

CTEDC Funding Guidelines

1. Purpose and Objective

The CTEDC's funding programs are designed to promote economic growth, support business development, and enhance the community's overall benefit in Comanche. Funding decisions must align with these goals and ensure the prudent and sustainable use of public funds, as required under Texas law.

2. General Guidelines

Performance Loans and Loan Caps:

- Maximum Performance Loan funding is capped at \$150,000 per project without unanimous Board approval.
- Performance Loans may not exceed 30% of the total capital investment made by the award recipient, requiring applicants to contribute at least 70% of the project's total cost.

Annual Funding Limits:

- Annual cash funding commitments shall not exceed new annual net revenue.
- A reserve of at least \$500,000 must be maintained to ensure long-term funding sustainability.
- Loan repayments will be monitored to replenish funds for future projects.

Funding Structure:

- Performance based loans and loans may be utilized to meet project needs.
- Performance based loans may be utilized whereby the recipient is granted credits for specific performance achievements laid out in the agreement. Earned credits may cover all or part of the total amount requested.
- Loans must align with the Board's risk tolerance, require appropriate collateral, and be supported by the applicant's ability to repay.

Variance Clause:

The Board may consider deviations from these guidelines if all members unanimously agree the proposal demonstrates extraordinary merit and aligns with CTEDC's objectives.

Conflict of Interest:

No member of the Board of Directors shall participate in the review, discussion, evaluation, or approval of any performance loan or loan application in which the member, a member of their immediate family, or a business or organization with which they are affiliated has a financial or personal interest.

A conflict of interest shall be considered to exist when a Board member:

CTEDC Funding Guidelines

1. Has a direct or indirect financial interest in the applicant organization or project;
2. Serves in a decision-making or fiduciary capacity for the applicant organization;
3. Stands to personally benefit, either financially or through other advantage, from the approval of the application.

Any Board member who identifies or is informed of a potential conflict of interest must disclose such conflict to the Board prior to discussion of the application. The conflicted member shall recuse themselves from all deliberations and votes concerning the application, and the minutes of the meeting shall reflect the disclosure and recusal.

In accordance with Texas Local Government Code, Chapter 171, the Board member must submit a written disclosure of said conflict to the Executive Director. This document will be retained and available for public review.

Failure to disclose a conflict of interest may result in disciplinary action by the Board, up to and including removal from the Board, in accordance with the organization's bylaws.

3. Evaluation Criteria

A. Economic Impact:

- **Job Creation and Retention:** Preference will be given to projects that result in measurable job growth or retention, especially jobs filled by local residents.
- **Funding-to-Job Ratio:** Consideration will be given to the ratio of funds allocated per job created.
- **Tax Revenue Impact:** Projects must demonstrate an anticipated increase in sales, property, or other local tax revenues.

B. Financial Viability:

- Submission of a clear business plan with realistic financial projections is required.
- Applicants must demonstrate financial stability and creditworthiness, particularly if loans are requested.

C. Community Benefit:

- Projects that enhance quality of life or provide cultural, social, or recreational benefits may qualify for community benefit grants (up to \$10,000 per project).

D. Capital Investment:

CTEDC Funding Guidelines

- Preference will be given to projects with significant upfront private capital investment.

E. Strategic Fit:

- Projects must align with CTEDC priorities, such as business retention/expansion, downtown revitalization, and attraction of new businesses.

4. Application Requirements

Applicants must submit:

- A completed CTEDC Funding Application.
- A detailed project description, including purpose, timeline, and scope.
- A business plan with a full year of detailed financial projections.
- Evidence of private capital investment (e.g., receipts or contracts).
- Quarterly Sales Tax reports showing up to 3 years of historical payments.
- Employment impact projections with a commitment to job creation.
- For land purchases, an official appraisal of the property being purchased.
- For renovations and/or start-up costs, official bids from contractors.
- Most recent bank statements and/or a current credit report may be requested.

Any additional information requested by the Board.

5. Funding Approval Process

Preliminary Review:

- Applications are screened for completeness and alignment with these guidelines before Board review.
- In an effort to protect the confidential financial information of applicants, this type of information will only be reviewed by authorized parties in compliance with Texas Open Meetings Act and Public Information Act requirements. Unless otherwise designated by unanimous vote of the Board, the Secretary/Treasurer and/or City Manager will review confidential financial information and provide an opinion to the Board for consideration with funding applications.

Board Evaluation:

- Projects will be reviewed against the evaluation criteria.

Variances may be granted only with unanimous Board approval. **Rating Matrix**

CTEDC Funding Guidelines

Category	Description	Max Points	Score	Weighted Total
Economic Impact		40		
Job Creation	Measurable FTE job creation (\$20,000/job target).	15		
Job Quality	Average salary/benefits above the local median.	5		
Tax Revenue Impact	Projected increase in tax revenues.	15		
Multiplier Effect	Indirect benefits, e.g., supply chain/local spending.	5		
Financial Viability		25		
Business Plan Quality	Detailed and realistic projections.	5		
Capital Expenditure	Applicant commits 70%+ of project investment.	10		
Financial Stability	Creditworthiness and repayment ability.	10		
Community Benefit		10		
Quality of Life Impact	Enhances cultural/recreational/social offerings.	5		
Broad Accessibility	Benefits a wide demographic or underserved groups.	5		

CTEDC Funding Guidelines

Strategic Fit		15		
Alignment w/ Priorities	Fits goals like retention, revitalization, attraction.	10		
Sustainability	Long-term project viability post- funding.	5		
Other Factors		10		
Applicant Experience	Successful track record in similar projects.	5		
Innovation	Introduces innovative approaches or services.	5		
Optional if applicable		10		
Variance Justification	Exceptional merit or impact justification.	10		
Variance Justification of denial	Budgeted funds are not sufficient to cover the amount requested.	-10		

Each Board Member will score applications following the above scoring matrix. Scores will be totaled and averaged. An average score of 70 or less will not be eligible for an award. Scores of 71 or above may be recommended for an award pending overall Board approval and approval by City Council.

CTEDC Funding Guidelines

Decision:

- The Board will vote on funding approval, including the allocation mix of performance loans and loans.

Tracking Annual Commitments:

- Approved funding will be tracked against the annual allocation of project funding.

Availability of funding:

From time to time, funding may become exhausted when all budgeted funds for a year have been awarded or reserves dip below the required \$500,000 minimum. When this happens, the Board may elect to put a temporary hold on accepting new applications at their discretion. The length of the hold will be posted on the CTEDC website. Pending applications submitted prior to the hold may not be impacted. The Board has the authority to override the hold by unanimous decision for a project that will provide a significant benefit to the community.

6. Post-Approval Requirements

City Council Review and Approval

Funding decisions made by the CTEDC are subject to final review and approval by the Comanche City Council, as required by Chapter 505 of the Texas Local Government Code. The City Council will evaluate the funding commitment to ensure compliance with legal requirements and alignment with the community's economic development goals.

Published Notice and Public Hearing

To comply with statutory requirements:

1. Notice Publication:

- The CTEDC will publish notice of the proposed funding commitment at least **60 days** before funds are disbursed.
- The notice will appear in a newspaper of general circulation or an equivalent public platform if no such newspaper exists.
- The notice will include:
 - A description of the proposed project and its purpose.
 - The funding amount and the type of funding (performance loan or loan).
 - A statement indicating that a public hearing will be conducted to gather community feedback.

2. Public Hearing:

- Consistent with state law, the CTEDC will conduct a public hearing, if required, to allow members of the community to express support, objections, or suggestions regarding the funding commitment.

CTEDC Funding Guidelines

7. Performance Agreement

- A formal performance agreement must be executed between the CTEDC and the funding recipient before funds are disbursed.
- The agreement will outline measurable goals, such as job creation or capital investment, and will include provisions for repayment or penalties if the goals are not met.
- Funds will be disbursed no sooner than **60 days** after the publication of the required notice, provided all other requirements, including City Council approval, have been satisfied.

8. Utilization of funds

Funds must be claimed within 120 days from the date of public notice or no later than the end of the CTEDC fiscal year, whichever is greater. Award recipients must begin utilizing funds for the purpose requested within 60 days of disbursement or risk forfeiture.

9. Approval & Adoption

The CTEDC Board of Directors approved and adopted this policy effective on September 23, 2025.

Board President, Avis Wukasch



Board Secretary, Bradley Thompson

