

TO: James L. App, City Manager  
FROM: Mike Compton, Director of Administrative Services  
SUBJECT: Budget Appropriation for Economic Incentive Agreements  
DATE: March 18, 2003

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Needs: For the City Council to consider a \$17,550 appropriation for payment of economic incentive pursuant to an existing agreement with JIT Manufacturing.

Facts:

1. The Council previously approved economic incentive agreements with JIT Manufacturing.
2. The agreement provided for a building permit fee waiver and a performance incentive based upon net annual gains in employment
3. In fiscal year 2001, JIT Manufacturing received a building permit fee waiver of \$13,000.
4. During the first performance year, JIT Manufacturing received an incentive payment of \$8,250 based upon net annual gains in employment.
5. For the second and third years, JIT Manufacturing has provided satisfactory documentation of net annual gains in employment that call for an incentive payment totaling \$17,550.

Analysis  
and  
Conclusion:

It is desirable that the Council appropriate funds from the Economic Incentive Fund to cover the economic incentive payment to be made to JIT Manufacturing.

The economic incentive due this business has resulted in new indirect recurring revenues to the City's General Fund.

Fiscal  
Impact:

There are sufficient funds in the Economic Incentive Fund to cover the requested budget appropriation. The Economic Incentive Fund has a balance of \$775,700 as of February, 2003.

Options:

- a. Adopt Resolution No. 03-xxx approving a budget appropriation in the amount of \$17,550 from the Economic Incentive Fund; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING A BUDGET APPROPRIATION FOR THE CITY'S ECONOMIC  
INCENTIVE PAYMENT TO JIT MANUFACTURING

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WHEREAS, the City has an economic incentive agreement with JIT Manufacturing; and

WHEREAS, this agreement provides financial incentives based upon net employment gain performance during the first five years of operations after issuance of the certificate of occupancy; and

WHEREAS, JIT Manufacturing has successfully earned an incentive payment based upon performance; and

WHEREAS, the current budget does not contain an appropriation for the incentive payments made totaling \$17,550; and

WHEREAS, it is desirable to provide a budget appropriation to cover the incentive payments.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles to approve a one time budget appropriation from Economic Incentive Fund reserves in the amount of \$17,550 to budget account 115-110-5235-101 for fiscal year 2003.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 18<sup>th</sup> day of March 2003 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk