

**CHAPTER 16**  
**ECONOMIC DEVELOPMENT INCENTIVE PROGRAM**

**SECTION:**

- 1-16-1: Purpose
- 1-16-2: Eligibility Requirements and Criteria
- 1-16-3: Available Incentives
- 1-16-4: Application Procedures
- 1-16-5: Evaluation
- 1-16-6: Incentive Agreement
- 1-16-7: Discontinuance of Incentives

1-16-1: **PURPOSE:**

(A) The City is committed to the promotion of quality development in all parts of the City and to improving the quality of life for its citizens. In order to help meet these goals, the City will consider providing incentives for the retention and/or expansion of existing businesses located within the City and to encourage the establishment of new targeted businesses within the City. It is the policy of the City that such incentives will be provided in accordance with the procedures and criteria outlined in this Chapter. However, nothing in this policy shall imply or suggest, by implication or otherwise, that the City is under any obligation to provide any incentive to any applicant; and all such decisions and actions shall be at the sole discretion of the City Council. All applicants for economic development incentives will be considered on an individual basis.

(B) It is the intent of the City to offer economic development incentives on an individual basis so that the total package of incentives, if any, may be designed specifically for each project which is proposed. This approach will allow the City the flexibility necessary to satisfy the unique needs and concerns of each applicant and the needs and concerns of the City and its citizens.

1-16-2: **ELIGIBILITY REQUIREMENTS AND CRITERIA:**

(A) The following are the minimum requirements that must be satisfied for any application for economic development incentives to be considered:

- (1) Any request for incentives shall be initiated at least sixty days prior to applying for a building permit for construction of the proposed project.
- (2) The applicant must create one hundred or more new full-time equivalent positions working at a business located within the City. For the purposes of this section, "full-time employee" means an employee who is expected in normal course of employment to provide at least two thousand eighty (2,080) hours of compensated

hours during any consecutive twelve month period. "Full-time equivalent" is any combination of seasonal or part-time employees whose compensated hours during a consecutive twelve month period equals two thousand eighty (2,080) hours.

- (3) The average hourly wage paid to employees shall be at least twice the federal minimum wage or \$15 per hour, whichever is greater.
- (4) The firm seeking assistance shall provide medical, dental and vacation benefits to full-time employees.
- (5) The applicant shall provide new capital investment equal to or in excess of \$5.0 million if the applicant will establish a new business in the City and equal to or in excess of \$2.0 million if the applicant will expand a business in the City or use a building which has been vacant for at least two years. For purposes of this section, "capital improvements" means property improvements that will enhance the assessed valuation of the land and buildings on the property.
- (6) Any waivers provided under Section 1-16-3(B) shall not exceed \$5,000 per full-time equivalent employee.
- (7) Any waivers provided under Section 1-16-3(B) or other assistance provided by the City shall not exceed the amount of estimated City taxes to be levied on the capital improvements within the seven (7) calendar years after receipt of the Certificate of Occupation.
- (8) Any waivers provided under Section 1-16-3(B) or other assistance provided by the City shall not exceed five (5) percent of the estimated assessed valuation of the land and buildings at the time of issuance of the Certificate of Occupancy.

(B) Nothing herein shall imply or suggest that the City is obligated to offer incentives to any person, organization, joint venture, partnership, association or corporation.

(C) The City reserves the right to review and change the incentive program at any time, except that where an incentive agreement has been duly executed, the incentive agreement shall supersede.

1-16-3: AVAILABLE INCENTIVES: The City offers a variety of incentives and assistance options for qualifying businesses. The specific type of incentive or assistance will depend upon the needs of the business as well as the benefits created by the proposed business. Incentives available for qualifying businesses are:

(A) Expedited Permitting Process. The City may expedite the permitting process required for business location or expansion.

(B) Waiver of Fees. The City may waive all or part of the following fees associated with the establishment of a new businesses: road and bridge fees, storm drainage fees, land use application and plan review fees, and building permit fees. Such fees shall not be waived with respect to any fee for which the services of an outside consultant are necessary to review the application or construction documents or for any other purpose necessary to facilitate the issuance of the associated permit.

