



4800 Ashford Dunwoody Road
 Dunwoody, Georgia 30338
 dunwoodyga.gov | 678.382.6700

MEMORANDUM

To: Mayor and City Council

From: Michael Starling, Director of Economic Development

Date: 3/8/2021

Subject: **Economic Development Incentive Policy**

BACKGROUND

The City of Dunwoody does not have an Economic Development Incentive Policy in place. This has been a conscious decision to rely on our low cost of real estate and the Development Authority to provide tax abatements when needed to encourage the establishment of new businesses. However, we are entering uncharted territory for office development due to COVID-19 and added incentives from the City can make a difference for large office users.

The Economic Development Incentive Policy will be focused on businesses that lease large amounts of office space and employ large numbers of workers. The proposed Economic Development Incentive Policy will include the following parameters:

1. Result in the location, expansion or retention of a business within the City of Dunwoody;
2. The project must be competitive between Dunwoody and another community;
3. Creates 500 (five-hundred) or more full-time positions working at a business located within the City and at least 75% of the positions meet or exceed the average wage level of DeKalb County using Bureau of Labor Statistics Average Weekly Wage for the prior year (2019=\$59,124);
4. Lease or purchase 100,000 (one-hundred thousand) square feet or more of commercial (office) space;
5. Sign a lease with a minimum 7-year term or purchase the facility; and
6. Provide new capital investment equal to or in excess of \$4.0 million in Furniture, Fixtures or Equipment.

The Economic Development Incentives to be offered under this policy will include:

1. Expedited Permitting Process. The City may expedite the permitting process required for a new business location or expansion.
2. Waiver of Business and Occupation Taxes. The City may waive 50% of applicable business license taxes assessed pursuant to the Dunwoody Code of Ordinances up to the sum of \$50,000 on an annual basis. This waiver shall be for a period equal to the term of the lease, but not more than 10 (ten) years.



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RECOMMENDED ACTION

Staff respectfully requests Mayor and Council to approve the Economic Development Incentive Policy.

City of Dunwoody

Economic Development Incentive Policy

Purpose

The City of Dunwoody's Economic Development Incentive Policy will provide incentives for the retention and/or expansion of existing businesses located within the City of Dunwoody and to encourage the establishment of new targeted businesses as well. This policy does not commit the City to provide economic incentives in any instance, nor does it restrict the City from providing additional economic incentives in a specific instance as determined by the City Council in the exercise of its sole discretion. This policy contains specific criteria, guidelines and procedures necessary to administer the economic development incentive effectively and fairly.

Goals

The City of Dunwoody is committed to targeting new opportunities that diversify its economic base and continue to provide for the fiscal health of the community.

1. Attract and retain a variety of employment opportunities for Dunwoody residents.
2. Attract companies that lease large amounts of office space and employ a large number of workers.
3. Create a vibrant and unique commercial center as a destination for Dunwoody.
4. Encourage and support business travel, tourism, and retail as a major contributor to the City's overall economic health.
5. Sustain the long-term economic well-being of the City and its citizens through increased commercial investment.

Eligibility Requirements

The City of Dunwoody, at its sole discretion, may provide certain economic development assistance or incentives to attract, retain, or expand businesses located or to be located within the corporate limits of the City that are consistent with the following requirements:

1. Result in the location, expansion or retention of a business within the City of Dunwoody;
2. The project is competitive between Dunwoody and another community;
3. Create 500 (five-hundred) or more full-time positions at a business located within the City and at least 75% of those jobs meet or exceed the average wage level within DeKalb County using Bureau of Labor Statistics (BLS) Average Weekly Wage data for the prior year;
4. Lease or purchase 100,000 (one-hundred thousand) square feet or more of (office) space;
5. Sign a lease with a minimum 7-year term or purchase the facility outright; and

6. Provide new capital investment equal to or in excess of \$4.0 million in furniture, fixtures or equipment.

All submittals requesting economic development incentives shall be received prior to the issuance of any building or land disturbance permit related to the project. Goals for eligibility can be met if the commitment of job creation and investment occur within 12 (twelve) months of the initial lease or purchase commitment.

