



## CITRUS HEIGHTS BUSINESS ATTRACTION INCENTIVE PROGRAM GUIDELINES

### PROGRAM OVERVIEW

The Citrus Heights Business Attraction Incentive Program (“Program”) is established to enhance the City’s competitiveness in attracting designated target industry businesses that create community vibrancy.

### PROGRAM GUIDELINES

The overriding goal of the Program is to identify, attract and invest in new businesses that contribute to commercial area vitality and increase quality of life for residents, workers and visitors.

#### Eligibility:

- Businesses that fall within one or more of the following business attraction target industry sectors:
  - *Restaurants* – restaurants, bars, coffee, and tea shops (*national chains do not qualify*)
  - *Breweries and other craft beverage businesses* – includes artisan manufacturing operations, tasting rooms and brewpubs
  - *Entertainment* – includes bowling alleys, movie theaters, performing arts, and entertainment venues
  - Businesses that serve to diversify the City’s economic base and/or enhance community quality of life by providing *unique or underrepresented services/goods*
- Have or be prepared to hire at least five employees, which can include founders and owners.
- Has less than 100 employees, has less than \$50 million of annual revenue, and is valued at less than \$500 million. Often, companies assisted through this Program will be much smaller than these thresholds.
- Application must show how business is a neighborhood service or destination amenity that contributes to community vibrancy

The City may also consider incentive for businesses that do not meet a portion of the above criteria if they are locating into an existing building or tenant space that has been vacant for more than five years.

- The building/space must have been previously occupied by another business at some point
- New construction building for a target industry user would be considered in existing commercial centers (example; outbuilding in surplus parking lot) if there are no available current properties that meet the proposed business’s needs
  - Timing of payment would coincide with a deliverable such as certificate of occupancy

Ineligible business categories: Businesses will be ineligible for this incentive program if they do not satisfy the intent of this program which is to enhance the City’s competitiveness in attraction of businesses that contribute to economic diversification and impact, community vibrancy, and/or and quality of life.

### **Value of Incentives:**

Eligible businesses may receive a grant on terms to be negotiated to be used for some combination of relocation, operating, equipment, or other legitimate and customary start up or business costs. The value of incentives identified above will be within the discretion of the City and will depend upon the unique attributes of each project and the benefits that will accrue to the City and to the community.

After reviewing an application for Business Attraction incentives, the City's Economic Development 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 City.

The value of the package may take into account financial benefits to the City as well as enhancement of the community's quality of life. 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 availability of City funds.

Grant Incentives may, at the City's sole discretion, be paid up front to assist with start-up costs or as a reimbursement for accrued costs. Regardless of the timing of payments, an accounting and proof of use of the funds in a manner consistent with the application will be required. The timing of payments and the amount of incentives will be determined on a case-by-case basis at the City's sole discretion.

### **Application Requirements, Selection Criteria and Procedure**

To be considered, a business owner or representative must submit the following minimum information:

1. A general description of the proposed project, including:
  - a. Type of business, location, and description of operations
  - b. Projected number, types and annual median wage of jobs
  - c. Projected sales and/or TOT revenue generation (if applicable)
  - d. 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;
2. A detailed request of monetary incentives including a description of how the funds will be used. Also include a description of other funds that are being leveraged for the project and how they will be used (bank loan, private investment, etc.)
3. Include a business pro forma cash flow analysis that details financial projections for at least five (5) years.
4. For startup businesses or those that have been in business for less than two (2) years, a copy of the business plan will be required. Businesses open for more than two years are not required to submit this unless the City asks to review a business plan before awarding incentives.
5. Businesses may be required to provide a signed letter of intent with a landlord or property owner as well as a copy of the proposed lease or sales agreement.

### **Application Review & Approval Process:**

1. Upon receipt of the request, the City's Economic Development & Community Engagement Department will review the request and verify applicable requirements have been met. The Department will also complete a fiscal impact and community benefit analysis to determine whether an incentive package is feasible for the City.
2. Based on the analysis, the Economic Development & Community Engagement Department will prepare a proposed incentive package and draft an Economic Development Incentive Agreement ("Agreement") for City Manager and City Attorney review and approval.
3. Incentive packages valued at less than \$5,000 may be approved by the City Manager. For any incentive package valued \$5,000 or more over the life of the agreement, staff will make a recommendation and present it to City Council for approval.
4. If approved by the City Manager or by City Council, as applicable, the Agreement will be returned to applicant for signature.
5. If required by the Agreement, the City may engage in post-award monitoring to ensure the anticipated jobs and/or tax revenue are generated. This may include reviewing sales data, employment records, or other information. The specific type and length of any monitoring shall be identified within the Agreement.
6. All startup businesses or those open for less than one (1) year that are approved for an incentive will be required to receive (5) hours of business counseling from Sacramento Valley Small Business Development Center (SBDC) or take a minimum of two (2) classes offered by SBDC.

For more information on the program, contact:

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