ECONOMIC INVESTMENT STRATEGY

Investing in Jobs for the Community

PURPOSE

The purpose of this strategy is to establish policies and guidelines for direct City assistance to qualified private sector projects that result in new jobs and revenue in the community. The Economic Investment Strategy is one component of a multifaceted economic development strategy and will be combined with other federal, state and local assistance programs.

BACKGROUND

ATASCADERO GENERAL PLAN

The overriding goals of the General Plan with regard to economic development are as follows:

1. “Provide for a sound economic base to sustain the City’s unique character by establishing a range of employment and business opportunities and generate sufficient revenue to support adequate levels of public services and environmental, social and educational quality.”

2. “Retain and expand existing businesses and attract new businesses to improve the availability of goods and services.”

To achieve these stated goals, the General Plan sets out a set of polices as follows:

Policy 13.1: Facilitate convenient location of goods and services needed by local residents.

Policy 13.2: Encourage planned office development in appropriate locations.
Policy 13.3: Expand tourist commercial nodes to serve the traveling public at freeway interchanges and develop tourist destinations based on the rural character of Atascadero.

Policy 13.4: The City shall continue to take a long-range view of its fiscal condition, and specifically the possibility of enhancing revenues, in order to maintain and, wherever possible and desirable, enhance current levels of service.

Policy 14.1: Encourage existing uses to continue providing needed products and services.

Policy 14.2: Attract new development and land uses that provide jobs and services for residents, provided that those uses are consistent with the City’s character.


Policy 14.4: Ensure that City regulations and processes support economic development opportunities.

“Intensification of commercial uses downtown and at nodes along major corridors will help increase economic activity while ensuring that goods and services are available at appropriate and convenient locations. Diversifying the local economic base by attracting new businesses with help stabilize the long-term commercial and fiscal health of the City. Streetscape, site, landscaping and other improvements will be necessary to enhance the appearance and function of the commercial corridors, especially El Camino Real.”

The Economic Investment Strategy is designed to create a public-private partnership in achieving the economic goals of the community.

FRAMEWORK FOR CREATION OF STRATEGY

In applying this strategy, the City will utilize information contained in the 2000 Census, Buxton Study (2004), annual Economic Forecasts for the County of San Luis Obispo and City of Atascadero, the City’s Economic Development Element of the General Plan (June 2002), Visitor/Tourism Assessment (September 2005), current trends and information related to the employment base, labor market and targeted industries.
It shall be the Policy to consider financial participation in private development projects when the following characteristics exist:

1. The project provides new revenue to the City. New revenues may include, but not be limited to, sales, use taxes and property taxes or other sources of revenue directly attributable to the project. Development fees or other fees paying for infrastructure capacity or maintenance may not be used to forecast revenue.

2. The project results in the creation of “Career” or “Entry” level positions. Career jobs are full-time employment opportunities that require a combination of prior work experience and education, and include fringe benefits. Entry-level jobs will be full-time employment with a starting wage and benefits equal to the County average as set forth in the Private Industry Council Annual Report.

3. The project should result in the diversification of the existing business and employment base in the community, including, but not limited to, information processing and computer services, environmental technology, telecommunications, software development and applications, and tourism services.

4. Assistance may be provided to new investment or expansion of local companies in the downtown master plan area, provided that sufficient revenue is generated by the expansion or location to warrant such investment. Investment projects in the downtown master plan area would not be required to meet the job creation criteria as listed in item “2” above.

5. Any investment by the City will be tied to direct performance by the company. If the project does not create the anticipated revenue or job opportunities, the assistance provided by the City would be reduced or eliminated.

6. No offer of assistance will exceed fifty percent (50%) of the City’s anticipated new revenue over a period of five (5) years, unless specifically authorized by the City Council.

7. Assistance will be provided by agreement between the City and the company that is investing in the community. Third party agreements may be applicable where the agreement can ensure that the provisions of this policy can be performed by the third party.

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PROCEDURE

The following procedure will be followed in developing and implementing the investment strategy:

1. Staff shall prepare a preliminary economic pro-forma analysis that will include the estimated revenue associated with the project, including, but not limited to, property, sales, transient occupancy and other "taxes," business license and other fees associated with the project.

2. Staff shall prepare a preliminary proposal for a private development that would indicate the project meets the eligibility criteria and present the types of assistance available for the specific project. Assistance can include, but is not limited to, infrastructure design and construction, tax rebates, fee deferrals, credits and waivers, and other forms of assistance allowed by State statute. Staff will investigate the use of state and federal financial assistance programs available to the City that can be used on behalf of the project.

3. Disclosure and acknowledgement that City participation in private development projects will result in the project coming under California Redevelopment law set forth in Health and Safety Code Section 33423 et seq., and/or California Labor Code Section 1720, as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which requires the payment of prevailing wages on private projects receiving public assistance. Accordingly, all assisted projects with a value above one thousand ($1,000.00) dollars will require the payment of prevailing wages for each craft or type of workman needed throughout construction.

4. A draft agreement will be prepared and presented to the City Council/Agency Board of Directors for consideration. The Council/Board will have to take action to approve and or modify the investment proposed in the agreement.

Adopted by the City Council on ________________.