

HIGHLIGHTS OF CITY OF PRESCOTT INCENTIVES POLICY

Prescott Economic Development mission:

To lead in building a stronger and more diversified economy by promoting increased public/private sector collaboration delivering business development initiatives focused on new investment and quality job growth, enhancing the competitiveness of Prescott's business climate, and driving regional initiatives.

Targeted Industries

- Aviation-related industries
- Biosciences
- Business and financial services
- Education
- Electronics; software/information technology
- Entrepreneurial/manufacturing
- Environmental technology
- Health care
- Precision manufacturing
- Research and development
- The after-market automobile industry

Targeted Development Criteria

- Business attraction projects that add at least **20 quality jobs** in the targeted industries mentioned above. A quality job is defined as a job that pays 25 percent above the prevailing median wage in Yavapai County as defined by the Arizona Department of Economic Security and the employer offers full employee benefits, including employer-paid medical benefits, vacation and sick pay.
- Business attraction projects that create new taxable sales of at least \$10 million **and/or** add quality jobs and make a sizeable capital investment.
- Business attraction projects that bring a unique and needed product or service to the City of Prescott which creates jobs and generates significant sales tax revenues.
- Business retention and/or expansion projects that represent at least **\$1 million** in capital investment in the community and add at least **10 quality jobs**.
- Redevelopment projects that create new jobs and/or new sales tax revenues, increase property valuations, or improve the surrounding areas by removing blight/slum conditions. Projects that include the renovation of shopping centers at least 20 years old could qualify for public investment.
- Downtown redevelopment projects or infill projects that enhance downtown as a center of commerce in Yavapai County.
- Recreation or tourism development projects that add needed recreational amenities for both the resident and the visitor.

All targeted development priorities will be evaluated on an individual basis by the Economic Development Division and the City Manager's office. Companies considering locating within the city's Enterprise Zone may be eligible for additional local incentives.

Examples of Incentives Available

- Public participation in the cost of public infrastructure improvements necessary for the project, including, but not limited to water and sewer extensions or upgrades, streets, including traffic signals, and drainage improvements.
- Public participation in façade improvements, landscaping, lighting etc. in redevelopment projects.
- Payments toward project development costs based upon the sales tax revenues generated by the project.
- Public participation in the payment of certain fees and permits.
- Bond financing by the Industrial Development Authority.
- Streamlined permitting process and site location assistance.
- Marketing assistance.
- Assistance with state and federal grant and loan programs.
- Other assistance that may be appropriate on a project-by-project basis.

Additional incentives will be considered if a company brings or creates jobs in which its average wage is **double** the average Yavapai County wage as defined by the Arizona Department of Economic Security.

- The return on investment (ROI) in any retail project must be reasonable and a seven-year break-even point from the time reimbursement payments begin will be used as a guide during the staff evaluation.
- If an incentive includes payments based upon a formula that includes revenue generated by the project, the 1-percent road and open space sales tax rate will not be used unless the project is a major sales tax generator and the reimbursement is used for road construction purposes.
- If cash grants are involved as an incentive, such grants will not exceed **\$150,000** unless justifications are made that include the creation or importation of quality, higher-than-average paying jobs. All potential cash grants will be evaluated by the Economic Development Division and the City Manager's Office.