



## City of Needles, California Request for City Council Action

CITY COUNCIL  NPUA  RDA

Regular  Special

**Meeting Date:** November 9, 2021

**Title:** City Council Resolution No. 2021-68  
A Resolution of the City Council of the City of Needles, Amending Resolution No. 2019-8, Making Recommended Changes to the Economic Development Program

**Background:** On October 26, 2021 the City Council reviewed the Economic Development Program and provided the following recommended changes to the Program:

- Incentives or grants from the Economic Development Fund may be requested by any homebuilder, business or person proposing to open a new, significantly expand, architecturally enhance (façade improvements) an existing non-cannabis business with a physical location in the City. The incentive/grant will stay with the project;
- For businesses to be eligible to apply for an incentive or grant, the proposed new or expanded business must create two new sustainable full-time positions located in the City of Needles and will provide a description of the jobs in the application;
- For individual homebuilders to be eligible to apply for an incentive or grant, the construction of a new home must be within the City of Needles, be their permanent residence, and must live in the home for 5 years after it receives a Certificate of Occupancy;
- For homebuilder developers to be eligible to apply for an incentive or grant, the developer must construct 2 or more homes within the City of Needles;
- A minimum private investment of at least twice the amount of the requested incentive or grant. The incentive or grant will expire after a period of 12 months or at the expiration of the entitlement issued for the project;
- A business must allow public access; and
- Prior to the awarding of the incentive or grant, the applicant must enter into a contract with the City in form and substance acceptable to and approved by the City Council;
- Incentive or grant will not be eligible for preliminary planning, engineering, or advertising activities and will only be eligible for projects with an entitlement (Zoning Permit, Special Use or Conditional Use Permit, Developer Agreement) and/or building permit;
- Incentive or grant will be paid after entire project is completed and a Certificate of Occupancy is issued;
- Applicant shall be responsible for complying with applicable prevailing wage laws. To the extent applicable to the project, all contractors and agents hired by Applicant shall comply with California Labor Code Section 1720 et seq. ("Prevailing Wage Laws") and shall be solely responsible for carrying out the requirements of the law. Applicants participating in this Program are solely responsible for determining whether Prevailing Wage Laws apply to the project. A contribution from the City is de minimis if it is both less than six hundred thousand dollars (\$600,000) and less than 2 percent of the total project cost.

#14

To-date the Economic Development Fund has allocated a **total of \$343,567**:

- December 10, 2019, Greens Needles LLC (Hampton) **\$104,543**
- September 22, 2020, Water asset replacement transfer **\$200,000**
- September 22, 2020, Scott Goodman remodel Chevron **\$4,524**
- March 8, 2021, Greg Yeager remodel The Filter Change **\$10,000**
- April 12, 2021, Needles Marina Resort **\$24,500**

**Fiscal Impact:** Since the establishment of the Economic Development Program in 2019, there has been a total of \$833,640 collected from the ten (10) percent of tax revenues received from cannabis businesses.

Sylvia Miledi SM for SM

**Recommendation:** Adopt Resolution No. 2021-68 Amending Resolution No. 2019-8, Making Recommended Changes to the Economic Development Program.

**Submitted By:** Patrick Martinez, Director of Development Services

City Management Review: Rice

Date: 11/3/21

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item: <u>14</u>

**RESOLUTION NO. 2021-68**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES,**  
**CALIFORNIA, AMENDING RESOLUTION NO. 2019-8, MAKING**  
**RECCOMENDED CHANGES TO THE ECONOMIC DEVELOPMENT**  
**PROGRAM**

WHEREAS, at the September 25, 2018 Council meeting the City Council appointed a subcommittee to study the feasibility of directing ten percent of the taxes received from cannabis businesses to establish an economic development fund, which will be used to attract new or expanded non-cannabis businesses to the City;

WHEREAS, there has been a significant growth of cannabis businesses, the Economic Development program is established to encourage growth of other diversified businesses providing essential goods and services to the community separate and distinct from cannabis related goods and services;

WHEREAS, the subcommittee met and recommended to the Council that such an economic development program be established;

WHEREAS, persons seeking to start a new non-cannabis business or expand an existing non-cannabis business within the City would be eligible to apply for an economic development incentive or grant from the City;

WHEREAS, the City Council accepts the recommendation of the subcommittee to create the proposed Economic Development program; and

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

Section 1. The Council hereby finds that the program set forth herein, serves and provides a public benefit of promoting economic development, creating jobs, and related opportunities in furtherance of the health, wellness, and safety of the community.

Section 2. The City Council does hereby establish an Economic Development program to be funded with ten percent of tax revenues received from cannabis businesses. These funds will be used in the Council's discretion to offer economic incentives or grants to attract new non-cannabis businesses to the City or to incentivize the expansion of existing non-cannabis business within the City as follows:

- Ten percent of tax revenues received from cannabis businesses shall be deposited in an Economic Development Fund which the City will use to incentivize new or expanded non-cannabis businesses;

- Incentives or grants from the Economic Development Fund may be requested by any homebuilder, business or person proposing to open a new, significantly expand, or architecturally enhance (façade improvements) an existing non-cannabis business with a physical location in the City. The incentive/grant will stay with the project;
- For businesses to be eligible to apply for an incentive or grant, the proposed new or expanded business must create two new sustainable full-time positions located in the City of Needles and will provide a description of the jobs in the application;
- For individual homebuilders to be eligible to apply for an incentive or grant, the construction of a new home must be within the City of Needles, be their permanent residence, and must live in the home for 5 years after it receives a Certificate of Occupancy;
- For homebuilder developers to be eligible to apply for an incentive or grant, the developer must construct 2 or more homes within the City of Needles;
- A minimum private investment of at least twice the amount of the requested incentive or grant. The incentive or grant will expire after a period of 12 months or at the expiration of the entitlement issued for the project;
- A business must allow public access;
- Prior to the awarding of the incentive or grant, the applicant must enter into a contract with the City in form and substance acceptable to and approved by the City Council;
- Incentive or grant will not be eligible for preliminary planning, engineering, or advertising activities and will only be eligible for projects with an entitlement (Zoning Permit, Special Use or Conditional Use Permit, Developer Agreement) and/or building permit;
- Incentive or grant will be paid after entire project is completed and a Certificate of Occupancy is issued;
- Applicant shall be responsible for complying with applicable prevailing wage laws. To the extent applicable to the project, all contractors and agents hired by Applicant shall comply with California Labor Code Section 1720 et seq. ("Prevailing Wage Laws") and shall be solely responsible for carrying out the requirements of the law. Applicants participating in this Program are solely responsible for

determining whether Prevailing Wage Laws apply to the project. A contribution from the City is de minimis if it is both less than six hundred thousand dollars (\$600,000) and less than 2 percent of the total project cost.

Section 3. This resolution shall become effective on the date of its adoption.

Section 4. All portions of this resolution are severable. Should any individual provision or portion of a provision of this resolution be adjudged to be invalid and unenforceable, the remaining provisions and portions of provisions shall be and continue to be fully effective, except as to the provision(s) and/or portion(s) of provisions that have been judged to be invalid.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council of the City of Needles, California, held on the 9th day of November, 2021.

AYES:

NAYS:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Jeff Williams, Mayor

ATTEST:

\_\_\_\_\_  
Dale Jones, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
John O. Pinkney, City Attorney