

For Use by San Joaquin County Only
Project: _____
Community/Location: _____
Date: _____
☐ Application Fee Enclosed



San Joaquin County Economic Development Incentive Policy (EDIP)

Application for Assistance

San Joaquin County desires to stimulate economic activity and the creation of jobs, thereby broadening its collective tax base (property, sales, and transient occupancy) and improving the quality of life for its citizens. The Economic Development Incentive Policy (EDIP) established a new economic incentive that is intended to: (i) attract new businesses to San Joaquin County; (ii) facilitate expansion of existing business and industry; and (iii) promote speculative development and infrastructure investment with the underlying objectives of job creation and diversification of the economy.

To be eligible to apply for EDIP support, a project must demonstrate a significant return on the County's investment; and, and if within an incorporated City of the County, strong local support in the form of economic incentives or other assistance. The review process evaluates a variety of factors associated with each project including high wage job creation, capital investment made by the applicant, financial strength of the applicant, applicant business history, analysis of the relevant business sector, and public and private sector financial support.

Applications must be submitted to the San Joaquin County Employment & Economic Development Department ("EEDD"), ATTN: Steven J. Lantsberger, CED, EDPF; Economic Development Director. If a project is approved for Job Creation Dividend ("JCD") award, a Performance Agreement will be executed, which will include provisions to ensure that San Joaquin County taxpayer funds and resources are effectively and efficiently deployed and the supported project advances the overall goals and objectives of the EDIP.

For more information, and to see if the project is eligible to apply for the EDIP contact the San Joaquin County Employment & Economic Development Department at (209) 468-3619 or visit www.sjworknet.org/eda.asp.

SUBMISSION INSTRUCTIONS

*****Applicants are encouraged to contact the Employment & Economic Development Department prior to submission to ensure eligibility requirements have been satisfied.*****

A complete application must be submitted to the San Joaquin County Employment & Economic Development Department. The application may be submitted in one of the following ways:

Mail or Overnight/Express Delivery

If the application is submitted via regular mail, it must be sent to:

San Joaquin County
Employment & Economic Development Department
Attention: Economic Development Director
6221 West Lane
Stockton, CA 95210

Electronically

If an application is submitted electronically, it must be sent to: slantsberger@sjworknet.org

Please include all requested information for all sections. Any Performance Agreement will be developed using details represented in this application. Be accurate and thorough to avoid delays in processing. Where no response is possible, it should be marked "N/A". Attachments and additional pages are not required unless specifically requested in the application. Any necessary supplemental information will be requested as a follow-up document. Original signatures must accompany the completed application. Draft or incomplete applications will not be accepted.

APPLICATION FEE

The application fee in the amount of \$1,000 plus the \$2,500 Deposit for “Out of Pocket County Expenses” must be received by the EEDD before the application will be reviewed. A check should be made payable to San Joaquin County with a memo line insertion – “EDIP Application Fee & Expense Deposit,” and mailed to an address listed above. **The application fee is non-refundable.** The EEDD will not begin due diligence on an application until it is considered complete and fees paid. The San Joaquin County Board of Supervisors, may, in its sole and absolute discretion reduce or waive the “Out of Pocket County Expenses” due from Applicant. Refunds will be processed once the Performance Agreement is executed or the application is no longer under consideration.

☐ Enclosed non-refundable application fee in the amount of \$1,000 plus the \$2,500 Deposit for “Out of Pocket County Expenses” payable to San Joaquin County.

CERTIFICATION OF APPLICATION – APPLICANT BUSINESS

Authorized Business Representative (This is the “Applicant” which may also be referred to “Company” in this Application)

First Name _____ Last Name _____

Title _____

Company Name _____

Street Address _____

Mailing Address _____

City _____ State _____ Zip _____ - _____

Phone Number _____ Mobile Number _____

Email Address _____ Website _____

Corporate Headquarters _____

Authorized Consultant Representative

The following consultant is authorized to provide and obtain information related to this application. However, San Joaquin County, or its duly authorized representatives reserve the right to contact the applicant Business directly at any time.

