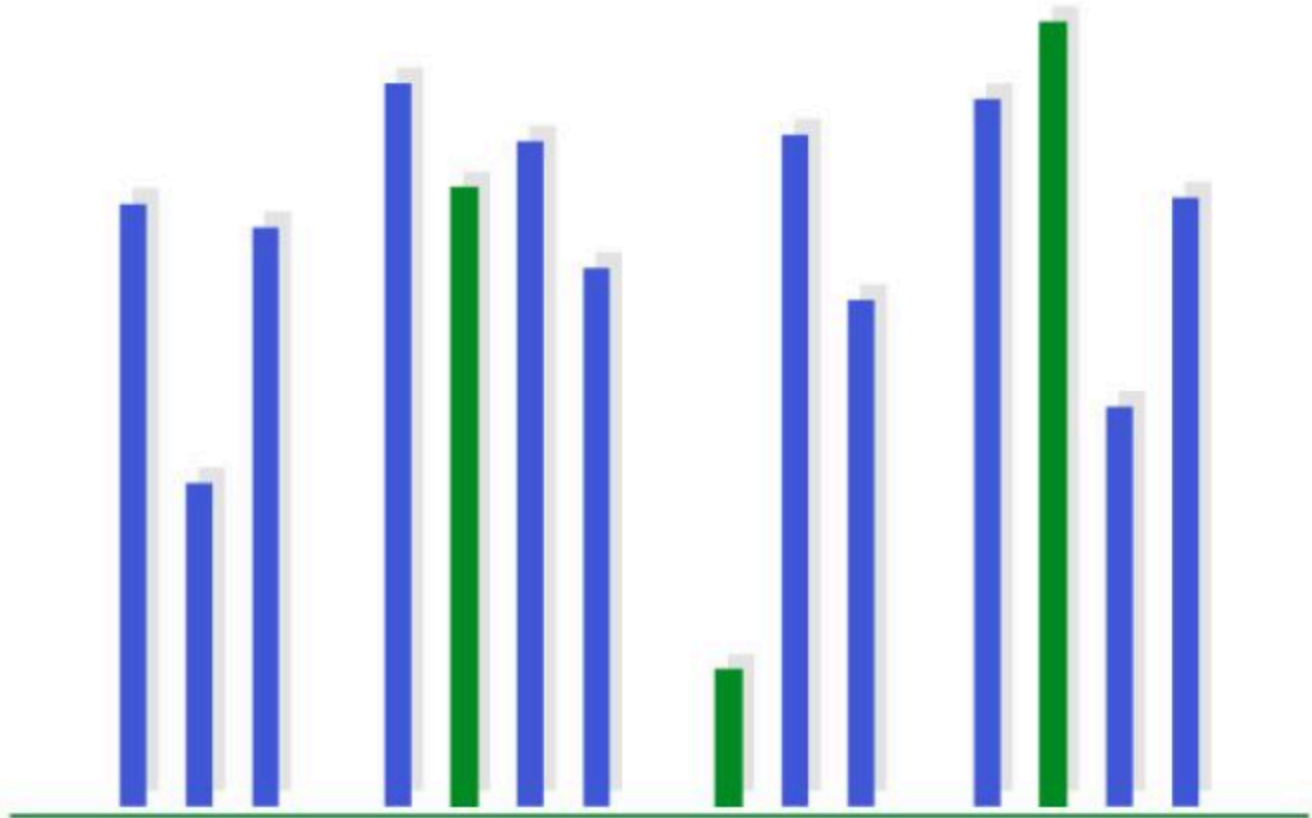


Washington County
Industrial Development Authority



**ECONOMIC
DEVELOPMENT
POLICY**

ECONOMIC DEVELOPMENT POLICY

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INTRODUCTION AND PURPOSE

The Economic Development Policy (EDP) of Washington County Industrial Development Authority (WCIDA) aims to foster growth and prosperity by attracting new businesses, retaining existing businesses, and supporting expansion within the county through incentives. Incentives are commonly used in economic development to motivate individuals or businesses to take certain actions for a particular benefit or to avoid costs. Because of the inherent competition between localities and industrial parks, the WCIDA recognizes the benefits of promoting incentives to facilitate growth.

