

# Rancho Cordova's Economic Incentive Programs



The Rancho Cordova Economic Incentive Program is designed to promote the development of new businesses, the expansion of existing businesses that will fill vacant, existing business space, and to support enterprises that will hire or retain employees in the City, thereby contributing to local economic prosperity. Two programs have been developed to date: Revolving Loan Fund Program and Business Incentive Program.

## Revolving Loan Fund Program

RLF loans may be made to qualifying businesses on a case-by-case basis and will be subject to, but not limited to, these general terms:

- **Loan Size:** There is no minimum loan amount. As required by California Government Code section 53083, all loan requests in the amount of \$100,000 or more will require the City to provide a public report regarding the loan and hold a noticed public hearing, prior to considering approval of the loan.
- **Interest Rates:** Interest rates on loans will be fixed. The rates will be set based on the needs of the loan but will generally be equivalent to the Wall Street Journal prime rate most recently published as of the date the loan is approved, plus 2%.
- **Collateral Requirements:** To the extent possible all loans will be secured by collateral.
- **Job Creation/Retention:** There is no minimum or maximum requirement; however more priority is given to loan requests that can demonstrate the creation or retention of full time and part-time jobs.

## Business Incentive Program

The City will consider, in its discretion, the provision of business fee assistance for certain building and/or development fees for industrial and commercial projects. Each project will be reviewed on a case-by-case basis and any incentives offered will be dependent on the type of project and its capital investment, as well as the project's ability to address one or all of the City's Target Markets. The City may provide the following incentives at its discretion:

- I. Development Impact Fee Reduction Via City Payment of Partial Fees
- II. Development Impact Fee Deferral Loans

The City will consider, in its discretion, a monetary grant based on the number of new jobs created, new revenue generated within the City, or other factors as determined by the City. The grant amount will be based upon the distinct contributions of each individual business to the community. Each project will be reviewed on a case-by-case basis and any incentives offered will be dependent on the type of project and its capital investment, as well as the project's ability to address one or all of the City's Target Markets.

## TARGET MARKETS

The Program's priority is to provide support to businesses that fall under one or more of the following categories:

- 1) Businesses that fill vacant or existing commercial space.
- 2) Businesses that create new sustainable and livable wage jobs, such that individuals and families can meet basic needs while also maintaining self-sufficiency.
- 3) Businesses that retain and attract high quality employment opportunities that provides training and advancement within the business.
- 4) Businesses that provide unique or underrepresented services/goods to diversify the local economy.
- 5) Businesses that generate new taxable sales or Transient Occupancy Tax revenue.
- 6) Businesses that fall within one or more of the City's targeted industry sectors:
  - a. Post-secondary, professional or vocational education (North American Industry Classification System (NAICS) code categories 6112, 6113, 6114, or 6115)
  - b. Agriculture Manufacturing (NAICS code categories 3111-3115, 3117-3119, 3121, or 3253)
  - c. Medical technology and manufacturing (NAICS code categories 3254, 3391)
  - d. Retail Trade (NAICS code categories 45, 445110, or 722511)
  - e. Recreation, entertainment, lodging (NAICS code categories 512131, 711110, 711120, 711130, 712110, 712120, 712130, 712190, 713110, 713120, or 721110)
  - f. Technology (NAICS code categories 2211, 32519, 334418, 511210, 518, 541330, 54138, 5415, or 5417)
  - g. Office (NAICS code categories 621491, 621511, or 621512)

***Prevailing Wage and Other Requirements:*** *Receiving a loan or other incentive from a local jurisdiction may trigger California prevailing wage requirements on any construction, capital improvements, or other applicable activities. The application of prevailing wage requirements will be examined for each loan application. In the event that prevailing wages are required, it shall be the borrower's responsibility to fully comply with all such requirements. Borrowers shall also be responsible for compliance with all other laws that apply to the application of the loan funds or the business for which the funds are loaned.*