

ORDINANCE NO. 1397.07.01

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF CASA GRANDE, ARIZONA, AMENDING THE CITY CODE OF CASA GRANDE BY ADDING TITLE 7 ENTITLED ECONOMIC DEVELOPMENT; AND BY ADDING CHAPTER 1, ENTITLED ECONOMIC DEVELOPMENT INCENTIVES; AUTHORIZING THE EXPENDITURE OF PUBLIC FUNDS AND REBATE OF CERTAIN FEES AND CITY TAXES WHICH WILL ENHANCE THE ECONOMIC WELFARE OF THE CITY'S INHABITANTS; AND ESTABLISHING CRITERIA FOR SUCH EXPENDITURES OR REBATES OF PUBLIC FUNDS, PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, A.R.S. § 9-500.11 authorizes the City Council to expend public funds to assist in the creation or retention of jobs in the City and enhance the economic welfare of the inhabitants of the City:

WHEREAS, the City Council has determined that it is in the best interests of the City to further economic development in the City and to authorize expenditure of funds for economic development, consistent with the criteria set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF CASA GRANDE, ARIZONA, as follows:

Section 1: Enactment of Economic Development Incentives Ordinance

Title 7, entitled Economic Development is hereby added to the Casa Grande Municipal Code and Chapter 1 entitled Economic Development Incentives is hereby added to the Casa Grande Municipal Code which shall read as follows:

CHAPTER 1 - ECONOMIC DEVELOPMENT INCENTIVES

Section 7.01.001 Definitions

Unless otherwise indicated in this Title 7, Chapter 1, terms in this chapter shall have the following meanings:

- A.** Commercial projects which are eligible for the incentives or enhancement established in Section 7.01.002 do not include retail projects.
- B.** "Retail" shall mean a commercial enterprise which sells tangible goods to a buyer who is the end user or consumer.
- C.** "New industrial or commercial project" shall mean an enterprise which is different in function from the land use or enterprise in the location being considered for incentives or enhancements.
- D.** Expansion of an "existing industrial or commercial project" shall mean an increase in the land, buildings, equipment or machinery of an enterprise which is the same in function as the existing land use or enterprise in the location being considered for incentives or enhancements.
- E.** "Compliance period" shall mean the time period specified in the agreement between the recipient and the City during which the recipient shall comply with the Section 7.01.004 criteria on which it supported its eligibility for the incentives or enhancements in Section 7.01.002. The compliance period may be longer than the time period for payment of the incentives or enhancements to the recipient.

Section 7.01.002 Authorization to Rebate Fees, City Sales Tax Revenues and Expend Public Funds in Furtherance of Economic Development in the City

The City may encourage economic development and authorize the rebate of certain fees, except development fees enacted pursuant to the authority of Arizona Revised Statutes (A.R.S.) §9-463.05, taxes or provide construction of off-site public improvements including, but not limited to, the following:

- A.** Any or all fees required to be paid in connection with the construction or expansion of a commercial or industrial project, including, but not limited to, plan checking fees, inspection fees, and sewer connection fees;
- B.** General funds to pay the costs of construction of off-site public improvements which the City determines are required to be constructed in connection with a commercial or industrial project.
- C.** All or a portion of the sales tax revenues levied, generated and received by the City as a result of the construction of a new, or expansion of an existing, commercial or industrial project unless such sales tax revenues are subject to a prior senior pledge.
- D.** All or a portion of the property tax revenues levied, generated and received by the City as a result of the construction of a new, or expansion of an existing, commercial or industrial project unless such tax revenues are subject to a prior senior pledge.

Section 7.01.003 Council Approval or City Manager Approval

If the aggregate of the fees, costs of the City-constructed improvements and sales or property tax rebate is more than \$75,000, the City Council must approve any incentive in this Section 7.01.002. If the aggregate of the fees, costs of City-constructed improvements and sales or sales tax rebate is less than \$75,000, the City Manager may approve any incentive in this Section 7.01.1.

