

Name of Funding: Section 380 Grants

Focus of Funding: Promoting Economic Development

Eligibility Requirements:

For local government: City can provide a loan or grant to developer or fund the use of city personnel and equipment. Each grant is set up individually by passing an ordinance.

For recipients: Must show that project will promote economic development and sign a contract between developer and the city that requires repayment if targets are not met.

Funding Source: Grants can be either a General Fund expense, or property and sales tax rebate to beneficiary.

Maximum amount: There is typically no maximum length of time or amount for a Section 380 grant or tax rebate.

Other rules of the program: Can donate land to independent non-profit for economic development.

Advantages of the program: It does not require setting up a new layer of government, additional taxes, or holding an election. It can be used to give additional money or services to an economic development corp. or a management district.

Drawbacks of the program: It takes money out of the general fund and requires that the city and developer sign a contract.

Case Study Example: Used in the Cities of College Station, Round Rock, Fort Worth City of Dallas (<http://www.ci.dallas.tx.us/cso/caps/34a.pdf>)

Sources: http://www.tml.org/legal_pdf/Chapter380-Local-GovCode.pdf