



Staff Report

AGENDA ITEM REPORT

DATE: April 27, 2026

SUBMITTED BY: Courtney Sladek, Administration

ITEM TYPE: Agenda Item

AGENDA SECTION: CONSIDERATION OF AND ACTION ON

SUBJECT: Consideration and Possible Action to Adopt Criteria for Approval of Economic Development Incentives from the City Development Corporation Requiring City Council Approval

BACKGROUND: This item is placed on the agenda at the request of Councilmember Tom Coblentz.

The City of El Campo City Development Corporation (CDC), as a Type A economic development corporation, is authorized to utilize sales tax revenues for economic development purposes in accordance with state law. These funds represent a significant public investment intended to promote job creation, business retention and expansion, and long-term economic growth within the community.

From time to time, proposed incentive agreements and funding requests exceed administrative thresholds or involve policy considerations that warrant review and approval by the City Council. Currently, while projects are evaluated on their individual merits, the City does not have formally adopted criteria outlining when City Council approval is required or the standards by which such requests should be considered.\

The purpose of this item is to establish clear, consistent, and transparent criteria for evaluating economic development incentives funded by the CDC that require City Council approval. The adoption of defined criteria will:

- Ensure responsible stewardship of public funds generated through the Type A sales tax

- Promote fairness and consistency in the evaluation of all incentive requests
- Provide clear expectations to developers, businesses, and stakeholders
- Strengthen accountability and alignment with the City's long-term economic development goals

The proposed criteria for City Council consideration of CDC-funded incentives may include, but are not limited to:

1. Public Benefit: Demonstrated economic impact, including job creation/retention, capital investment, and increased tax base
2. Financial Participation: Level of private investment relative to public contribution (leverage ratio)
3. Project Eligibility: Consistency with allowable uses under Type A economic development statutes
4. Strategic Alignment: Alignment with City priorities, including targeted growth areas, infrastructure needs, and long-term planning efforts
5. Performance Measures: Inclusion of measurable benchmarks and accountability provisions (e.g., clawbacks, timelines, reporting requirements)
6. Fiscal Impact: Evaluation of short- and long-term financial impacts to the City and CDC
7. Equity and Consistency: Comparable treatment of similar projects to ensure fairness in incentive offerings

FISCAL IMPACT: No direct fiscal impact is associated with adoption of the criteria. However, implementation of these guidelines will influence future CDC expenditures and ensure that public funds are allocated in a strategic and accountable manner.

SUGGESTED ACTION:

Staff recommends that the City Council adopt formal criteria for the review and approval of CDC-funded economic development incentives to enhance transparency, accountability, and consistency in the use of economic development funds.

ATTACHMENTS:

[CDC_Funding_Review_Checklist.pdf](#)