Section 7.01.004 Criteria

- A.** The City shall not grant the incentives authorized in Section 7.01.002 without finding the potential recipient meets the following:
 - 1. The rebating of the fees, expenditure of the funds or rebate of City sales tax revenues will assist in the creation or retention of a significant number of jobs in the City with the average hourly wage for non-exempt positions (pursuant to the FSLA) of at least 75% higher than the federal minimum hourly wage and wherein the recipient pays at least 25% of it average hourly wage for non-exempt positions in benefits; and
 - 2. New eligible industrial and commercial projects must expend a minimum of One Million, Five Hundred Thousand dollars (\$1,500,000.00) in equipment, machinery, land, and building improvements as its initial investment at a single location; or expansions of existing eligible industrial and commercial projects must expend a minimum of Seven Hundred, Fifty Thousand dollars (\$750,000.00) in equipment, machinery, land, and building improvements as its expansion investment at a single location.
- B.** The City may also consider the following factors in determining whether the potential recipient should be granted incentives:
 - 1. Economic development will be furthered by rebating the fees, expenditure of funds or rebate of City sales tax revenues.
 - 2. The recipient's operation will otherwise improve or enhance the economic welfare of the inhabitants of the City.
 - 3. The recipient's operation will not disproportionately expend natural resources or public infrastructure and services, such as transportation infrastructure or public safety services.
 - 4. The benefits the City will receive from the commercial or industrial project outweigh the economic costs to the City, as demonstrated through the City's fiscal impact analysis model.

5. The potential recipients' use of and availability of other funds and rebates from the City or other sources including other governmental entities.

Section 7.01.005 Agreement Required

In order to utilize the incentives provided in Section 7.01.002, the recipient and the City must enter into an enforceable agreement, including a development agreement pursuant to A.R.S. §9-500.05, as to the terms and conditions of the development and such other provisions as may be requested by the City. The agreement must be consistent with the requirements of this chapter and shall further identify the rights and obligations of the parties. The City may request that the agreement be secured or collateralized such that the recipient's obligations are reasonably assured.

Section 7.01.006 Developer Obligations

The recipient, in order to receive, or continue receiving, incentives or enhancements, shall:

- A. Provide information, including capital investment and employment projections, to enable the City to prepare a fiscal impact analysis;
- B. Begin construction of the improvements within twelve months of the date of the offer by the City or twelve months from the effective date of the development agreement, if there is one;
- C. Complete construction, remodeling or improvement within twenty-four months, or the time period specified in the development agreement, of the date of the offer or effective date of any development agreement with the City;
- D. Upon purchase of the parcel or parcels for the economic development project, the owner/developer agrees to commence construction of the improvements no later than ninety (90) days after issuance by City of a building permit.
- E. Owner/developer agrees to comply with such zoning, building and planning requirements as are applicable to construction of said improvements, including cooperating with the City in connection with site plan approvals and the obtaining of such other permits as are required in connection with the development of the land and construction and occupancy of the improvements. In addition, owner/developer agrees to provide City with information necessary for the City to complete its fiscal impact analysis model. Such information shall not include proprietary or certain financial information that, in the reasonable opinion of the owner/developer, could be used to owner/developer's competitive disadvantage by market competitors.
- F. Owner/developer agrees to be wholly responsible for paying city impact fees, development fees, plan check fees, permit fees, expedited review fees and fees required by the City for studies, reports and other project-related analyses.
- G. Owner/developer shall make every reasonable effort to have improvements satisfactorily completed, to obtain a Certificate of Occupancy, and to have the economic development project open for business on or before a date certain which shall be identified in the development agreement.
- H. On each anniversary date of the issuance of the certificate of occupancy through the compliance period, the recipient shall provide to the City Manager an informational update, including capital investment and employment projections, which demonstrates the recipient's compliance with its obligations under its agreement with the City.

Section 7.01.007 Reports to the Council.

A. The City Manager shall report to the Council any rebate of fees, tax revenues or expenditure of public funds in which the aggregate of the expenditure or rebate is less than \$75,000.00. The report will be provided to Council within 30 days of the recipient's acceptance and shall include, but is not limited to:

1. Company name and description.
 2. Amount of capital investment by the company for construction, remodeling or improvements.
 3. Number of additional jobs added or created by the company.
 4. Purpose of the City offering enhancements.
 5. Preliminary fiscal impact analysis prior to business operation.
- B.** The City Manager shall within 30 days of his receipt submit to the City Council the reports received from recipients in compliance with Section 7.01.006H.

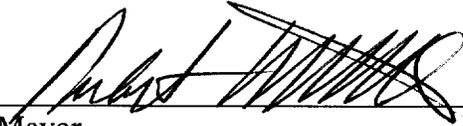
Section 2: Severability

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 3: Effective Date

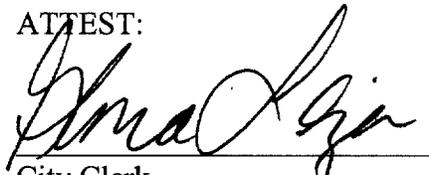
The effective date of this ordinance shall be January 1, 2001.

PASSED AND ADOPTED by the Mayor and Council of the City of Casa Grande, Arizona, this 17th day of July, 2000.



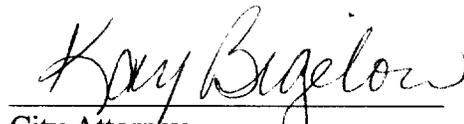
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney