



TOWN OF PINETOP-LAKESIDE ECONOMIC DEVELOPMENT INCENTIVE POLICY GUIDELINES

GOAL: To provide the Town Council a set of guidelines that assist in the retention of targeted businesses and the attraction of new or expanding targeted businesses to the Town of Pinetop-Lakeside resulting in the diversification of the existing tax base and the creation of employment opportunities.

POLICIES: In certain cases the Town may consider using some form of incentives in order to attract or retain targeted businesses. These incentives will only be used when the Town believes that the addition of the new business or retention and/or expansion of an existing business would have a significant, positive effect on the Pinetop-Lakeside economy. The need for diversification of the local economy, which minimizes dependence of local sales tax revenues, is a necessity. This policy places a priority emphasis on new and existing businesses that generate significant sales tax revenues. As a guideline, the following list can be viewed as a prioritized preference:

1. Retail.
2. High tech job creation.
3. Resorts.
4. General lodging.
5. Service providers.

The following general provisions shall be considered prior to offering incentives.

1. Incentives will only be offered if they are actually necessary in order to affect the retention and/or expansion of an existing business or to attract a new business to the Town. This would include:
 - A situation in which the Town of Pinetop-Lakeside has determined that the retention of an existing business is desirable.
 - A situation in which the Town of Pinetop-Lakeside is competing with other cities for the expansion of an existing business to the Town or where incentives are actually necessary to affect the expansion of an existing business.
 - A situation wherein incentives are needed to induce a business to relocate or expand their operation to the Town of Pinetop-Lakeside from an existing site in another city.
 - A situation wherein incentives are needed to induce a business to locate their operation to the Town of Pinetop-Lakeside.

2. A high priority should be placed on the businesses “targeted” in the Community ID, Town of Pinetop-Lakeside Final Report-January 2006 and Final Report-May 2008 prepared by Buxton.
3. The project will have a substantial positive economic impact on the community, i.e.; the number of jobs created or the sales tax created by the project in the long-term will offset the short-term costs offered by incentives. Additionally, the project will be of such size or consequence to produce significant employment or sales in related sectors.
4. An emphasis should be placed on firms that provide diversification (within targeted industrial or commercial sectors) to the Town’s economy.
5. The Town will not buy land or existing buildings or construct buildings for purely private objectives. The Town’s position should be to offer incentives that have a relationship to public benefit. Improvements such as streets, water lines, traffic signals, storm drainage, parking areas, parks and open space, and similar publicly assessed improvements are examples of public-private financed incentives. Acquisition of property and construction of buildings, if necessary, must be related to a public purpose.
6. Private dollars should be utilized whenever possible to up-front identified project costs and then to be reimbursed by the Town to avoid straining the Town’s operational or bonding capacity and reduce the Town’s front-end risks.
7. Incentives can be utilized for resort, retail, commercial and industrial projects Town wide.
8. In certain instances, incentives may be offered in conjunction with annexation activities, which are viewed as important strategically. In the case of large-scale development areas, incentives should be combined with a community facilities district, where feasible, to offer maximum flexibility in attracting development.
9. The intangible or immeasurable benefits of a business to a community, such as the location of a headquarters facility, enhancement of attractiveness to other similar businesses or suppliers, or other similar image-related items are also very important and should be considered along with other factors when making decisions on incentives.
10. Generally, retail projects that qualify should generate significant sales tax revenues similar to projects normally identified at a community or regional shopping center level.
11. New retail development should have an emphasis on meeting a need not currently being filled in the community, or providing a higher level of service/goods/products than presently available, or providing similar services in an area not currently being served.
12. Final approval of the use of an incentive and/or inducement rests with the Town Council.

13. Each action is separate and independent from all other actions associated with the approval of the use of an incentive and/or inducement.

The Town of Pinetop-Lakeside will establish an economic development team that could include the following members:

- Mayor
- Council Member
- Town Manager
- Community Development Director
- RADC Coordinator
- Grants Coordinator
- Local Business Representative
- Utilities Representatives
- Chamber of Commerce Director

The Town Council may consider local incentives on a case-by-case basis:

- Tax incentive agreements per state statute that may allow rebate of sales tax collected not to exceed fifty (50%) percent of new tax generated to offset costs of public infrastructure improvements.
- Permit fee waivers or reductions.
- Expedited permitting process
- Public contribution of off-site improvements.
- Zoning and site location assistance information.
- Sales tax rate reduction of one percent (1%) on single item purchases exceeding Five Thousand (\$5,000) Dollars.