

Policy 5.1.4 Incentives to Attract and Retain Businesses

POLICY PURPOSE:

Economic development incentives are tools used to influence business decisions about where new investment will take place. They can be either financial or non-financial. The purpose of this policy is to provide guidelines for how economic development incentives will be used to attract and retain businesses in the city for the purposes of revenue generation and the creation of jobs.

POLICY STATEMENT:

1. The City of Sunnyvale will not provide across-the-board incentives to all businesses based on sales taxes generated or jobs created as an attraction or retention tool.
2. The City will continue its emphasis on predictable, streamlined and coordinated development permit processing through the One-Stop Permit Center and continuous improvement in business-friendly customer service.
3. The City will assist local businesses to take advantage of financial assistance programs offered by state and federal agencies, including the SBA 504 Loan Program, Employment Training Panel, and Pacific Gas and Electric Company.
4. The City will support requests for Industrial Development Revenue Bonds and the Statewide Community Infrastructure Program upon request to help companies interested in locating or expanding in Sunnyvale reduce the costs of acquiring and developing facilities
5. The City will work with interested sponsors to identify potential sites to locate an incubator in Sunnyvale and assist in negotiating terms for purchase or lease of a site.
6. The City will be prepared to structure a financial incentive package for a specific business or type of business which the City Council has identified as a high priority for recruitment. Such a package will only be offered if necessary to overcome an expensive land assembly or infrastructure obstacle which stands in the way of the business locating in Sunnyvale. Any potential financial agreement will include financial protection for the City. The City will not provide direct funding to the business from existing general fund or other existing revenues. A financial incentive package might include a CDBG Section 8 loan or a partial sales tax or transient occupancy tax rebate wherein future revenues would be pledged, or shared with the company to offset costs associated with the project to make the project financially feasible. The return to the City shall exceed the financial incentive offered.

(Adopted: RTC 06-088 (4/4/2006))

Lead Department: Community Development