

**Citrus Heights Economic Development Incentive Initiative**  
**DEVELOPMENT FUND**  
**PART B – DEVELOPMENT 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. Any legal business located in Citrus Heights or seeking to locate in Citrus Heights that provides a good or service and has demonstrated the capacity to obtain credit on the private market, under usual and customary terms.
  - b. Developer or property owner acting on behalf of a legal business as described above.

### C. INELIGIBLE APPLICANTS

1. Non-profits.
2. Business Associations.
3. Residential Uses, including Home-Based Businesses.
4. Uses prohibited by the Zoning Code.
5. Personal Services-Restricted as referenced in the Zoning Code, Liquor Stores, and Bar/Taverns as standalone uses.

### D. ELIGIBLE PROJECTS

1. Eligible Projects include but are not limited to the following:
  - a. Undergrounding of utilities.
  - b. Offsite improvements.
  - c. Sewer relocation.
  - d. Other public improvements required per the City's Conditions of Approval.

### E. INELIGIBLE PROJECTS

1. Ineligible Projects include, but are not limited to the following:
  - Improvement or construction that is not "public."
  - Improvement or construction to a privately-owned facility.
  - Funding for maintenance or operation.
  - 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. With a recommendation from the Finance Committee, the City Council will have final approval on all funding requests and determine terms of funding.

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. **Projected Outcome:** Each application must describe what the expected outcome of the project is (e.g. number of temporary and permanent jobs).

3. **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.
4. **Impediment Analysis:** Description of how the requested development requirement is an impediment for the project to move forward.
5. **Public Benefit:** Description of how the proposed program, project or event is a benefit to the City/community.

In addition, the City of Citrus Heights' Economic Development Strategy lists several types of business that are considered desirable to the City:

- Medical services
- Government office/Regional Headquarters
- Education

For these types of uses, the Finance Committee and City Council may also consider one or more of the following criteria:

- Average wages
- Growth potential of business, including employee growth
- Business-to-business sales potential
- Complimentary effect on other Citrus heights businesses
- Project feasibility; strength of proposed project
- Creation of new full-time jobs
- Retention of at-risk jobs (if applicable)

## I. DEVELOPMENT FUND – PART B DESCRIPTION

### A. GENERAL

1. **Purpose and Goals:** The primary purpose of the Development Fund – Part B is to provide assistance with construction of City development requirements (e.g. utility undergrounding, sewer relocation, other public improvements).
2. **Eligibility:** In order to qualify for the Program, the Applicant(s) must meet all General Eligibility Requirements.
3. **Value of Development Assistance:** There is no maximum or minimum assistance amount under Part B. 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, the applicant and City will enter into an agreement outlining the improvements to be made and the assistance to be provided. The Applicant will be responsible for implementing the improvements unless otherwise agreed upon. When conditions of the agreement are met, staff will reimburse 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 a business, developer or property owner as described in Section I, General Eligibility Requirements and further defined under Section IV, Definitions.

**BUSINESS** shall mean a business operating within the City of Citrus Heights with a valid business license and not a use prohibited by Section I, Part C, Ineligible Applicants.

**CITY** shall mean the City of Citrus Heights.

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

**DEVELOPER** shall mean a person or company investing in and developing real estate in Citrus Heights.

**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 Development Support (Part B).

**PROPERTY OWNER** shall mean a program or company owning property in Citrus Heights and for the purpose of this program altering their property to attract and accommodate a defined tenant.

**PUBLIC IMPROVEMENT** shall mean a more desirable condition of land or real property that is maintained at the public expense and under public control.

#### **IV. DEVELOPMENT SUPPORT PROGRAM PROCEDURES**

##### **A. APPLICATION SUBMITTAL AND EVALUATION**

1. Interested businesses are encouraged to speak with the Economic Development Division.
2. Applicant completes and submits the City's application with appropriate supporting documentation.
3. City staff shall review and evaluate the application based on the Program's eligibility requirements and funding criteria and will request additional documentation as needed.
4. Application requests will be reviewed by the Finance Committee including the initial application and staff's evaluation based on set funding criteria.

##### **B. APPLICATION AND ASSISTANCE APPROVAL**

1. If approved by the Finance Committee, Economic Development staff and recipient agree to an Assistance Proposal that outlines the terms of the assistance.
2. Satisfactory applications and the Assistance Proposal are presented to the City Council for consideration.

##### **C. PAYMENT OF ASSISTANCE OR PERFORMANCE OF PROJECT**

1. If approved by the City Council, staff shall carry out the project as described in the Assistance Proposal.