

## **San Joaquin's Economic Development Incentive Policy (EDIP) Shaping Change in the Community**

*Decade-2010-2019*

***Is the project/program still going? If the project/program has ended, what went well and what could have been improved?***

San Joaquin County Economic Development Incentive Policy (EDIP)

The project/program commenced in January of 2018 with its adoption by the San Joaquin County Board of Supervisors and continues.

At this time, it is too early to judge the success of the program. However, given the strong interest of qualifying business in California's post-Redevelopment and Enterprise Zone era in the EDIP there are high hopes it will deliver on its goals and objectives.

The EDIP received local press but was not in a formal publication. However, it, accompanied by the Business Incentives Guide for San Joaquin County will be submitted for recognition by IEDC. The EDIP is uploaded to the EDA's website at <http://www.sjworknet.org/eda.asp> and has been sought by other communities in California. We believe this interest speaks volumes.

***Explain, in detail, how the project/program has had an impact on employment, expansion of local tax base & diversification of the area's economy? (500 Words Max)***

Because the EDIP is new it is too early to gauge its results. However, the EDIP explicitly requires job creation, capital, investment, local hiring, and other metrics for an applicant to obtain a financial incentive. Currently, the County is on the short-list for a major corporate investment and the EDIP is front and center in the final decision making.

***If the project/program has not ended, please explain what phase it is in and what will come next.***

Because the Economic Development Incentive Policy (EDIP) was only recently adopted it is in its infancy stages. However, it is an evergreen program what will be in force until such time it is amended or repealed by the San Joaquin County Board of Supervisors. Initial marketing of the program has commenced, and numerous companies have expressed interest in it. Going forward the intent is aggressive marketing of the EDIP through the various channels San Joaquin County pursues economic development opportunities.

To provide context, the purpose of the EDIP is to grant, and vest authority to offer incentives, when appropriate, to eligible applicants or projects, that will enhance the County's competitiveness in attracting new capital investment that supports the County's economic development goals of:

- Growth of private sector employment,
- Increasing tax revenues,
- Diversifying the economic base,
- Enhancing global competitiveness, and
- Public infrastructure development.

San Joaquin County offers new and existing companies a variety of locational and operational advantages which contribute to its viability for new corporate investment. However, it is becoming increasingly common for companies that are not entirely market driven to evaluate locations in communities and countries around the globe. San Joaquin County is part of the global marketplace and needs to ensure that it can compete with other states/communities that aggressively offer incentives to achieve their economic development goals.

The Government Finance Officers Association of the United States and Canada (GFOA) recommends that jurisdictions create a policy on the appropriate parameters for use of economic development incentives that is specific enough to establish clear boundaries, but not overly restrictive to allow for flexibility and discretion to ensure the best interests of the community are served. This Policy was developed to be consistent with the GFOA's Best Practice Guidance on the subject of incentives.

***What advice would you give other communities who want to replicate this project/program?***

The best advice one could offer in evaluating and adopting a similar program is that considerable research and due diligence be conducted. Each community across the Golden State is unique and their capacity to offer incentives or inducements varies. Spend ample time reviewing existing programs and determine what works best in your jurisdiction. The EDIP was borne out of national research of best practices and then juxtaposed with appropriate California Codes, Regulations, and Laws to ensure that it would be enforceable, while at the same time innovative. Any incentive program/policy cannot be developed in a vacuum. During the development of the EDIP staff reached out to a wide group of stakeholders for input. Although one individual can be the lead of the effort, there are many others that must be collaborated with for a program like the EDIP to be successful. Don't rush to throw something together. Draft it, let it rest, review it, and then do that over and over again. You will be surprised how much better the output becomes. In our situation we had multiple meetings with County staff, Board of Supervisors representatives, before we even introduced it to the Board of Supervisors. Fortunately, in our case, the Board of Supervisors had been seeking an incentive policy for some time and we were fortunate enough to get the nod from the County Administrator to be the lead.

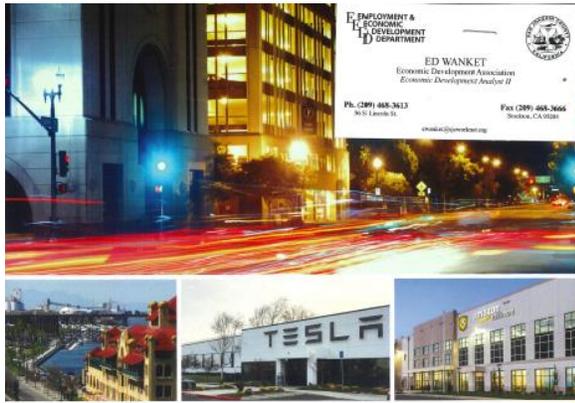
In the end, the EDIP was developed to incorporate these tenets which we believe truly encapsulates a program that can be effective and successful.

In San Joaquin County we wanted to tie the best practices into our policy. To add uniqueness we chose descriptors of our objectives, qualifiers, and intent that spelled out "San Joaquin."

Simple  
Adaptable  
Necessary

Justified  
Oversight  
Appropriate  
Quantifiable  
Unique  
Impactful  
Non-entitlement

In closing, pay close attention to performance metrics. The EDIP is “pay-for-performance!” There are no up-front payments in this Policy. A written agreement/contract between the jurisdiction and company must be developed and executed. Pay attention to California laws regarding noticing as well as FASB reporting requirements. We spend approximately 4 solid months of staff time in developing the EDIP and we believe the time invested will be well rewarded.



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**ECONOMIC DEVELOPMENT  
INCENTIVE POLICY (EDIP)**

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