

# Economic Development Incentive Policy

## 1. Policy Objective

1. To set forth the City's policy regarding the assistance to community development efforts for the promotion of high quality developments in all parts of the City for the ongoing improvement in the quality of life for its citizens, job creation, tax and employment base diversification, and business attraction/retention/expansion.

## 2. Policy Details

### 1. Financial Incentive Tools

- a. Permit Fee Abatement
  - i. City will provide an abatement of application fees for development projects.
- b. Impact Fee Abatement
  - i. City will provide an abatement of application fees for development projects.
- c. Application Fee Abatement
  - i. City will provide an abatement of application fees for development projects.
- d. Meridian Development Incentive
  - i. City will provide approved agreements for development incentive utilizing community development excess revenues.
- e. Reimbursement Agreements
  - i. City will provide approved projects future revenues for the reimbursement of [capital infrastructure](#) projects born by the development.

### 2. Financial Incentive Limitations

- a. Meridian Development Incentive funding is limited to \$100,000 annually (following City fiscal year standards) for all approved agreements.
- b. Financial Incentive Tools as listed above are limited to the available funds for the City during a fiscal year.
  - i. Chief Financial Officer/City Treasurer has the authority to deny all economic development incentive agreements if it is determined that the incentive violates the financial management policies.

### 3. Evaluations

- a. All financial incentive tools listed above must be approved by the Community Development director, City Attorney, and Chief Financial Officer/City Treasurer.
- b. Development project(s) must add to the City economy via a positive long-term economic impact.

### 4. Allowable Businesses

- a. A business shall be eligible for an economic development incentive following this policy if the business improves (at least two):
  - i. Quality of life for the citizens of the City
  - ii. Job creation for the City
  - iii. Tax base diversification for the City
  - iv. Employment base diversification for the City
  - v. Business retention and/or expansion

### 5. Excluded Development Projects

- a. The following development projects will not be eligible for City economic development incentive funds:
  - i. Car washes
  - ii. Day care
  - iii. Private schools
  - iv. Storage facility

### 6. Performance Standards

- a. Community Development Director or designee will be required to establish performance standards for each approved incentive agreement.
- b. Performance standards will be developed to properly gauge the effectiveness of all approved economic incentive awards.

#### 7. *Monitoring and Compliance*

- a. Community Development Director or designee shall establish sound monitoring/administration processes to examine the performance of each incentive.

#### 8. *Debt Financing*

- a. City will not incur any debt in any form derived from any form of economic development incentive.

#### 9. *Financial Stability*

- a. City will not violate any financial management policies pertaining to economic development incentives.

### 3. **Policy Roles and Responsibilities**

1. Chief Financial Officer/City Treasurer, City Attorney, and Community Development Director must review and collectively approve all economic development incentive agreement(s) prior to the Community Development Director or designee submitting to Council for consideration and final approval.
2. Chief Financial Officer/City Treasurer shall deny any agreement that violates any financial management policy.
3. Chief Financial Officer/City Treasurer shall deny any agreement that creates an internal control issue.
4. Community Development Director will be responsible for establishing a clearly defined evaluation process.
5. Community Development Director or designee will be responsible for the administration of all economic development incentive agreements.
6. City Attorney or designee will be responsible for the enforcement of all economic development agreements
7. City Council has the final authority to approve and/or deny all economic development incentive agreements.

### 4. **General Purpose Statement**

The City of Meridian (City) has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely and transparently, manage growth, and plan for adequate funding necessary for future maintenance and development within the City.

The financial management policies of the City are designed to establish guidelines for the fiscal stability of the City. The scope of the financial management policies of the City generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, procurement, and debt management, in order to:

- a. demonstrate to the citizens of Meridian, the investment community, and community partners that the City is committed to a strong fiscal operation;
- b. provide precedents for future policy-makers and financial managers on common financial goals and strategies;
- c. present fairly, transparently, and with full disclosure the financial position and results of the financial operations of the City in conformity to Generally Accepted Accounting Principles (GAAP); and
- d. determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the State of Idaho Government Code and other pertinent legal documents and mandates.

## 5. Policy Approval

Approval Date - 12/20/2019

Ordinance Number - 19-1866

Governance Body : Finance Department - Chief Financial Officer/City Treasurer