The purpose of this policy is to establish standards and guidelines to govern the proposal and granting of economic development incentives offered in Washington County, as administered by WCIDA. These guidelines are predicated on the belief WCIDA has an interest in maximizing its long-term financial capacity while responding to inquiries and demands of both new and existing development without placing a disproportionate tax burden on county residents. If used carefully, incentives can help maintain and build employment opportunities and expand the property tax base which the County of Washington, City of Potosi and other taxing districts need to remain sustainable and progressing.

This EDP aligns with the mission and vision of WCIDA to *“promote the economic prosperity of Washington County and the overall quality of life by creating opportunities for new jobs, growing education and training networks for workforce development and retaining local businesses through business support and assistance with expansion.”*



In 2023, WCIDA adopted the slogan: **Create. Grow. Retain.**

The slogan provides a framework for how the IDA maintains a focused approach in its' activities.

- The IDA works to **create** a healthy business environment by developing sites and facilities with the most current infrastructure.
- The IDA works to **grow** the county's economy through robust partnerships with local, regional and national organizations who support economic and workforce development and job creation.
- The IDA works to **retain** existing businesses by connecting them to resources, supporting them through expansion projects and encouraging them toward re-investment in the community.

The [WCIDA Strategic Plan](https://www.washingtoncomo.com) can be found on the organization's website: www.washingtoncomo.com.

ECONOMIC DEVELOPMENT POLICY OVERVIEW

Economic development incentives are defined as measures implemented by governments or organizations to stimulate economic growth and development within a specific area. They can take various forms as described herein, but ultimately are designed to create a favorable and competitive business environment.

The decision to propose and/or grant incentives, whichever applies, will be based on a “case-by-case” review of each project and offered only upon a clear demonstration of substantial and significant public benefit. Accordingly, WCIDA, under the authority of the Board of Directors, is under no obligation to propose or approve any requested incentive and reserves the right to deviate from policies and criteria contained herein under its sole discretion when deemed to be in the best interest of the county.

SUMMARY OF WCIDA GUIDING PRINCIPLES

The following guiding principles influence decision making by providing clarity for alignment of proposed business projects with WCIDA’s organizational strategies.

1. WCIDA may consider the judicious use of incentives for projects which — when initiated and implemented by a qualifying business, creating new jobs and retaining existing employment — will; eliminate blight, strengthen the employment and economic base of any City or Village in Washington County, increase property values and tax revenues, reduce poverty, create economic stability, aid in workforce development, and accomplish objectives in WCIDA’s [Strategic Plan](#).
2. Business developers are strongly encouraged to discuss their projects with the WCIDA Director prior to filing any applications for incentives or submitting letters of intent.
3. Requests for financial incentives will be evaluated by the WCIDA Board of Directors on a case-by-case basis. Such incentives will be subject to a “but for” test. There must be a finding by the Board of Directors the project would not occur, or would only occur at a significantly smaller scale, or would be moved to a competing locality, or would not be financially feasible or stable, or that public benefit will not occur if the incentive is not provided. Discretionary incentives will only be granted to those projects that would not otherwise occur if incentives were not provided unless the Board of Directors finds there to be an overriding public benefit or a reduction in costs that would otherwise be paid by a municipality or WCIDA.
4. Discretionary incentives will be granted only at the level necessary to make the proposed project financially feasible and the amount of the incentive(s) proposed by WCIDA shall not exceed the amount of capital investment from the developer.

