

EXECUTIVE SUMMARY FOR ECONOMIC EXPANSION ACT

The purpose of this Act is to develop measurable economic development and revitalization incentive policies that support the creation of permanent full time jobs; attract investment in distressed neighborhoods and infill areas; support new and expanding small businesses; and ultimately result in economic expansion citywide.

Below is a summary of the important policies included in the Act:

I Accountability and Compliance with Better Business Act

There must be accountability for any economic incentives offered by the City. Under this Act the City economic incentives are tied to Proposer performance standards or thresholds including project type, job targets and production targets. Any proposed project in which the City agrees to share \$1 million or more project generated revenue to incentivize private capital investment is subject to the due diligence provisions of the Better Business Act.

II Prioritizing Economic Incentives

The Economic Expansion Act recognizes that the local economy is comprised of Primary and Secondary Industries. Primary Industries are businesses that export products or services outside of the local economy and have the highest economic impact on the City. Secondary Industries are 'people serving' businesses (e.g. retail and residential development) that generate a lower level of economic activity and do not have the same multiplier effect as businesses from primary industries. Primary Industries are prioritized to receive higher level of economic incentives.

III City Economic Development and Revitalization Incentives

The City will provide three levels of direct local economic development and revitalization incentives ranging in value, benefit, and risk to the City in addition to other direct and indirect incentives. They include:

1. Reduction and Abatement of Development Impact Fees: Reducing or abating development impact fees for eligible projects are the first and lowest value/lowest risks economic development incentive offered by the City.
2. Reimbursement for Offsite Improvements: The second level of economic development incentives are new revenues directly generated by the proposed project to reimburse the developer for offsite improvements triggered by the project.
3. Project Revenue Sharing Incentive Capital Investment: The third level of economic development incentives utilizes new revenue directly generated by the project to incentivize private capital investment. This highest level of incentive is reserved for unusually large and publicly beneficial projects. As a result, more thorough due diligence is required.
4. Other Indirect Financial Incentives: The City will offer other direct and indirect financial incentives to qualified proposers as determined by a review and evaluation by the City Manager. Other direct and indirect financial incentives

include: a) low interest rate bond financing; b) tax credits; c) recycled water rebate/reduction; and d) PG&E enhanced economic development rate.

IV Database Inventory of Industrial Land

The City will maintain a database inventory of vacant industrial zoned land with the City limits and within its sphere. The City shall work directly with the private sector Asset Manager in selling surplus properties with a priority for industrial properties.

V Local Venture Capital Fund

Local sources for venture capital are only just starting to emerge including the San Joaquin Fund, the Central Valley Angel Fund, and Central Valley Fund. Access to capital for entrepreneurial startups and expansion of existing business is essential. The City shall take the lead in assembling a network of stakeholders to connect local entrepreneurs, venture capital investors and investment bankers promoting new industry and new jobs in our area.

VI Focus on Small Business

The City needs to be the catalyst to promote small business, access a path to capital, remove regulatory barriers and help start up and new business and expand an existing business. Consequently, the City will re-evaluate the Local Small Business Ordinance to strengthen it and provide more resources to implement policies promoting and growing small business in our City. This issue will come forward later this year in an expanded policy document.

VII Preparing Our Workforce

There are two primary components to creating sustainable economic expansion in our community. The specific policies contained in this Act are designed to elevate the demand side of the economy through carefully crafted economic incentives. The other primary and necessary component is to raise the supply side by having trained and capable work force in our community to fill the newly created jobs.

VIII Career Technical Education (CTE)

Fresno must do more to offer CTE and career paths for its students. The City has a full array of non-college technical job opportunities for potential future employees. They include auto and bus mechanics, drivers, computer techs, construction trades and related jobs. The City should develop a formal on-the-job internship program for these types of jobs and work closely with local schools for internship placements. The City shall explore and evaluate its support and commitment of resources to partner with State Center Community College District and Fresno Unified District to assist in developing a vocational school.