Consultant Name _____ Phone Number _____

Consultant Email _____ Company _____

To the best of my knowledge and belief, the information contained in this EDIP Application is true and correct, as evidenced by my signature below. I further certify that the business entity is in good standing under the laws of the state in which the entity was organized and that no delinquent taxes are owed to any taxing entity within the State of California. Furthermore, I acknowledge that I, and any Authorized Consultant Representative,

have read and understand the contents and requirements of the EDIP and that the San Joaquin County Board of Supervisors retains complete discretion in awarding or not awarding any incentive to the Applicant. Any EDIP award to an applicant shall only become effective upon Board of Supervisors approval and full execution of the required Performance Agreement. If the County learns that information provided in the application is false, incomplete, or erroneous it may, in its sole discretion immediately cease processing and terminate all negotiations with Applicant.

Signature _____ Date _____
(Primary Business Representative)

Given under my hand and seal of office this ____ day of _____, _____

(Notary Seal)

Notary Public, State of _____

My commission expires _____

CONFIRMATION OF APPLICANT – COMMUNITY

Authorized Community Representative, if within an incorporated City of San Joaquin County

First Name _____ Last Name _____

Title _____

Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ Zip _____ - _____

Phone Number _____ Mobile Number _____

Email Address _____ Website _____

BUSINESS APPLICANT INFORMATION

Exact legal name of the entity applying for San Joaquin County EDIP assistance

In addition to the Applicant, list all other corporate entities under which jobs will be reported for this project

Federal Tax ID Number _____ Fictitious Business License Number _____

Corporate Credit Rating and Source _____ DUNS # _____

NAICS Code _____ Service / Product Produced _____

Is the Applicant publicly traded? ☐ Yes ☐ No Please indicated Exchange and Stock Symbol _____

Is the Applicant registered to do business in California with the California Secretary of State? ☐ Yes ☐ No

If "Yes," identify the exact name used by company to register in California and File # _____

Structure of Applicant (private, public, LLP, LLC, etc.) _____

If foreign corporation provide details on Worldwide Affiliates) _____

Evidence of good standing under the laws of the state in which the business was formed or organized is required. Please attach a Certificate of Status issued by the California Secretary of State, or the equivalent document issued by the state official having custody of the records pertaining to entities formed under the laws of that state.

Articles of Incorporation attached: ☐ Yes ☐ No

State of Incorporation: _____

BUSINESS APPLICANT EXPLANATION

Provide an introduction, history and description of the business, its product, services, total annual sales, etc. (do not attach additional documentation). If a division or separate unit of larger corporation, also please provide sales figures and financial data pertaining to the San Joaquin County only to allow for calculation of economic benefits resulting from the project that facilitate the development of the Economic Impact Analysis required by the EDIP.

Number of Years in Business _____ Most recent Net Income _____

Number of Employees Worldwide _____ Most recent Sales _____

Number of Employees Nationwide _____

CEO/President _____

List any person or entity that has at least 20% ownership in the Applicant Business:

<u>Name</u>	<u>Percent</u>

If applicant **is publicly traded, please provide copies of latest SEC filings (10-K, 10-Q, etc.)**

Corporate Family Tree

Please provide the family tree by listing the Applicant’s immediate and ultimate parent companies (if applicable), as well as all principal subsidiaries of the applicant. Use the outline structure below as an example, or include an attachment if necessary.

Ultimate Parent: _____

➤ Immediate Parent: _____

➤ **APPLICANT:** _____

➤ Subsidiary A: _____

➤ Subsidiary B: _____

➤ Subsidiary C: _____

Is the Applicant Company classified as “Active” by the California State Franchise Tax Board (current on franchise tax obligations)?

☐ Yes ☐ No

Are all currently operating parent and subsidiary entities classified as “Active” by the California State Franchise Tax Board?

☐ Yes ☐ No

If the answer to either question is no, please explain and/or disclose any history of tax-related forfeitures.

