

RESOLUTION NO. 17-14

A RESOLUTION OF THE CITY OF CLEARWATER, FLORIDA, ESTABLISHING AN ECONOMIC DEVELOPMENT INCENTIVE POLICY; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 2(b), Article VIII of the Florida Constitution, and Section 166.021, Florida Statutes provide broad home rule powers authorizing the governing body of a municipality to expend public funds to attract and retain business enterprises, provides for the making of grants to private enterprises for the expansion of businesses existing in the community or the attraction of new businesses to the community, and also establishes that the use of public funds toward the achievement of economic development goals constitutes a public purpose; and

WHEREAS, the City of Clearwater Economic Development Strategic Plan ("Strategic Plan"), adopted by City Council in 2011, establishes the guiding principles of pursuing tax base diversification, higher paying jobs and business vitality; and

WHEREAS, the Strategic Plan also establishes five (5) goals surrounding land use, investment climate, business retention and expansion, business development, and talent and place; and

WHEREAS, the Strategic Plan recommends the adoption of a formal incentive policy to provide clear guidance on the standards to qualify for incentives and to function as a broad set of guidelines rather than a restrictive checklist; and

WHEREAS, the City of Clearwater - Strategic Direction (2016-2021) ("Council Strategic Direction") establishes the city's vision, mission and strategic direction; and

WHEREAS, Council Strategic Direction identifies certain Priorities including "Diversify the Economic Base" and "Increase Economic Opportunity" to "Facilitate Development of the Economy"; and

WHEREAS, activities and strategies that achieve these Priorities are consistent with the City's Strategic Plan; and

WHEREAS, the City recognizes that businesses that create high wage and high skill jobs, support commercial development and revitalization, and can demonstrate a positive return on investment enhance the overall economic prosperity of the residents; and

WHEREAS, the City has implemented several economic development incentive programs and tools, including but not limited to, Economic Development Ad Valorem Tax Exemption, Qualified Target Industry Tax Refund, Public Service Utility Tax Exemption, and waiving, crediting and payment of fees, to encourage new businesses to relocate to the city and existing businesses to expand, creating more jobs and sustainable economic growth; and

WHEREAS, the City Council now wishes to formally adopt an Economic Development Incentive Policy under which the city Economic Development Department initiate programs implementing the Strategic Plan, the Council Strategic Direction, and all economic development objectives under its powers pursuant Section 2(b), Article VIII of the Florida Constitution and Section 166.021, Florida Statutes; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF CLEARWATER, FLORIDA:

Section 1. The City Council of the City of Clearwater, Florida hereby adopts an Economic Development Incentive Policy under which the following factors shall be taken into consideration when the Council makes its determinations with respect to economic development incentives:

- 1) **General Purpose and Objectives:** Economic development incentives should be carefully crafted in a transparent manner to ensure that they yield a net benefit to City residents, the following principles should be considered when making determinations:
 - a) The targeted investment would not occur without the incentive;
 - b) The investment should generate new economic activity in the area;
 - c) Each project should be evaluated on a case-by-case basis using the guiding principles articulated in the City's Economic Development Strategic Plan;
 - d) The Economic Development and Housing Department is the lead department for the development, evaluation, negotiation, measurement and reporting of City-wide economic development incentives.
- 2) **Incentive Types:** Incentives may be established as Programs or Tools and may provide financial and non-financial inducement to the business, property owner, or developer of a qualifying project:
 - a) Incentive Programs are established by Ordinance or Resolution and require the development of published guidelines and application for submittal by a qualifying project:
 - i) Qualifying criteria and disclosure of the methods by which the Economic Development and Housing Department will evaluate, negotiate, measure and report information contained within the application must be established within the guidelines.
 - b) Incentive Tools are those activities and resources provided by, or on behalf of, the Economic Development and Housing Department and are not subject to an

application process. The use of financial Incentive Tools are subject to Council approval.