1-16-4: APPLICATION PROCEDURES: Any person, organization, joint venture, partnership, association, or corporation desiring that the City consider providing economic development incentives shall submit an application containing, as a minimum, the following information:

(A) The applicant's name, name of business entity, principal place of business, mailing address, telephone number, fax number, website address and contact information of an officer or employee of the applicant who is responsible for completing the application.

(B) A complete legal description of the property along with a plat showing the precise location of the project.

(C) A brief description of the proposed improvements or expansion, including but not limited to the project's estimated cost of construction, fixtures, landscaping and site improvements; the type of business operation proposed, the number and type of jobs created and the anticipated wage or salary of each job position; description of benefits available to employees; the expected source of labor to fill such jobs, the projected date of the commencement of business operations; expected duration of business location based on history of company operations.

(D) A brief description of the type of incentives requested.

(E) A current financial statement of the applicant, if currently in business, or a prospective financial statement, if a startup business.

(F) A proposed business plan for the contemplated business.

(G) Such other information as required or requested by the City.

1-16-5: EVALUATION:

(A) Each request for incentives will be evaluated by City staff on an individual basis taking into consideration the following factors:

- (1) Revenue benefit to the City.
- (2) Number and quality of jobs created.
- (3) Strength of public benefit to the City.

- (4) Ability of the project to spur additional economic development in the City.
- (5) Impact of the proposed development on existing businesses within the City.
- (6) Level of applicant's creditworthiness and financial strength.
- (7) Applicant's willingness to construct public facilities and infrastructure, including but not limited to parks, pathways, library space, police station space, emergency services space, bus stops, public parking, public open space, and public recreation facilities.

(B) City staff will provide a written recommendation of full, partial or no incentive to the City Council based upon review of the application and the criteria set forth in this Chapter.

(C) The City Council may adopt the recommendation of City staff or otherwise approve economic development incentives based upon its review of the application and the criteria set forth in this Chapter.

1-16-6: INCENTIVE AGREEMENT:

(A) If the City Council determines in its sole discretion that it is in the best interest of the City to grant incentives to a particular applicant, a resolution shall be adopted approving the terms and conditions of the incentive agreement with the applicant. The incentive agreement will enumerate the types of incentives to be provided and the conditions applicable to such incentives, if any.

(B) All such incentive agreements must, at a minimum, be in writing and include:

- (1) A description of each of the types of incentives to be provided.
- (2) The commencement date of the incentives and the duration of the incentives.
- (3) A legal description of the property indicating its location.
- (4) Detailed information regarding the type, number, location and cost of planned improvements.
- (5) A method by which the business receiving incentives will certify in writing to the City that the business is in compliance with the incentive agreement and provide the City with documentation to substantiate the level of value, including but not necessarily limited to, annual company financial reports, state and/or federal employment reports, and Bonneville County tax appraisal statements.

- (6) A method for the City to recover all waived fees and costs which are lost as a result of the agreement if the applicant(s) fail(s) to perform its obligations under the agreement.
- (7) A provision requiring the applicant to keep good and accurate financial records sufficient to demonstrate applicant's performance of the terms and conditions of the agreement and a provision allowing the City to inspect such records upon reasonable advance notice during normal business hours. Such provision shall also require the applicant to provide copies of such records to the City at the applicant's expense, upon written request of the City.
- (8) Such other provisions as the City Council shall deem appropriate.

(C) The incentive agreement shall be nontransferable. Businesses entering into an incentive agreement shall promptly disclose to the City, in writing, any transfer of ownership of the business, any sale or transfer of shares in the business which results in a change of control of the business or any bulk sale of more than seventy five percent of the assets of the business.

(D) A provision requiring repayment of all incentives in the event the application contains any misstatement or misrepresentation of material fact, together with interest at a rate of twelve percent per annum from the date each of said fees would have otherwise become due, together with a penalty in the amount of five percent of the total amount of the fees waived.

(E) A provision requiring payment by the applicant of the City's reasonable attorneys' fees and costs, in the event legal action is required to enforce any of the terms of such incentive agreement.

1-16-7: DISCONTINUANCE OF INCENTIVES: Changing economic conditions and availability of funds may cause the City Council to modify, amend, or discontinue the economic development incentive program at any time. Should the incentives program be discontinued, the City Council will honor any incentive agreement to which it committed before the discontinuance of the incentive program.