has \$224.4 million available for fiscal years 2008 and 2009. For more information, please visit http://www.governor.state.tx.us/divisions/ecodev/ed_bank/tefund.

§4a Sales Tax — This tax can be levied by cities in counties with fewer than 500,000 residents to support manufacturing and industrial development. The funds generated can be used to improve infrastructure; purchase land and buildings; or develop new businesses. For more information, please visit http://www.window.state.tx.us/taxinfo/taxpubs/tx96_302.html.



§4b Sales Tax — This tax can be levied by all cities, regardless of population, for quality-of-life improvements intended to attract or maintain businesses, such as streets and roads and related improvements. The funds may be used to improve infrastructure and build facilities including sports, entertainment and convention centers.

§4a and §4b are collectively known as the economic development sales tax. For more information, please visit http://www.window.state.tx.us/taxinfo/taxpubs/tx96_302.html.

Economic Development Refund Program — The Property Tax Division of the Comptroller's office administers this program that allocates state refunds for economic development. To be eligible, a property owner must have established a new business in a reinvestment zone or expanded or modernized an existing business located in the zone. For more information, please visit <http://www.window.state.tx.us/taxinfo/proptax/>.

Texas Leverage Fund — This fund allows cities that have adopted the economic development sales tax to leverage future tax revenue for the purpose of financing community projects (such as purchasing land or equipment or building public parks and entertainment facilities) and industry expansion. For more information, please visit http://www.governor.state.tx.us/divisions/ecodev/ed_bank/leverage_fund.

Texas Industry Development Program — This program, administered by the Texas Small Business Industrial Development Corporation, provides communities with funds for job creation and industry expansion. The funds can be used to purchase land, facilities,

construction, equipment and infrastructure improvements. For more information, please visit http://www.governor.state.tx.us/divisions/ecodev/ed_bank/TID_loan_program.

Texas Capital Fund — This fund supports four programs, each administered by the Texas Department of Agriculture through the Office of Rural and Community Affairs. The programs are designed to create new jobs or retain existing jobs, primarily for low- or moderate-income individuals, in cities with fewer than 50,000 residents and counties with fewer than 200,000 residents that do not receive direct funding from HUD. For more information, please visit http://www.agr.state.tx.us/agr/program_render/0,1987,1848_6050_0_0,00.html?channelId=6050.

The four programs include the Downtown Revitalization Program, the Infrastructure Development Program, the Main Streets Improvement Program and the Real Estate Development program. These programs provide funds for land acquisition, public infrastructure improvements and real estate development designed to encourage business development and expansion.

More information on economic development grants, loans and tax incentives for communities can be found at <http://www.window.state.tx.us/specialrpt/fedstate05/> and <http://www.window.state.tx.us/specialrpt/stateloc05/>. In addition to the grants and loans for cities and communities listed above, many other opportunities exist for businesses, industry and farms including the Small Business Association and the U.S. Department of Agriculture.