Available Incentives

1. Expedited Permitting Process. The City may expedite the permitting process required for a new business location or expansion.
2. Waiver of Business and Occupation Taxes. The City may waive 50% of applicable business license taxes assessed pursuant to 10-1 of the Dunwoody Code of Ordinances up to the sum of \$50,000 on an annual basis. This waiver shall be for a period equal to the term of the lease, but not more than 10 (ten) years.

Submittal Requirements

All submittals requesting economic development incentives shall be submitted to the City prior to the issuance of any building or land disturbance permit related to the project. All submittals shall provide the following information:

1. Completed Economic Development Incentive Application
2. Documentation indicating how the request meets the criteria set forth in this policy.
3. Amount of applicant's investment in the project.
4. Detailed development pro forma.

Memorandum of Understanding

All economic development incentives will be formalized in a Memorandum of Understanding between the City of Dunwoody and the recipient business. The Memorandum of Understanding will include the following:

1. A timetable and list of the kinds of improvements or development that the project will include and conditions to assure that the project meets or exceeds the City's requirements.
2. A description of the location of the proposed project.
3. A list of public benefits that the proposed project will provide.
4. A provision establishing the duration of the agreement.
5. A provision identifying the incentives to be given and the method for calculating such incentives.
6. A provision providing a tangible means for measuring whether the applicant has met their obligations under the agreement.

7. A provision providing for access to and authorizing inspection of the property and applicant's pertinent business records by City representatives in order to determine compliance with the agreement.
8. A provision for the cancellation of the agreement and incentives if the applicant does not comply with its duties and obligations under the terms of the agreement.
9. A provision for recapturing the value of City incentives if the applicant does not comply with its duties and obligations under the terms of the agreement.
10. Provisions relating to administration, delinquent taxes, reporting requirements and indemnification.
11. A provision that the agreement may be amended by the parties to the agreement by using the same procedure for approval as is required for entering into the agreement.
12. Such other provisions as the City shall deem appropriate.

Compliance

In accordance with provisions of the Memorandum of Understanding, the recipient business will be required to meet the following performance criteria:

1. Create jobs as agreed.
2. Comply with wage requirements.
3. Make capital investment in real property as agreed.
4. Comply with all applicable governmental laws, rules and regulations.
5. Comply with any other terms and conditions imposed by the Memorandum of Understanding.

The City reserves the right to audit a business to assure compliance with the written agreement. If the performance criteria is not met or is altered significantly, the City may require the incentive to be repaid in full or in part, as provided by the Memorandum of Understanding.

**STATE OF GEORGIA
CITY OF DUNWOODY**

RESOLUTION 2021-0-0

A RESOLUTION OF SUPPORT FOR THE ECONOMIC DEVELOPMENT INCENTIVE POLICY.

- WHEREAS,** the City of Dunwoody is committed to promoting economic growth, redevelopment and community improvement through the use of local planning tools, such as economic incentives; and
- WHEREAS,** the City desires to attract high-quality long term investment and the creation of new jobs and to stimulate business and commercial activity; and
- WHEREAS,** economic development incentives can be an important element in a city’s overall economic development strategy and Dunwoody currently does not have an incentive policy; and
- WHEREAS,** the proposed Economic Development Incentive Policy (Policy) is established to create a framework for decisions regarding the use of public resources to stimulate economic activity and to ensure consistency with how those decisions are made; and
- WHEREAS,** upon review and consideration of the Policy, the City Council is of the opinion that the Policy will assist in implementing programs whereby economic development will be promoted and commercial activity will be stimulated in the City.

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of Dunwoody while in regular session on March 8th, 2021 at 6:00 pm the Economic Development Incentive Policy is hereby approved.

Approved:

Lynn P. Deutsch, Mayor

Attest:

Sharon Lowery, City Clerk
(SEAL)

Approved as to form and substance:

City Attorney