

**CITY OF KENNESAW**  
**ECONOMIC INCENTIVES PACKAGE PROGRAM**

**Purpose and Intent:**

The City of Kennesaw (“City”), in partnership with other entities including, but not limited to, the Kennesaw Development Authority (“KDA”), Kennesaw Downtown Development Authority (“KDDA”), and the Urban Redevelopment Authority (“URA”) offers economic incentives to selected projects on a negotiated basis that will increase asset accumulation and income, improve property tax base, expand job opportunities and enhance the overall quality of life within The City.

To assure economic incentives are applied in an organized and effective manner for sustainable economic development efforts, the following eight-point test should be applied when the City evaluates an economic incentive package for an individual “project”.

1. The benefits are positive and measureable;
2. The benefits extend beyond the short-term;
3. The public benefits outweigh the public cost;
4. The economic benefits are local and broadly distributed throughout the community;
5. There are both qualitative and quantitative benefits;
6. The incentives serve as a catalyst for additional, market-driven economic benefits;
7. The incentives meet the “but for” test, whereby the investment would not take place but for the economic incentives;
8. The economic incentives can be used to advance a broader public policy of The City.

**Eligibility:**

Economic incentives packages are available, on a negotiated basis, in the following scenarios:

1. Businesses, properties, and industries located, or planning to locate, adjacent to the corporate limits of The City requesting annexation into the City.
2. Existing businesses and industries located within the corporate limits of the City with a commitment to expand or retain jobs within the City.
3. New businesses or industries planning to locate within the corporate limits of the City with a commitment to create a minimum of Ten (10) jobs within the City.
4. Real Estate development

## **Requirements:**

1. The proposed Project must support the City's economic development goals.
2. The proposed Project may be subject to meeting specific infrastructure and/or other investment requirements.
3. The proposed Project must create or retain jobs and sustain those jobs throughout the life of the Project.
4. Upon completion, the proposed Project must produce a positive annual economic impact within the City when averaged over the five (5) years measured from and after the date on which economic incentives are provided by the City.
5. The proposed Project must adhere to agreed upon performance standards as set forth in the Incentives Commitment Agreement ("ICA"), which must be executed by the Recipient of the economic incentives.

## **Evaluation Process:**

1. A representative of the entity seeking economic incentives must send a completed incentives application to the City's Office of Economic Development requesting economic/business incentives.
2. The Office of Economic Development reviews the completed incentives application.
3. The Economic Development Committee meets to discuss/analyze the proposed Project seeking economic/business incentives.
4. The Economic Development Committee proceeds by conducting and reviewing:
  - a. Financial analysis and feasibility reports;
  - b. Cost-benefit analysis that details both recurring and non-recurring costs and benefits, incentives and abatements, and outside funding to determine yearly net impacts (See Appendix A);
  - c. Reports produced after relevant data is entered into the City's Business Investment Matrix.
5. City staff will coordinate with other incentive applications made through the Georgia Department of Economic Development and/or Cobb County Government:
  - a. State and/or County conducts financial analyses;
  - b. State and/or County provides decision on application;
  - c. The City coordinates incentives with any State and/or County award.
6. The Economic Development Committee meets as necessary until the project recommendation has been established.
7. The Economic Development Committee's findings are presented to the City's Mayor and City Council for approval.
8. The Director of the Department of Economic Development notifies the Recipient, in writing, of the decision on the Recipient's Incentives Application.
9. The City prepares an ICA that describes the Incentives being offered in exchange for the business prospect's decision to expand and/or locate in the City, along with the

stipulations of said incentives. Before Incentives will be distributed, the ICA must be executed by the Recipient and the City.

10. The Recipient must annually demonstrate conformity with the stipulations of the ICA through the submission of an economic incentives compliance form to the City. This form must be received annually by the Office of Economic Development no later than the date set forth in the ICA for each year that the incentives are in effect. Supporting documentation as required by the City must accompany the form. The Economic Development Department will maintain a Tracking Log and send individual recipients of Incentives annual notices to submit their compliance forms.

### **Economic Development Committee**

The Economic Development Committee shall consist of the following individuals:

1. City Manager or his or her designee;
2. Director of the Economic Development Department;
3. Director of the Planning and Zoning Department;
4. Director of the Finance Department;
5. Director of the Public Works Department;
6. Building Official;
7. Chair of the Kennesaw Development Authority or his or her designee;
8. Chair of the Kennesaw Downtown Development Authority or his or her designee.

### **Incentives:**

The following Incentives are available through the City upon specific investigation into the projected net impact of the applicant seeking the Incentives. Incentives will be awarded on an individual basis and an applicant may qualify for some, all, or none of the Incentives being made available by the City. Such Incentives include the following:

- Business license tax abatement program;
- Certificate of occupancy fee waiver;
- Building, plumbing, electrical, and HVAC permit fee waiver;
- Sign permit fee waiver;
- Façade grant;
- Sign grant;
- Waiver of development plan review fee;
- Waiver of developmental impact fees;
- Infrastructure improvement assistance;
- Partial real estate tax exemption for qualified rehabilitated historic buildings;
- Shared parking agreements;
- Freeport inventory tax exemptions in all 3 categories;
- Department of Community Affairs and Cities Foundation Revolving Loan Programs;

- Other specific and unique business incentives may be considered.

In addition to these Incentives, the Kennesaw Development Authority and the Urban Redevelopment Authority have the legal and financial ability to issue Industrial Revenue Bonds (“IRBs”) to assist with the expansion of local industry, or the location of new industry within the corporate limits of the City.

### **Incentives Application:**

When submitting an Incentives Application, please provide the City with the following items:

- Business background, including the current number of employees;
- Detailed business plan;
- Estimated payroll and salary information for aforementioned jobs;
- Estimated capital investment;
- Estimated investment in infrastructure, if any;
- Estimated number and titles of jobs to be created or retained;
- Description of the proposed expansion or new development;
- Alternative locations (other locations being considered and incentives offered);
- Incentives being sought (details provided in section titled “Incentives”);
- Detailed project timeline.

### **Incentives Recapture:**

Should any incentive offered by the City under this Program be determined to be illegal, or invalid, the Recipient, or its, his, or her successors, agrees to reimburse the City in a reasonable amount of time of that portion of the incentive found to be illegal or invalid. Any Recipient of an incentive whether such incentive is received directly or indirectly agrees not to relocate, be annexed, or fail to meet the minimum qualifications of eligibility for the duration of the incentive. Should the Recipient of the Incentive fail to meet the stipulations imposed on receipt of that Incentive, that Recipient must reimburse the City for the full value of those Incentives already awarded.

### **Program Administration:**

The Economic Development Department shall prepare and submit an annual report on program activity and performance to the Mayor, City Council, and the City Manager’s office.