5. WCIDA cannot waive City permit, development, or incentive fees unless as part of a City Council or County Commission separately approved incentive program and subsequent council or commission approval.
6. Projects receiving incentives must demonstrate intended outcomes consistent with the WCIDA Strategic Plan and must comply with all applicable City zoning and building codes and/or Rules and Regulations of the Washington County Industrial Park, whichever applies.
7. Each project will be evaluated under the WCIDA Policies on its individual uniqueness, merit, and overall contribution to the local economy and WCIDA goals.
8. WCIDA acknowledges the Enhanced Enterprise Zone (EEZ) Board of Directors as authoritarian over the incentive matrix as outlined in the [Washington County EEZ Tax Abatement Incentive Program Guidelines and Instructions](#), attached as Exhibit A, for local tax abatement and agrees taxes will not be reduced below the base year, as established by the individual redevelopment plans, after an incentive is approved.
9. WCIDA shall not serve as the administrator and/or manager of any approved incentive and/or district and all such reporting, filing of taxes, or other necessary documentation required by Federal and State law shall be the responsibility of the Owner/Board of the project.
10. WCIDA may require periodic reporting evidencing compliance with the requirements of the incentive program and measuring the economic benefit to the City of Potosi, Washington County and the region. Some incentive programs may include clawbacks if requirements determined in the incentives proposal and agreement are unmet.

INCENTIVE COSTS

Each incentive presented by the WCIDA has a unique cost. WCIDA has historically been funded by a ½ percent sales tax and has successfully used tax revenue to provide some incentives since 1993. Since 2022, WCIDA has been without tax revenue, so some incentive offerings may be limited. A sales tax for economic development will return to the Washington County ballot in April of 2025 and if passed, will provide beneficial funding for incentives and projects.

The use of economic development incentives may require considerable staff commitment and may necessitate the developer to engage outside consultants. WCIDA does not have a source of funds to pay for costs incurred for legal, financial, and other consultants or for out-of-pocket expenses and other costs resulting from services to research, analyze, and plan for the most appropriate mix of funding sources.

Organizational partnerships are crucial in economic development to leverage strengths and resources of multiple stakeholders, helping to mitigate costs. WCIDA helps developers discover and utilize these strategic connections. Combining resources and expertise, partners help create a

more comprehensive, credible, and attractive economic environment that continues to thrive even after initial incentives are provided. WCIDA leans primarily on four incentive partners:

State of Missouri Department of Economic Development (DED)

The State of Missouri offers certain economic development incentives including programs directed at job creation projects and downtown development. WCIDA works closely with the State of Missouri, and County and City governments, to coordinate the economic development incentives administered by DED.



Ameren Missouri Economic Development

Businesses in Ameren’s service territory can take advantage of money and energy-saving incentives from the outset of the planning process throughout the life of the business. WCIDA has no authority over Ameren’s programs, but will assist in connecting qualifying businesses to appropriate programs.



Meramec Regional Planning Commission (MRPC)

MRPC serves Washington County businesses by providing a vast network of business resources and grant opportunities which may fund infrastructure upgrades and/or certain projects. MRPC may work closely with WCIDA to assist with the evaluation of project needs, grant writing services, or project administration.



Southeast Economic Development Fund (SEED\$)

SEED\$ serves Washington County small businesses and entrepreneurs by providing micro-loans up to \$100,000, business plan development, education on best practices, credit building and the administration of WCIDA Industry Enhancement Grants.



INCENTIVES: CRITERIA & LIMITATIONS

Incentives are presented by WCIDA via a formal written proposal to businesses meeting the following general criteria and demonstrating potential to meet desired outcomes as outlined in the

summary of WCIDA guiding principles.

- Business is located in or moving to Washington County.
 - Business is making a substantial investment through private capital.
 - Business is creating new jobs or contributing to job retention within Washington County.
 - Business demonstrates financial viability and long-term sustainability of proposed project.
 - Business demonstrates compliance with federal and state environmental rules and regulations and city or community standards.
 - Business demonstrates compliance with [Washington County Industrial Park Rules & Regulations](#) if applicable, attached as Exhibit B.
 - Business demonstrates strong commitment to long-term sustainability and Washington County progress.
 - Business has determined necessary infrastructure requirements are or can be provided.
 - Business is not limited by conditions set forth in non-WCIDA grants, incentives or contractual agreements.
-

Each incentive has a unique set of requirements and may require additional criteria, have further limitations, applications, or paperwork.

Information on how to apply for incentives is available under [Incentives: Application Process](#), on page 12 of this document. However, it is important to understand the varying types of incentives available and the levels and opportunities for application first, described in the following sections.

The following incentives are discretionary, but if a project or plan meets the eligibility criteria, the WCIDA commits to an overall intent of creating a business-friendly environment and presenting a proposal with the maximum amount of impact.

INCENTIVES: LIST AND DESCRIPTIONS

Based on the business meeting the appropriate criteria discussed herein, WCIDA offers separate or a combination of incentives in the following three broad categories:

Category 1: Infrastructure & Site Support

- *Infrastructure Grants* : WCIDA may provide funding or seek grant funding to support the development or improvement of essential infrastructure (e.g., roads, utilities) required for business expansion or attraction, especially in, but not limited to the Washington County Industrial Park.
- *Land Acquisition*: WCIDA owns 500+ acres of land, 80 of which are shovel ready and approved by the State of Missouri as Certified Sites in the Washington County Industrial Park, located in the City of Potosi. WCIDA may negotiate with qualified companies on land prices or grant land in exchange for certain considerations.
- *Ameren Mo Incentive Programs*: Businesses may be able to take advantage of a Line Extension Allowance to offset the costs of extending, modifying and/or enlarging the electric distribution system. This incentive is offered exclusively through Ameren Mo with WCIDA referral.

Category 2: Tax Benefits & Financial Assistance

- *State and Federal Tax Incentives*: WCIDA, in partnership with MO Department of Economic Development, may provide a proposal for various tax incentive programs including but not limited to Missouri Works, Ch. 100, and Opportunity Zone tax credits.
- *Local Tax Incentive*: Companies meeting certain criteria may qualify for some real property tax abatement through the local Enhanced Enterprise Zone program, administered by WCIDA and in accordance with the [Washington County EEZ Tax Abatement Incentive Program Guidelines and Instructions](#), attached as Exhibit A.
- *Low-Interest Loans*: WCIDA may administer low-interest loans or loan guarantees to eligible businesses for capital investment, facility upgrades, or job creation through the Washington County Revolving Loan Fund, as determined by the WCRLF Board of Directors and the [Revolving Loan Fund Program Policies](#), attached as Exhibit C.
- *Industry Enhancement Grants*: WCIDA, in partnership with Southeast Economic Development (SEED\$), offers an opportunity for qualifying businesses to receive a 50/50 matching grant for up to \$10,000, once every two years according to the [WCIDA Industry Enhancement Grant Guidelines](#), attached as Exhibit D.
- *IDA Industrial Grant*: WCIDA may extend a grant for the expansion of existing businesses who have a proven track record of success, local contribution and sustainability who demonstrate a need for gap funding for project feasibility.
- *Ameren Missouri Business Energy Efficiency Programs – BizSavers®*: WCIDA may connect qualifying businesses to our partner, Ameren Missouri, for programs which may be utilized to upgrade a business's energy efficiency and reduce operating costs.

- *Tax Increment Financing (TIF):* WCIDA, in cooperation with an appropriate taxing district, may utilize TIF to capture incremental tax revenues generated by new developments and reinvest these funds into economic development projects. WCIDA shall require the developer/applicant to utilize a professional service provider, third party consultant and/or law firm to take all steps necessary in creating any special taxing district and will not assume any of the responsibilities/costs associated with the creation of such districts.
- *New Markets Tax Credits Program:* WCIDA, in partnership with a Community Development Entity (CDE) may facilitate the utilization of this program offered by the U.S. Department of the Treasury through the Community Development Financial Institutions Fund (CDFI). This program provides tax credits to investors for equity in the CDE which is then loaned to qualifying businesses in distressed areas at below market rates. WCIDA shall require the developer/applicant to utilize a professional service provider, third party consultant and/or law firm to take all steps necessary for utilization of this program.

Category 3: Business & Workforce Development Assistance

- *Fast-Track Permitting:* WCIDA may coordinate with local government entities to expedite permitting processes or zoning needs for qualifying businesses, reducing administrative delays.
- *Training Grants/Opportunities:* WCIDA may collaborate with educational institutions and workforce development agencies to offer training grants or opportunities for skill development tailored to the needs of targeted industries through the MO One Start program, the MO Job Center or other third-party institutions or organizations.
- *Business Coaching:* WCIDA may offer assistance and resources for qualifying businesses through our partnerships with SouthEast Economic Development and the Small Business Development Center and/or assistance for manufacturing processes, technology and improved efficiencies through our partnership with Missouri Enterprise.
- *Job Fairs and Recruitment Assistance:* WCIDA may notify businesses of job and career fairs and provide recruitment support through the Industry & Education program to connect local talent with business opportunities.

