



**ADOPTED BY COUNCIL AUGUST 26, 2003  
STAFF REPORT**

**To:** City Council  
**From:** City Manager  
**Date:** 08262003

**Subject:** Development Incentives Policy and Negotiations

**Recommendation:** The City Council adopt a policy authorizing the use of incentives to assist the recruitment and expansion of industrial and commercial uses.

**Discussion:** During the City Council's strategic planning workshops earlier this year, Council identified that one of its "informal mandates" was economic development. At that same time the Council identified numerous 'strategic issues' (see attachment) that needed to be examined so as to increase the city's economic competitiveness and long term prosperity. The Council determined it necessary to be more proactive and establish specific programs to assist with its planned actions of facilitating new business recruitment and existing business expansion. To do this Council determined that there may be opportunity for the City/Redevelopment Agency to directly 'invest' in the business's land use, infrastructure and site development to get a 'return' such as new jobs and employment opportunities, increased sales and services, and/or sales, property and subventions tax revenues. In a discussion of 'incentives,' see attached, the Council determined that it could clearly 'leverage' the future revenues that would result from new business development and that such revenue could be calculated and used to invest in anchoring the business within the City or Redevelopment Project Area.

Staff was directed to prepare a policy that would enable expedited negotiations to encourage development consistent with Council Strategic and General Plan Goals.

**Policy:** In order to promote new business development within the City, staff is authorized to meet with prospective businesses, identify development constraints and seek opportunity to 'bridge the gap' by finding places where public investment will result in an increase in jobs, revenues, diversification of industry, strengthened business climate, and other economic values. Staff is authorized to perform a short term 'cost/benefits' analysis utilizing revenues that would result from the new development and negotiate

with the prospective business using and working within the parameters of this leveraged revenue to assist the new business in locating in Twentynine Palms. Final agreement and City/Agency participation is subject to Council/Redevelopment Agency approval.