CITY COUNCIL OF THE CITY OF ATWATER

RESOLUTION NO. 2812-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER APPROVING VACANT BUILDING SALES TAX REBATE PROGRAM

WHEREAS, in order to facilitate job creation and economic growth, the City Council desires to provide incentives for sales tax generating businesses to locate in the City of Atwater; and

WHEREAS, in order to reduce or eliminate blight, the City Council also desires to provide incentives for businesses to locate in vacant commercial buildings within the City of Atwater; and

WHEREAS, the attached "Vacant Buildings Sales Tax Rebate Program" is designed to achieve the aforementioned goals and objectives.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Atwater as follows:

SECTION 1. The Policy attached as "Exhibit A" is hereby adopted. The City Council shall review the effectiveness and fiscal impacts of the Program annually commencing on the first regularly scheduled City Council meeting of May, 2016.

The foregoing resolution is hereby adopted this 11th day of May, 2015.

AYES: **Bergman, Vineyard, Raymond, Price**
NOES: **Rivero**
ABSENT: **None**

APPROVED:

JAMES E. PRICE, MAYOR

ATTEST:

Jeanna Del Real

JEANNA DEL REAL, CMC
CITY CLERK

EXHIBIT "A"

VACANT BUILDINGS SALES TAX REBATE PROGRAM

1. **STATEMENT OF PURPOSE** The City of Atwater desires to create additional jobs and economic growth in the City, and to eliminate potential blight caused by vacant commercial buildings. In order to achieve these objectives, the City proposes the adoption of this Vacant Buildings Sales Tax Rebate Program, for businesses which qualify under the criteria set forth herein.

2. **PROGRAM BENEFITS** An eligible new business can qualify for the rebate of 50% of the City's share of general sales taxes (excluding Measure H) during the businesses' first 18 months of operation. An eligible expanded business can qualify for a rebate of 50% of the City's share of new general sales taxes (that is, sales taxes in excess of those previously generated by the business at its original location, using a three-year average as the baseline) attributable to the expansion. The City Finance Director shall determine the amount of the rebate using official general sales tax reports. Payment shall consist of 50% of the amount of new general sales tax revenue actually received by the City (excluding Measure H) as a result of the new business operations in an eligible vacant building, beginning with the first full quarter of operation following business startup.

3. **ELIGIBILITY** In order to be eligible for the Vacant Buildings Sales Tax Rebate Program, all of the following criteria must be met to the satisfaction of the City Finance Director:

   a) The business must have a valid City of Atwater business license and any necessary use or operating permits, and must be engaged in retail sales which generate general sales taxes.

   b) The business shall either be a "new business" (i.e. a retail commercial business which was previously not located in Atwater) or an "expanded business" (i.e. an existing retail commercial business which relocates to an eligible vacant building and expands its floor area by more than 25%).

   c) An eligible "vacant building" is a building within the City which is presently not occupied for business purposes. The City Finance Director shall make the determination as to eligibility under this criteria, based upon evidence submitted by the applicant and his/her own investigation of available data.

   d) The owner/operator of the business shall make reasonable efforts to employ local Atwater residents.

   e) The City shall have concluded that the business does not meet the criteria set forth in Government Code Section 53084.

   f) In the case of a business which generates sales tax in excess of $200,000 annually, as a precondition to the receipt of any sales tax rebate under this program, the business shall supply the necessary information to the City to enable compliance with requirements of Government Code Section 53083. Upon satisfactory compliance with said requirements, appropriate sales tax rebates can be provided.

4. **APPLICATION PROCESS** The City Finance Director shall determine the necessary information for applications for participation in the Program, and shall, within 30 days of receipt of a complete application, determine whether an applicant is eligible for participation in the Program. The Finance Director's decision of eligibility for the Program shall be made in writing. Within 10 days following receipt of the City Finance Director's written decision, the applicant may appeal said decision to the City Council by sending written notification thereof to the City Manager. The appeal shall state in detail the factual back ground and basis for the appeal. The appeal shall be heard by the City Council not more than 60 days following receipt thereof by the City Manager. The decision of the City Council shall be final.