INCENTIVES: LEVELS & OPPORTUNITIES

Incentive proposals may be offered based on the aforementioned guiding principles of the WCIDA and business criteria in addition to these business levels of capital investment and job creation:

Level One: \$10,000 - \$100,000 capital investment + creation of 2+ jobs (full or part-time)

Level One businesses may be eligible for each or a combination of these incentives:

Category 1.1 Incentives: Infrastructure & Site Support

- *Ameren Mo Incentive Programs:* Businesses may be able to take advantage of a Line Extension Allowance to offset the costs of extending, modifying and/or enlarging the electric distribution system. This saving can jumpstart the initiation of a project, give more flexibility in site selection and reduce start-up costs.

Category 1.2 Incentives: Tax Benefits & Financial Assistance

- *Low-Interest Loans:* WCIDA may administer low-interest loans or loan guarantees to eligible businesses for capital investment, facility upgrades, or job creation through the Washington County Revolving Loan Fund, as determined by the WCRLF Board of Directors.
- *Industry Enhancement Grants:* WCIDA, in partnership with Southeast Economic Development (SEED\$) offers an opportunity for qualifying businesses to receive a 50/50 matching grant for up to \$10,000, once every two years.
- *Ameren Missouri Business Energy Efficiency Programs – BizSavers®:* WCIDA may connect businesses to our partner, Ameren Missouri, for programs which may be utilized to upgrade a business's energy efficiency and reduce operating costs.

Category 1.3: Business & Workforce Development Assistance

- *Fast-Track Permitting:* WCIDA may coordinate with local government entities to expedite the permitting process for qualifying businesses, reducing administrative delays.
- *Business Coaching:* WCIDA may offer assistance and resources for qualifying businesses through our partnerships with SouthEast Economic Development (SEED\$) and/or the Small Business Development Center (SBDC)
- *Job Fairs and Recruitment Assistance:* The IDA may notify businesses of job and career fairs and provide recruitment support through the Industry & Education program to connect local talent with business opportunities.

Level Two: \$100,000 - \$2,000,000 capital investment + creation of 2+ jobs (full-time)

Level Two businesses may be eligible for *Level One* incentives, plus each or a combination of these incentives:

Category 2.1: Infrastructure & Site Support

- *Infrastructure Grants* : WCIDA may provide funding or seek grant funding to support the development or improvement of essential infrastructure (e.g., roads, utilities) required for business expansion or attraction, especially in, but not limited to the Washington County Industrial Park.
- *Land Acquisition*: WCIDA owns 500+ acres of land, 80 of which are shovel ready and approved by the State of Missouri as Certified Sites in the Washington County Industrial Park, located in the City of Potosi. WCIDA may negotiate with qualified companies on land prices or grant land in exchange for certain considerations including but not limited to the creation of 2 or more full-time jobs.

Category 2.2 Incentives: Tax Benefits & Financial Assistance

- *State and Federal Tax Incentives*: WCIDA, in partnership with MO Department of Economic Development, may provide a proposal for various tax incentive programs including but not limited to Missouri Works, Ch. 100, and Opportunity Zone tax credits.
- *Local Tax Incentive*: Companies meeting certain criteria may qualify for some real property tax abatement through the local Enhanced Enterprise Zone program, administered by WCIDA and in accordance with the Washington County EEZ Tax Abatement Incentive Program Guidelines and Instructions, attached as Exhibit A.

Category 2.3: Business & Workforce Development Assistance

- *Training Grants*: WCIDA may collaborate with educational institutions and workforce development agencies to offer training grants for skill development tailored to the needs of targeted industries through the MO One Start program and the MO Job Center. Some programs may require insurance benefits offered at a 50% minimum.

