

City of Escondido - City Council Policy
Business Enhancement Zone (BEZ)
 (Zoning Code Section 33-1450 – 33-1457)

BEZ Evaluation Criteria and Definitions

I. Project Evaluation Criteria

Granting of any incentives is not automatic but at the discretion of the City Council. Requests are reviewed on a case-by-case basis.

In reviewing projects requesting funding under Section 33-1450 and following of the Escondido Zoning Code, the City Council shall consider whether the proposal is of significant public benefit and/or will strengthen the overall image and appearance of the City of Escondido. In making such a determination, the City Council Economic Development Subcommittee, and thereafter, the entire City Council shall consider the following criteria:

A. Public Benefit Eligibility Criteria:

1. To obtain incentives under Section 33-1452, including fee reductions if applicable, there shall be a finding that the application meets one or more of the criteria listed below:
 - (a) The project will create high paying jobs in Escondido;
 - (b) The project will result in a significant increase in property value;
 - (c) The project will make a significant improvement to the appearance of an area;
 - (d) The project will be a catalyst for revitalization or redevelopment of an area;
 - (e) The project will generate significant sales tax revenue to the City; or
 - (f) The project will establish one of the targeted businesses.

See definitions in section II.A.

2. To be eligible for the Additional Incentives Policy (specified in section III.C.) the City Council shall find that the application meets one or both of the criteria listed below:
 - (a) The business must generate future annual sales and/or use tax that result in consistent and significant revenue to the City of Escondido, and be one of the top 25 sales/use tax producers in the City, or
 - (b) The business must add a minimum of 25 new jobs within one year of the project's completion. The jobs must have a median wage comparable to the range of median wages for the top 30 best paying jobs cited in the most current San Diego Workforce Partnership's "Occupational Outlook Report."

B. Economic Targets Eligibility Criteria:

The City Council has identified geographic areas and properties that can become more economically viable through revitalization and redevelopment and has identified certain types of businesses that will attract visitors, further diversify the business base and/or provide high paying jobs. The geographic areas and businesses listed below are not mandatory to be considered for incentives under Section 33-1452; nor are they listed in

any order of priority. However, they are considered to be important factors for the City Council Economic Development Subcommittee and entire City Council to consider in reviewing applications and furthering City goals.

1. Targeted Businesses

Quality Restaurants
Class A Office Space Uses
Technology Businesses
Life Sciences and Health Care Related Businesses

2. Targeted Geographic Areas

Downtown Specific Plan Area
East Valley Parkway Plan Area
South Escondido Blvd. Corridor
Mercado Plan Area
Mission Avenue Overlay Area
Mission South to Washington between Quince and Centre City Parkway
Swap Meet Area
Properties north of the Swap Meet
Hospital Professional Zoned District
City Gateway Areas
Older Industrial Areas

II. BEZ Category Definitions

A. The following definitions are used for the purpose of this policy:

1. High Paying Jobs

Jobs that provide a wage significantly higher than the San Diego County median income, as well as benefits for full-time employees, such as for health care.

2. Significant Increase to Property Values

Property valuation is increased by 100% or more as a result of the project.

3. Significant Impact to Appearance of an Area

Project consolidates lots, removes blighted structures and/or property conditions, or provides a significant aesthetic improvement to an area.

4. Catalyst Projects for Revitalization or Redevelopment

Pioneering projects that set a high standard of new development in targeted geographic business areas, or projects that make significant façade and property improvements to existing buildings or older commercial strip centers. Also, projects supported by substantial private investment that make a significant impact on the business environment in which they are located. Overall, catalyst projects should bring a positive aesthetic improvement and increase the economic vitality of the area in which they are located.

5. Significant Sales and/or Use Tax Revenue Producers

Projects that generate annual sales and/or use tax revenue equal to or greater than the average sales tax of the top 25 sales tax producers in the City of Escondido, as determined at the time the request is made.

B. Targeted Businesses**1. Quality Restaurants**

Restaurants that are locating in Targeted Areas and have daytime and night time activities, waiter/waitress service, a 1-2 hour unique dining experience and lounge/bar service. In the Downtown core area, unique chef owned restaurants are highly desirable. The building should also be architecturally pleasing, to add to a quality dining environment and experience. The criteria listed above do not include restaurants commonly referred to as fast food or high-turnover restaurants.

2. Class A Office Space Uses

A multi-story building in a convenient location having shared quality amenities (ex: restrooms, lobby, receptionist, etc.). Buildings should have quality finishes and materials such as granite or marble and incorporate enhanced architectural elements and details. Grounds should be well landscaped, and offices often have attractive views.

3. Technology Businesses

Corporate headquarters, research and development of technological equipment or software and other businesses engaged in the provision of technology services. Examples include: computer and electronics engineering, technology computer drafting and design, computer network systems development, web development, multimedia, software applications development and programming, technical project management for electronic commerce• information systems security, etc.

4. Life Sciences and Health Care Related Businesses

This category contains a wide variety of businesses that supply research, invent and/or produce products or service delivery mechanisms related to health care. For the purpose of this policy, the focus is not on health care providers. The focus is on research and development of products and devices for healthcare, telehealth/telemedicine, diagnosis, healthcare information management, and medical recordkeeping. The focus also includes activities related to bioscience, bioinformatics, biopharmaceuticals, biotechnology and genomics.

III. Economic Incentive Fund and Incentive Policy**A. Purpose**

The City Council has established an Economic Incentive Fund that is utilized to offset development and connection fee reductions granted to eligible projects.

The City Council Economic Development Subcommittee and the City Council may grant fee reduction incentives as follows.

B. Policy (see Public Benefit Eligibility Criteria section I.A.1.)

1. Granting of fee reductions of up to 25% of the project's connection and development fees with a \$25,000 maximum cap.
 - Any fee reductions given will be backfilled from the City Council's Economic Incentive Fund.
 - This incentive does not apply to high demand service users. See note at end for other fees that will not be reduced
 - Fee reduction incentives will not be applicable for pass-through fees to other agencies or for costs that involve processing, inspection and/or construction costs to the City of Escondido. The Art in Public Places Fee will not be reduced.
2. Ability to request fast track processing.

C. Additional Incentives Policy (see Public Benefit Eligibility Criteria section I.A.2.)

1. Granting an increased fee reduction of up to 50% of the project's connection and development fees with a \$50,000 cap (The total of all fee reductions requested through the Business Enhancement Zone, Sections III. B & C of this Policy, shall not exceed \$50,000).
 - Up to 50% of the project's connection and development fees can be requested to be reduced for businesses that provide exemplary financial or job benefits to the City.
 - Any fee reductions given will be backfilled from the City Council's Economic Incentive Fund.
 - This incentive does not apply to high demand service users. See note at end for other fees that will not be reduced.
2. Assignment of a fast track interdepartmental City staff project processing and permitting team.
3. Fee reduction incentives will not be applicable for pass-through fees to other agencies or for costs that involve processing, inspection and/or construction costs to the City of Escondido. The Art in Public Places Fee will not be reduced.