EXISTING JOBS AT ALL CALIFORNIA & SAN JOAQUIN COUNTY LOCATIONS

Please identify all existing locations in California, including those of parent, subsidiary, and affiliated companies, as well as the EDIP Application project site (if this location has existing jobs). Note that a potential EDIP JCD contract will include baseline employment information. (Attach additional pages if necessary)

<u>Company Unit</u>	<u>City/County in California</u>	<u>Number of Jobs</u>

Will the new project result in job losses at any existing California location?

☐ Yes

☐ No

If yes, which location(s)?

If yes, has the affected community been notified?

☐ Yes

☐ No

BRIEF PROJECT SUMMARY

Provide a brief overview of the project including the site, the scope of planned operations, type of jobs, etc. (do not attach additional documentation). Provide enough detail to allow County to understand scope of project and potential economic impacts. For example, if a distribution center, does it also include a point-of-sale that would trigger sales tax collection? If the project is replacing an existing facility or if operations have necessitated a move to a new, larger facility, please indicate briefly the plans for the former location – i.e. re-letting to successor tenant that is new to the County, etc. Any unique aspects that align with the County's EDIP should be detailed briefly here.

PROJECTED DATES & MILESTONES

Begin Construction _____ Begin Hiring New Employees _____
Construction Complete _____ Fully Operational _____
Purchase Machinery & Equipment _____

Note: Milestones dates should be prior to the date application is submitted. Projects already under construction, with approved entitlements, or executed land purchase contracts are not eligible.

PROJECT FACILITY SUMMARY

Exact location of proposed site (address or intersection) _____

City, State, Zip _____

Assessor's Parcel Number _____

Current Assessed Valuation of Site _____

Will the Applicant Company own the facility? ☐ Yes ☐ No

Provide a brief overview of the facility or the physical location of the site and characteristics of the lease or construction. Conceptual drawings, site plans, etc., are required to allow adequate understanding of the

project. Renderings of elevations and other building treatments are welcomed including any certification(s) sought (LEED, etc.)

PROJECTED CAPITAL INVESTMENT POST DEVELOPMENT

(Must match Investment Schedule)

☐ Project is fully funded or financing is secured

Land _____

Building(s) _____

Machinery & Equipment _____

Total _____

Capital Investment are the items that the Company may capture as a capital investment on its financial reports, and includes, but is not limited to fixed assets, real property and business personal property. Costs associated with infrastructure improvements including extension costs incurred by applicant can be included in Capital Investment. Operational lease payments do not qualify as capital investment. Improvements made by

Error! Unknown switch argument.

landlords or investments made by developers do not qualify as capital investment except in extenuating circumstances and must be authorized by County. Local incentives including JCD or others should not be included as capital investment by the applicant.

Capital Investment, in the context of calculating the JCD, will be determined by the increase in appraised value from the appraised value of the property on the date of the application compared to the appraised value on the January 1 after completion of improvements, all as determined by tax appraisal from the San Joaquin County Assessor's Office.

COMMITTED SOURCES OF FUNDING

Business Participation

Financial Institution(s)

Local Participation (excluding abatements)

Federal Participation

Other

Total

Provide a brief summary of committed funding in the space below (do not attach additional pages).

JOB CREATION & INVESTMENT SCHEDULE (Must match Projected Capital Investment)

Existing Year	New Jobs on Site	Total Jobs	Jobs	Land	Machinery & Building(s)	Total Equipment	Investment
2019							
TOTALS							

A breakdown of the types of new full-time jobs to be created by classification, title, and the salary shall be provided to enable County to evaluate the Applicant's EDIP request.

Number of new full-time jobs to be included in Performance Agreement _____

Estimated annual *median* wage of new jobs to be created _____

Estimated annual *average* wage of new jobs to be created* _____

Estimated percentage of employees hired from within San Joaquin County (mandatory) _____

Note: The median wage is determined by listing all salaries in ascending order and selecting the midpoint value with equal number of salaries above and below its value, or with an average of the two middle values if there is no middle number.

*The annual average wage should be calculated without benefits and/or bonuses. The EDIP model assumes a 2% increase on the annual average wage of the pool of new jobs to be created over the lifetime of the Performance Agreement, should one result from this application. Contracts tend to not exceed 10 years, depending on the project. Jobs and annual average wages must be maintained throughout the term of the contract. The Economic Impact Analysis may contemplate job creation extending past the end of the Performance Agreement term.