- c) Financial Incentives must identify the source of funds, as may be permitted by law and may be available from time to time, which may include, but are not necessarily limited to:
 - i) Ad valorem tax exemption as permitted by statute;
 - ii) The limited waiving, crediting, or payment of fees;
 - iii) Reduced rent on city-owned property;
 - iv) Grant or loan-to-grant agreements;
 - v) Low-interest loans;
 - vi) Land exchange of comparable appraised value;
 - vii) Financial support of infrastructure improvements;
 - viii) Matching grant funds or in-kind services;
 - ix) Funds for programs or services;
 - x) Brownfield assessment funds;
 - xi) Public utility tax exemption;
 - xii) Local match of state authorized programs.
- d) Non-financial incentives may include:
 - i) Expedited planning review and approval process;
 - ii) Access to Economic Development services;
 - iii) Other city services, as appropriate.

3) **Creation or Establishment of Incentive Programs and Tools:** From time to time, Incentive Programs or Tools may be created or established. Such Programs or Tools must include:

- a) A statement demonstrating how the proposed incentive relates to the broader economic development strategies including desired development areas identified in the Economic Development Strategic Plan, Adopted Long Range Plans, Consolidated Plan, and others;
- b) Desired goal of the program or tool;
- c) Identification of qualifying criteria which may include, but are not limited to:
 - i) Minimum number of new full-time city positions created by the business as a result of relocating to or expanding in the city;
 - ii) Minimum average annual wage of the new employees of the business located in the city;
 - iii) Minimum threshold of capital investment in the city;
 - iv) Geographic boundaries in which the Program or Tool may be applied;
 - v) Sales factor;
 - vi) Industry type including Primary Targeted Industry, if applicable.
- d) Methods of evaluation:
 - i) Quantitative Measures:
 - (1) Economic, Fiscal and Incentive Impact Analysis;
 - (2) Jobs created/retained;
 - (3) Average wage of new jobs;
 - (4) Capital investment generated;

- ii) Qualitative measures which identify the achievement of specific community goals.
 - e) Reporting requirements and maintenance of records:
 - i) Where applicable, economic development incentives approved by Council will be reported as per Council, State and Federal reporting requirements.
 - f) For Financial Incentives:
 - i) The method of payment for performance and recapture of funds for failure to perform.
- 4) **Funding sources:** Funding for economic development incentives may be obtained from the General Fund through the annual budget process or from time to time from any allowable source, including:
- a) General Fund Reserve;
 - b) Central Insurance Fund;
 - c) Enterprise Fund;
 - d) Federal, State, or County government grants or allocations;
 - e) Other monies set aside, as appropriate.

5) Definitions:

- a) "Project," means company, applicant, developer, property or the combination of some or all which is evaluated for consideration of incentives.
- b) "Desired Development Area," means certain geographic region(s) of the City of Clearwater where development is preferred.
- c) "Average Annual Wage" means statistical yearly average wage being paid or proposed wage to be paid by prospective company.
- d) "Primary Targeted Industry," means the seven (7) industries identified by the City's Economic Development Strategic Plan (2011) and those identified by Enterprise Florida, Inc. or the Florida Department of Economic Opportunity which may be subject to change from time to time.
- e) "Capital Investment", means the acquisition of capital assets or fixed assets, such as land, buildings, and equipment.
- f) "Economic, Fiscal and Incentive Impact Analysis", means the calculation of the worth of a project, business or activity to the community over a period of time using a recognized third party analysis tool, such as "Total Impact" by Impact DataSource, LLC.

Section 2. The provisions of this resolution shall be incorporated into Council Policies – General Administration (27 M).

Section 3. If any section, paragraph, sentence, or clause hereof or any provision of this Resolution is declared to be invalid or unconstitutional, the remaining provisions of this resolution shall be unaffected thereby and shall remain in full force and effect.

Section 4. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of _____, 2017.

George N. Cretekos
Mayor

Approved as to form:

Attest:

Laura Lipowski Mahony
Assistant City Attorney

Rosemarie Call
City Clerk