

Citrus Heights Economic Development Incentive Initiative
DEVELOPMENT FUND
PART A – PBID/BID SUPPORT GUIDELINES

INTRODUCTION

The City of Citrus Heights created the Development Fund to create one-time incentives and eliminate or reduce impediments for development in order to benefit the City of Citrus Heights' long-term economic development goals, as described in the City's Economic Development Strategy. Unlike the Economic Development Support Fund, the Development Fund is not providing grants or sponsorships but rather a one-time assistance to a project that might not otherwise move forward on its own and has a substantial economic development benefit to the City.

The Development Fund is divided into three parts. This program is one of the three parts that make up the Development Fund. Each part has its own set of general eligibility requirements, use of funds and program criteria. The primary purpose of the Development Fund is to provide financial incentives in the form of assistance, loans, advancements or a match to help achieve the following program goals:

- Grow sustainable and livable wage jobs (retention and creation)
- Increase tax base
- Increase business-to-business activity
- Diversify local economy
- Improve the perception of Citrus Heights as business friendly

The Development Fund received a one-time allocation of \$350,000 from the General Fund Reserve and is contained within the Capital Improvement Plan (CIP). The funding will carry over from year to year if agreed upon by the City Council. When the funds are exhausted, City Council may determine if more funds are to be allocated.

I. GENERAL ELIGIBILITY REQUIREMENTS

A. ELIGIBLE PROJECT AREAS

The Program is available for projects being developed in the City of Citrus Heights.

B. ELIGIBLE APPLICANTS

1. An Applicant is defined in Section IV, Definitions. Eligible Applicants include the following:
 - a. Existing Property-based Improvement Districts (PBIDs) or Business Improvement Districts (BIDs).
 - b. New PBIDs or BIDs.
 - c. A prospective group of businesses, property-owners or a business association that are actively working to form a PBID or BID.

C. INELIGIBLE APPLICANTS

1. Individual businesses.
2. An association or group not intending to form A PBID or BID.
3. An individual, group or entity that does not meet the definition of “Eligible Applicants” defined above in Part B, Eligible Applicants and Section IV, Definitions.

D. ELIGIBLE PROJECTS

1. Eligible Projects for prospective or new PBIDs or BIDs include the following:
 - a. Start-up costs, up to a maximum of \$25,000.
 - b. Supplemental operation funds for a maximum of three (3) years.
 - c. Advancement of funding for special projects payable with future assessments.
2. Eligible Projects for existing PBIDS or BIDS include the following:
 - a. Renewal assistance, up to a maximum of \$20,000.
 - b. Advancement of funding for special projects payable with future assessments.

E. INELIGIBLE PROJECTS

1. Ineligible Projects for new PBIDs or BIDs include the following:
 - Reimbursement for costs incurred prior to the City’s approval.
 - Any board member stipend.
 - Other items as deemed inappropriate by the City.
2. Ineligible Projects for existing PBIDs or BIDs including the following:
 - Reimbursement for costs incurred prior to the City’s approval.
 - Supplemental operation funds.
 - Other items as deemed inappropriate by the City.

F. PROGRAM CRITERIA

An application will be required for each funding request. Applications will be reviewed by Economic Development staff and the Finance Committee. Applications must provide, as applicable, detailed cash flow of operational budget, start-up budget or outline the types of activities that will be undertaken in the time period funds are provided.

With a recommendation from the Finance Committee, the City Council will have final approval on all funding requests and determine terms of funding. For example, matching operational funding will be provided up to a maximum of three (3) years. A three year term for assistance is not guaranteed, it is a do not exceed amount.

