

## City of Schertz Business Development Incentives

The City of Schertz recognizes that every business faces different market conditions and constraints. Various local, state and federal programs exist to assist businesses with a variety of needs and purposes, and the city is willing to help a business identify and understand the resources available. As such, Economic Development staff members are prepared to help you realize the opportunities and incentives available to help your business relocate or expand operations. The department is prepared to discuss a number of business incentives including:

**Tax Phase-Ins** - Based upon the new tax base value the project will bring to the city, as well as the number and type of jobs a project will create or save, the City of Schertz considers tax phase-ins for eligible developments.

**Triple Freeport Tax Exemptions** - The Triple Freeport designation allows schools, cities and counties to exempt business inventory from taxes if goods are shipped out of state within 175 days. Since all three entities vote separately on whether or not to exempt inventory from taxes, receiving an exemption from one entity does not guarantee receiving an exemption from another. **In Schertz, all three entities have already enacted the exemption, allowing complete Freeport Tax Exemption on all eligible inventories.** If your warehouse is located in Schertz, your company does not have to pay any inventory tax on goods that move in and out of Texas within a 175 day period. The exemption applies to inventory that is forwarded out of Texas within 175 days of the date acquired or brought into the state.

**Foreign Trade Zones** – Foreign Trade Zones (FTZs) serve to create jobs realized from the cost savings from delayed or forgiven tariffs. FTZs are sites in or near a US Customs port of entry where foreign and domestic merchandise is generally considered to be in international trade. Goods can be brought into a zone without formal customs entry or without incurring customs duties or excise taxes unless and until they are imported into the United States. For those companies with a large volume of exports and imports, significant savings to cash flow can be achieved through our Foreign Trade Zone. The city of Schertz could have the site approved for Foreign Trade Zone activity in as little as 90 days.

**Job Training** – Workforce development prepares workers for today's existing jobs and for tomorrow's emerging industries. The Economic Development department is prepared to connect your company with the institutions that can help your company develop your workforce's skills and knowledge base. Various universities, community colleges and technical schools serve the region, as well as workforce development agencies. These assets offer numerous resources for regional businesses.

**Loan Programs** – The availability of financial capital can help a new business start up or an existing business expand and stay competitive. Our economic development department can help identify sources of funding from public and private sector sources at the local, state and federal level.

**Infrastructure improvements** -The city has the capacity and flexibility to offer qualified companies infrastructure improvements at reduced costs.

**Tax Increment Financing (TIF)** - Tax increment financing is a tax reinvestment tool that allows local governments to publicly fund needed structural improvements and enhanced infrastructure within a defined area. TIFs work by allowing taxing entities to repay the costs of improvements to a designated area with the future tax revenues generated by increasing property values. TIFs can be created on a case-by-case basis by the Schertz City Council.

**Small Business Development-** The city offers small businesses various programs and incentives to help owners grow their business in Schertz.