

**RESOLUTION NO. 2009-189**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
ESTABLISHING AN ECONOMIC DEVELOPMENT INCENTIVE PROGRAM**

**WHEREAS**, the City Council of the City of Elk Grove desires to encourage the development of new employment opportunities within the City; and

**WHEREAS**, the development of new employment-generating projects is often costly and lengthy; and

**WHEREAS**, the City Council seeks to expedite and assist these economic development projects; and

**WHEREAS**, offering incentives to developers of employment-generating projects may encourage them to bring such uses to the City resulting in new employment opportunities for residents.


**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk Grove hereby approves the City of Elk Grove Economic Development Incentive Program included herewith as Exhibit A.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 23<sup>rd</sup> day of September 2009.



**PATRICK HUME, MAYOR of the  
CITY OF ELK GROVE**

**ATTEST:**



**SUSAN J. BLACKSTON, CITY CLERK**

**APPROVED AS TO FORM:**



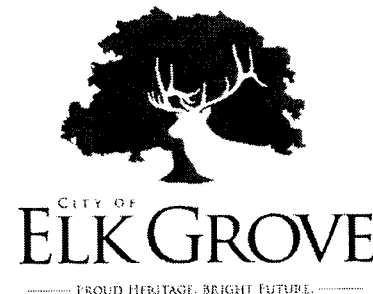
**SUSAN COCHRAN, CITY ATTORNEY**

## EXHIBIT A

Phone: 916.683.7111  
Fax: 916.691.3168

Web: [www.elkgrovecity.org](http://www.elkgrovecity.org)

8401 Laguna Palms Way  
Elk Grove, California 95758



### City of Elk Grove Economic Development Incentive Program

To encourage the development of new businesses and the expansion of existing businesses, the City of Elk Grove provides an opportunity for qualifying companies to participate in a number of performance-based incentives. The program was established to enhance the City's competitiveness in attracting and facilitating the growth of businesses that provide high quality jobs to residents, aid in the diversification of the City's economic base, and complement the existing quality of life within the City.

#### I. Minimum Qualifications

In order to be eligible for program benefits, the project must be located within City limits and it must meet one or more of the following minimum qualifications:

- 1) The project must create or retain at least:
  - a. 20 permanent full-time jobs with salaries equal to or greater than 100% of Area Median Income (AMI) as reported for the Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (MSA); or
  - b. 50 permanent full-time jobs with salaries equal to or greater than 75% of Area Median Income (AMI) as reported for the Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (MSA); and
- 2) The project must generate a minimum of \$15.0 million annually in additional (new) taxable sales or \$250,000 annually in additional (new) Transient Occupancy Tax revenues (any project seeking an Economic Development Grant must meet this qualification at a minimum).
- 3) Alternately, the City may consider incentives for projects not meeting the above criteria if they are located in the Old Town SPA or constitute the re-use of an existing vacant building.

#### II. Available Incentives

The City of Elk Grove will assist businesses in obtaining one or more of the following incentives:

- 1) Development Impact Fee Reductions

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**NOTE TO APPLICANTS:** Use of this program may trigger a requirement to use prevailing wage. You should seek professional advice regarding the application of prevailing wage requirements.

The City will consider Development Impact Fee reductions of 10 to 100%, depending upon the unique qualifications of the project and its overall contribution to the community.

2) Development Impact Fee Deferral

For businesses that do not qualify for a fee reduction, the City's Fee Deferral Program allows businesses to defer City-administered impact fees for a period of up to five years. Extended deferral periods may be considered depending on the unique attributes and benefits of each project.

3) Economic Development Grants

For businesses generating a minimum of \$15.0 million in new taxable sales or \$250,000 in new Transient Occupancy Tax (TOT) revenues, the City may provide a grant based upon a percentage of the new revenue generated within the City.

4) Project Coordination

The City will appoint a specific Project Manager from the City's Economic Development Project Review Team (EDPRT) for each phase of the project to act as a single point of contact for the applicant.

5) Interagency Coordination

The EDPRT Project Manager or the Economic Development coordinator will assist in coordination with any other public agencies involved in the development process (County, School District, Community Services District, Utility providers, etc.).

6) Expedited Plan Review

The City will expedite the review of any and all building plans and the processing of any required permits. To the extent feasible, the City will also expedite the processing of any entitlements that may be required.

### III. Value of Incentives

The value of the incentives identified above will depend upon the unique attributes of each project and the benefits that will accrue to the City and the community. After reviewing an application for Economic Development Incentives, the City's Finance Department will perform an analysis of proposed or requested incentives to determine the fiscal implications of any particular incentive or combination of incentives. The City Manager or his/her designee will work with the applicant to determine an incentive package that is beneficial to the applicant while furthering the goals and objectives of the community. The value of the package may take into consideration financial benefits to the City as well as enhancement of the community's quality of life, diversification of the City's economic base, and any other perceived benefits of the project. Incentive packages valued at less than \$50,000 may be approved by the City Manager. For any incentive package valued at \$50,000 or more over the life of the agreement, the City Manager will make a recommendation and present it to Council for approval. The City Council may consider other criteria in determining the final incentive package that will be offered.

Please note that not all applicants may receive an offer of incentives. Incentives offered will depend upon the benefits of each project as well as the availability of City funds.

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## IV. Application Procedure

- 1) Any business seeking incentives and meeting the minimum qualifications identified in Section I should submit a written request to the City's Economic Development Coordinator. The request should:
  - a. Provide a general description of the proposed project, type of business, location, projected number and types of jobs, projected tax revenue generation (if applicable), and any other criteria the City may use to evaluate the benefits of the proposed project. This may include financial benefits as well as enhancements to the overall community's quality of life and diversification of the City's economic base;
  - b. Address the required qualifications in Section 1; and
  - c. Identify the incentives requested and the estimated value of each.
- 2) Upon receipt of a request, the City's Economic Development Coordinator will review the request and determine whether an incentive package may be appropriate. If so, the City Finance Department will complete a fiscal analysis of the project and the requested incentives.
- 3) Based upon the fiscal analysis, the Economic Development Coordinator will prepare a proposed incentive package and draft an Economic Development Incentive Agreement for City Manager review and approval. Incentive packages valued at less than \$50,000 may be approved by the City Manager. For any incentive package valued at \$50,000 or more over the life of the agreement, the City Manager will make a recommendation and present it to Council for approval.
- 4) If approved by the City Manager or by Council, the agreement will be returned to the applicant for signature.
- 5) If required by the agreement, the City may engage in post-award monitoring to ensure the anticipated benefits are received. This may include reviewing sales data, employment records, or other information. The specific type and length of any monitoring shall be identified within the Economic Development Incentive Agreement.

## V. City Contacts

Questions regarding this program should be directed to:

Economic Development Coordinator  
8401 Laguna Palms Way  
Elk Grove, CA 95758  
(916) 683-7111

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**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2009-189**

**STATE OF CALIFORNIA            )**  
**COUNTY OF SACRAMENTO        )**       **ss**  
**CITY OF ELK GROVE             )**

***I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 23, 2009 by the following vote:***

**AYES :           COUNCILMEMBERS:       Hume, Scherman, Cooper, Detrick**

**NOES:           COUNCILMEMBERS:       None**

**ABSTAIN :       COUNCILMEMBERS:       None**

**ABSENT:        COUNCILMEMBERS:       Davis**



**Susan J. Blackston, City Clerk**  
**City of Elk Grove, California**