Level Three: \$2,000,000 - \$5,000,000 capital investment + creation of 5+ jobs (full-time) + insurance benefits offered at 50% minimum

Level Three businesses may be eligible for *Level One and Level Two* incentives, plus the following incentive:

Category 3.2 Incentives: Tax Benefits & Financial Assistance

- *IDA Industrial Grant*: WCIDA may extend a grant for the expansion of existing businesses who have a proven track record of success, local contribution and sustainability who demonstrate a need for gap funding for project feasibility.

Level Four: +\$5,000,000 capital investment + creation of 10+ jobs (6 full-time) + insurance benefits offered at 50% minimum

Level Four businesses may be eligible for *Level One, Level Two and Level Three* incentives, plus each of a combination of these incentives:

Category 4.2 Incentives: Tax Benefits & Financial Assistance

- *Tax Increment Financing (TIF)*: WCIDA, in cooperation with an appropriate taxing district, may utilize TIF to capture incremental tax revenues generated by new developments and reinvest these funds into economic development projects. WCIDA shall require the developer/applicant to utilize a professional service provider, third party consultant and/or law firm to take all steps necessary in creating any special taxing district and will not assume any of the responsibilities/costs associated with the creation of such districts.
- *New Markets Tax Credits Program*: WCIDA, in partnership with a Community Development Entity (CDE) may facilitate the utilization of this program offered by the U.S. Department of the Treasury through the Community Development Financial Institutions Fund (CDFI). This program provides tax credits to investors for equity in the CDE which is then loaned to qualifying businesses in distressed areas at below market rates. WCIDA shall require the developer/applicant to utilize a professional service provider, third party consultant and/or law firm to take all steps necessary for utilization of this program.

To receive an incentives proposal from WCIDA, business developers or owners shall follow the steps outlined in the application process below.

WCIDA INCENTIVES: APPLICATION PROCESS

Step One

Contact or respond to the WCIDA Director for an initial interview to determine the business's adherence to WCIDA guiding principles, business needs and objectives, project timeline, and

incentive level. Determination may be made to refer business to a more appropriate organizational partner, city or county government depending on business needs.

Step Two

Submit a letter of intent and/or comprehensive application known as a PIR or Project Information Request detailing business project, economic impact, and requested incentives. The IDA Director will evaluate applications based on established criteria and provide recommendations to the Board for an incentives proposal.

Step Three

WCIDA may present an incentives proposal to the business, may express the need to coordinate with incentive partners, city councils, or the county commission OR provide a letter of response with explanation of denial.

Step Four

Upon an incentives based offer from WCIDA, the business will have the opportunity to review, negotiate and/or accept the incentives proposal. At this time, WCIDA may encourage developers to meet with taxing jurisdictions if they are affected by an incentive.

Step Five

Appropriate paperwork, documentation, instructions and agreements will be produced by WCIDA for each incentive with instructions for signing and execution of the documents, formalizing the commitments from both parties.

Step Six

WCIDA will coordinate with the business and appropriate partners on a public announcement of the project and a ground-breaking ceremony.

Step Seven

WCIDA will work alongside the business to confirm incentives are implemented and outcomes are achieved. The responsibility of the business to provide documentation will be determined by the incentive received.

WCIDA may be contacted by email at director@washingtoncomo.com or by calling 573.438.6196. Additional information about the Washington County Industrial Park, economic data and links to incentive partners may be obtained at www.washingtoncomo.com.

REPORTING AND ACCOUNTABILITY

The IDA will monitor the outcomes of incentive programs, including job creation, investment, and economic impact. Annual reports will be published to the IDA News webpage to maintain transparency and assess the effectiveness of incentives and inform future policy decisions.

It is the responsibility of any business receiving incentives through WCIDA or its partners to respond to requests for information regarding job creation, capital investment and/or other data points needed by WCIDA for reporting purposes. It is the expectation of WCIDA that businesses receiving grants will respond in a timely manner and with transparency. Requests will be determined by the incentives received.

Exhibit A

[Washington County EEZ Tax Abatement Incentive Program Guidelines and Instructions](#)

Exhibit B

[Washington County Industrial Park Rules & Regulations](#)

Exhibit C

[Washington County Revolving Loan Fund Program](#)

Exhibit D

[2023 WCIDA INDUSTRY ENHANCEMENT GRANT GUIDELINES - R.4 - Google Docs](#)