“Eligible Net New Jobs” means each full-time equivalent job created above the monthly average full-time equivalent employee count for the 12-month period preceding the date of application. In order for a job to qualify as a “Eligible Net New Job,” the number of Eligible Net New Jobs must be reported annually pursuant to Section 18 of the EDIP, and if the actual number of Eligible Net New Jobs in any year during the Performance Agreement term is less than the Eligible Net New Jobs required therein, and any incentive payments for the remaining term are subject to reduction.

The County will utilize the State of California Employment Development Department’s Labor Market Information (“LMI”) as the official data source for calculating comparability between the wages paid for new positions and those existing in the Stockton-Lodi MSA and State of California. The median wages in the occupation(s) will be the basis for comparison. If there are multiple occupations, each will be compared and aggregated to arrive at a composite weighted average that will be used to assign points.

PRIMARY COMPETITION FOR PROJECT

<u>City</u>	<u>State or Country</u>	<u>Incentive/Type</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Additional Proof of Competition may be requested. A final decision shall not be made by the Applicant during the application process to remain eligible for the program.

Provide a brief description of the competitive nature of this project and the viability of each competitor site, if

known through viable sources or primary data.

INDUSTRY CLUSTER

If applicable, identify the targeted industry cluster within which this project falls. If multiple business operations at the facility, please check all that apply.

- ☐ Advanced Technologies and Manufacturing,
- ☐ Warehousing, Distribution & Goods Movement
- ☐ Health & Wellness
- ☐ Information and Computer Technology, including three sub-clusters: Communications Equipment; Computing Equipment and Semiconductors; Information Technology
- ☐ Infrastructure Development
- ☐ Tourism & Hospitality
- ☐ Retail & Wholesale
- ☐ Agriculture, Specialty Agriculture Product Manufacturing, Ag Technology
- ☐ Other: _____

EDIP REQUEST & OTHER STATE ASSISTANCE, IF ANY

Identify state programs that the project will apply for:

<u>State Source</u>	<u>Amount</u>
EDIP JCD Request	
Total	

PERMITS

☐ Pending ☐ Current ☐ No Permits Required

Estimated state and local fee related revenue generated by this project _____

List any local, state, or federal permits that will be, including the corresponding fees paid, issuing agency and the expected date of receipt, if applicable.

COMMUNITY TAX RATES

(If Applicant is not aware of these rates, EEDD staff or third party consultant may complete. This data is mandatory for calculation of cost/benefit analysis of the Economic Impact Analysis)

	<u>Entity</u>	<u>Tax Rate</u>
Tax Rate City		
Tax Rate County		
Tax Rate School District		
Other Taxing Entities		
Total Combined Local Tax Rate (Include all applicable taxing entities)		

LOCAL INCENTIVE INFORMATION

Please use the following text box for additional details regarding any additional local incentives relating to the project.

BENEFIT TO SAN JOAQUIN COUNTY

Independent Economic Impact Analysis required ☐ Yes ☐ No

Independent Economic Impact Analysis prepared by: County Selected Vendor – Applicant responsible for cost

The analysis will be conducted by a third-party entity not related to the applicant. The analysis should include, but not be limited to the following:

- A. Total capital investment and employment, with timeline for each, including on- and off-site infrastructure
- B. Outline of Economic and Fiscal Impacts of:
 - 1. Project construction phase
 - 2. Annual operations for each of the first 10 years of operation

Impacts during construction phase should include:

- Total Expenditure
- Gross State Product impact
- Retail Sales
- Total State Tax Revenue
- Total County Tax Revenue
- Total Municipal Tax Revenue, if located within incorporated city
- Direct, indirect, induced and total peak employment
- Direct, indirect, induced and total payroll

Impacts during *each year* of annual operations should include:

- Total Expenditure
- Gross State Product impact
- Retail Sales
- Total State Tax Revenue
- Total County Tax Revenue
- Total Municipal Tax Revenue, if located within incorporated City
- Direct, indirect, induced and total permanent employment
- Direct, indirect, induced and total payroll

- C. Executive Summary of the analysis highlighting the following data items:
 - Gross State product impact during *first year of full employment, if possible*
 - Total payroll (including direct, indirect, and induced) during *first year of full employment*
 - Total jobs (including direct, indirect, and induced) during *first year of full employment*

- D. Cost/Benefit Analysis taking into consideration potential County EDIP JCD award
- Net Present Value
 - Internal Rate of Return
 - Payback Period
 - Other discounted cash flow methods deemed appropriate
- E. Other Evaluation Metrics deemed appropriate as determined by County

COMPANY FINANCIAL DATA

The Applicant Company must provide three consecutive years of financial data in the form of independent, audited financial statements containing, at a minimum, the following:

- Balance Sheet
 - Income Statement/Profit & Loss
 - Statement of Changes in Financial Position
 - Reconciliation of Net Worth
 - Notes to Financial Statements
 - Schedule of Capital Debt Obligations
-
- Three (3) Years of Annual Tax Returns for Applicant, and Parent, if any
 - Three (3) Years of any required federal or state filings – SEC 10K, etc. for Applicant or Parent
 - Interim Financial Statements (no older than 90 days) for Applicant and Parent, if any

Note: Audited financial statements are required from the Applicant Business. If financial statements are provided from a parent entity, the parent will be required to be party to the Performance Agreement, should one result from this application.

CONFIDENTIALITY NOTICE

San Joaquin County, as a county governmental agency and a subdivision of the State of California, must comply with the Ralph M. Brown Act (“Brown Act”), Open Meeting Law, and the California Public Records Act (“the Act”) and therefore may be required, upon request to disclose information about a project or applicant that is/are not exempted. The Applicant should make itself aware of these laws and understand that the County **cannot and will not guarantee** that information provided to it will be treated as “Confidential.” The County shall not be responsible for any disclosure of information deemed sensitive by the Applicant and the Applicant shall fully indemnify the County from any claims and/or damages that may result from the release of said information or trade secrets. If a public records request is made relative to this application the County will take reasonable steps to notify the Applicant of the request.

The applicants acknowledge that negotiations and information related to this application shall be treated as confidential, and that a full faith effort will be made to prevent the disclosure of any such negotiations. The Applicant(s) further agree that they will not disseminate information regarding any protected information of negotiations. Breach of confidentiality regarding this Application may be grounds for termination of negotiations.

ON-SITE & ANNUAL COMPLIANCE REVIEW NOTICE

In the event that a Performance Agreement is executed between the County an Applicant/Company, the County reserves the right throughout the term of the Agreement to conduct an on-site compliance review of the grantee’s records relevant to the performance of the Agreement. EDIP JCD recipients may be selected for on-site review based upon risk assessment criteria determined by the County and all recipients will have at

least one on-site compliance review during the term of the Agreement. Failure to comply with the terms of the Performance Agreement could result in a reduction of EDIP assistance, or termination.

PARTIAL CHECKLIST AND REQUESTED ATTACHMENTS:

	EDIP Application Pre-Submission Checklist	Check if Completed
A	Certification of Application signed by Company	
B	Confirmation of Application signed by Community, if applicable	
C	Articles of Incorporation (include attachment)	
D	Proposed renderings, elevations, site plan, parcel map	
E	Projected Capital Investment	
F	Committed Sources of Funding	
G	Job Creation & Investment Schedule	
H	Roster of Job Classifications, Pay Schedules, Average Wager	
I	Applicant/Parent Financial Information	
J	Corporate Filings – Sec 10K, etc.	
K	Complete Business Plan (if less than 3 years old), Corporate Annual Report to Shareholders	

ASSISTANCE OR QUESTIONS REGARDING APPLICATION

Applicants are encouraged to contact the San Joaquin County EEDD should they have any questions or need assistance preparing the Application. The goal of the County is to ensure complete and accurate applications are submitted so EDIP due diligence can commence expeditiously.