

RESOLUTION NO. 2021-19

**A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL AMENDING THE
FLAGSTAFF BUSINESS ATTRACTION JOB CREATION INCENTIVE
PROGRAM TO ASSIST IN ATTRACTING NEW BUSINESSES THAT WILL
PROVIDE HIGH WAGE JOBS IN SPECIFIC INDUSTRY SECTORS**

RECITALS:

WHEREAS, the City of Flagstaff has authority pursuant to Arizona Revised Statutes ("A.R.S.") § 9-500.11 to spend money on economic development activities; and

WHEREAS, the City has historically operated and desires to continue providing funding for a Flagstaff Business Attraction Job Creation Incentive Program to assist new businesses that will provide high wage jobs in specific industry sectors; and

WHEREAS, the funding is derived from local transaction privilege tax revenues generated by the hospitality industry (also known as the "BBB tax") and dedicated for economic development activities; and

WHEREAS, on July 7, 2020 the City adopted Resolution No. 2020-44 establishing the Flagstaff Job Creation Incentive Program; and

WHEREAS, the City desires to amend the Flagstaff Job Creation Incentive Program.

ENACTMENTS:

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF
AS FOLLOWS:**

SECTION 1. In General

The City Council hereby amends the Flagstaff Business Attraction Job Creation Incentive Program, a copy of which is attached hereto as Exhibit A. This updated program will apply to any awards granted after the effective date of this resolution.

The Economic Vitality Division Director or the Director's designee is delegated authority to undertake all such actions necessary to implement the program, provide information about the program to the public, and to provide a report on and any recommendations related to the program prior to April 1, 2022.

SECTION 2. Effective Date.

This resolution shall be immediately effective.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 18th day of May, 2021.




MAYOR

ATTEST:



CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY For

Attachment:

Exhibit A - Flagstaff Business Attraction Job Creation Incentive Program

City of Flagstaff Business Attraction Job Creation Incentive Program



**CHOOSE
FLAGSTAFF**

City of Flagstaff's Economic Development Program Mission: Enhancing prosperity, long-term viability, and resilience of our community.

The City of Flagstaff is interested in attracting sustainable companies that will provide high quality, career oriented, opportunities for its residents that further commerce in the region. As part of these efforts, the City is providing economic incentives to meet its goal of attracting businesses to the following key industries:

- ❖ Astronomy
- ❖ Bioscience & Healthcare
- ❖ Education
- ❖ Environmental Technology
- ❖ Manufacturing
- ❖ Research and Development
- ❖ Software and Information Based Technology

Business Attraction Job Creation Incentive – The City may allocate up to ~~\$15,000~~ \$25,000 to a new business that meets the below criteria. Awards are subject to available fund balance and review of the submittal packet. Businesses may apply for this incentive to receive reimbursement for the following qualifying expenses, ~~but are not limited to:~~

THE REIMBURSEMENT IS LIMITED TO EXPENSES THAT PROVIDE DIRECT COMMUNITY BENEFIT AND MAY INCLUDE:

- a. Employee Relocation Expenses
- b. Job Related Training
- c. Workforce Development
- d. VARIOUS site improvements ~~that provide public benefit~~: Beautification improvements, energy efficiency items, public roads and lighting, code required land scaping, public water, and wastewater. ~~and other eligible City fees.~~

The annual funding for this policy is \$75,000. The maximum awarded amount per business is ~~\$15,000~~ \$25,000.

Criteria: All submittals will be reviewed by staff to determine if the business meets the minimum criteria to be eligible for City incentives:

1. Must be locating this business within City limits. New businesses may apply for this incentive if they located to Flagstaff within the last ~~30~~ 90 DAYS.
2. Must be one of the key industries identified by the City.
3. Must create a minimum of ten (10) new permanent full-time jobs, where the new position's salary exceeds the Coconino County median wage of \$20.04 per hour.

Submittals: Any potential employer that is interested in applying for this incentive may submit the following information. to the Business Attraction Office at the City of Flagstaff between **June 1st**

and June 30th, 2021. If all funds are not awarded in this initial time frame, the City may open another submittal timeframe for potential employers to apply.

1. Written narrative of the venture which includes:
 - a. Explanation of how all necessary criteria will be met.
 - b. What City incentives you are applying for and how these incentives will be used to strengthen your ability to locate to Flagstaff.
 - c. General proposal of how incentive funds will be used.
 - d. If incentive is not received how will this impact your ability to locate to Flagstaff.
2. Budget, schedule and business plan for the potential venture.
3. A narrative of the impact of the applicant's businesses relative to water and energy usage, and to the community waste stream (this does not need to be elaborate).
4. A DETAILED DESCRIPTION OF ANY PROPOSED DIRECT BENEFITS TO THE COMMUNITY (NOT JUST APPLICANT'S BUSINESS) SUCH AS INFRASTRUCTURE, WORKFORCE DEVELOPMENT OPPORTUNITIES FOR RESIDENTS OR STUDENTS, VOLUNTEER WORK, OR SOME OTHER BENEFIT THAT THE BUSINESS IS ABLE TO OFFER TO THE COMMUNITY.
5. An accounting of the applicant's private investment relative to the requested grant (Can be submitted confidentially).

Please submit all proposals for incentive requests to the City's Business Attraction Manager Jack Fitchett at jack.fitchett@flagstaffaz.gov

Scoring: Economic Vitality staff and various city offices will review and rank applications. Each complete application will be ranked based upon an overall tally of available points for three separate criteria:

Wages (20pts): A comparison of the wages of the jobs being created relative to the Coconino County median wage and relative to the average sector wage.

Environmental Impact (30pts): A narrative of the impact of the applicant's businesses relative impacts to water and energy usage, and to the community waste stream.

Direct Community Benefit (50pts): A description of any proposed direct benefits to the community (not just the applicant's business) such as infrastructure, workforce development opportunities for residents or students, volunteer work, or some other direct benefit that the business is providing to the community;

The review team will determine awards after considering each submitted application and final scores. Successful applicants may then request reimbursement for approved uses. A successful applicant may be reimbursed for a variety of approved uses but will not exceed the ~~\$15,000~~ \$25,000 limit.

Any unused program funds may be carried forward into the next budget year to fund additional ventures.

SUCCESSFUL APPLICANTS WILL PROVIDE A FINAL REPORT IF AN INCENTIVE IS AWARDED, DESCRIBING IN DETAIL ANY ITEMS REALTED TO SECTION FOUR OF THE SUBMITTAL REQUIREMENTS AND HOW THE INCENTIVE WAS USED. SUCCESSFUL APPLICANTS WILL MEET WITH CITY OF FLAGSTAFF ECONOMIC DEVELOPMENT STAFF QUARTERLY DURING THE FIRST YEAR. SUCCESSFUL APPLICANTS MAY BE INCLUDED IN FUTURE MARKETING EFFORTS FOR THE PROGRAM AND FOR THE ECONOMIC DEVELOPMENT EFFORTS OF THE CITY OF FLAGSTAFF IN GENERAL.