All applications will be reviewed by Economic Development staff and the Finance Committee for the following criteria:

1. **Program Goals:** Meet one or more of the program goals.
2. **Targeted Areas:** Applications are not limited to specific geographical areas in the City, but applications benefiting Antelope Crossing, Auburn Boulevard Specific Plan Area, former Redevelopment Area or the Sunrise MarketPlace are emphasized.
3. **Projected Outcome:** Each application must describe what the expected outcome of the project, program or event is (e.g. formation of a 50 property PBID or BID; Renewal of an established PBID; creation of a BID).
4. **Leveraging Investment:** Funding from the City cannot be the sole funding source. Favorable applications will demonstrate how funds are affectively leveraging public or private investment (i.e. match for grant).
5. **Public Benefit:** Description of how the proposed program, project or event is a benefit to the City/community.

I. DEVELOPMENT FUND – PART A DESCRIPTION

A. GENERAL

1. **Purpose and Goals:** The primary purpose of the Development Fund – Part A is to provide assistance through grants, loans or advancements to new and existing PBIDs and BIDs in the City to increase a PBID's or BIDs capacity to help do the following:
 - Grow sustainable and livable wage jobs (retention and creation)
 - Increase the Citrus Heights tax base
 - Increase business-to-business activity
 - Diversify local economy
2. **Eligibility:** In order to qualify for the Program, the Applicant(s) must meet all General Eligibility Requirements.
3. **Value of Assistance:** The City Council will approve the awarded amount based on an evaluation of the application, current financials and cost of proposed project, if applicable.
4. **Funding Availability:** All applications are to be reviewed on a first-come, first-serve basis and will be subject to available funding. The City reserves the right to cancel the Program at any time.

B. TERMS AND CONDITIONS

1. **Application:** All applicants should review the Program’s General Eligibility Requirements prior to submitting an application.
2. **Disbursement:** Upon approval from the City Council, City staff will confirm when the applicant needs the funding. Within 10 days of the applicant’s request for funds, the City will disburse funds to the Applicant.
3. **Right to Refusal:** The City shall have the right to refuse an application that is a conflict of interest or in conflict with city policy.

II. NON-DISCRIMINATION POLICY

The City shall not discriminate against any Applicant on the basis of race, color, religion, sex, sexual preference, marital status, ancestry, national origin, disability, pregnancy disability, medical condition, sexual orientation, gender, or transgender.

III. DEFINITIONS

The following definitions shall apply to this document unless another meaning is clearly apparent from the context.

APPLICANT shall mean an existing or new PBID or BID as described under Section IV, Definitions or a prospective group of businesses or property owners actively working to form a PBID or BID.

BUSINESS IMPROVEMENT DISTRICT (BID) shall mean a special benefits district whereby through a voting process business owners agree to assess themselves to fund defined benefits, consistent with the “Management District Plan.” A BID is managed by a non-profit corporation of stakeholders.

CITY shall mean the City of Citrus Heights.

CITY MANAGER shall mean the City Manager for the City of Citrus Heights or their designee.

FINANCE COMMITTEE shall mean the two members of the City Council that are assigned to serve on the said committee.

PROGRAM shall mean the Development Support Program for PBIDs/BIDs (Part A).

PROPERTY-BASED IMPROVEMENT DISTRICT (PBID) shall mean a special benefits district whereby through a voting process property owners agree to assess themselves to fund defined benefits, consistent with the “Management District Plan.” A PBID is managed by a non-profit corporation of stakeholders.

SPECIAL PROJECT shall mean an event, initiative or task that is not part of the PBID/BID’s day-to-day functions, but meets the goals of the PBID/BID’s purpose and is included in the Management District Plan.

IV. DEVELOPMENT SUPPORT PROGRAM PROCEDURES

A. APPLICATION SUBMITTAL AND EVALUATION

1. Applicant completes and submits an application to the City.
2. City staff shall review and evaluate the application based on the Program's eligibility requirements and funding criteria.
3. Application request is reviewed by the Finance Committee including the initial application and staff's evaluation based on set funding criteria.

B. AWARD OF FUNDING

1. If approved by the Finance Committee, the application is scheduled for consideration by the City Council; public comment is received, and City Council determines the amount of assistance, if any.

C. PAYMENT OF AWARD

1. Upon approval by the City Council, staff shall distribute funds to the applicant.