



# Proposed Retail Incentive Program

*An Economic Development Tool for Business Attraction*

ITEM: ESTABLISH A FINANCIAL INCENTIVE PROGRAM LIMITED TO NEW  
RETAIL ESTABLISHMENTS LOCATING IN THE CITY EAST OF  
INTERSTATE 5 & APPROVE BUDGET AMENDMENT

Item 5.3



# Background



October 14, 2024 – Lathrop City Council Directed Staff to Explore Possible Financial Incentive Programs for the Purpose of Attracting Entertainment Uses to the City.



November 18, 2024 – Lathrop City Council Meeting

- Staff Presented Financial Incentive Program Options
- Council Gave Feedback & Direction to Craft a Retail Incentive Program



Council Requested:

- Funding Source: Measure D, Economic Development Fee—Citywide Account.
- Enhance Efforts to Attract Retail, Entertainment, Recreational Entities, including Small Businesses, to Lathrop's East Side of Interstate 5.
- Project Incentive Based on City Capital Facility Fees, Building Permit & Plan Check Fees, or Business License Fees.



# Proposed Retail Incentive Program

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- Purpose to attract new investment from retailers not currently located within Lathrop city limits.
- Offers a financial incentive in the form of a credit-based grant payable toward eligible city fees related to business license, tenant improvements of existing space, or construction of a new building.
- Grant to help reduce the start-up expenses for new retail business locating in the City East of Interstate 5.

# Proposed Retail Incentive Program

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## **Business Eligibility**

1. A new retail business not currently operating within Lathrop city limits.
2. Business must seek to be based physically within a permitted commercially zoned location East of Interstate 5.

## **Eligible Business Categories**

- Retail establishments that sell goods to consumers and patrons
  - Full-service restaurants
  - Entertainment and recreational entities
  - Small business retailers, entertainment or recreational entities with at least 3 full-time employees
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# Proposed Retail Incentive Program

The Proposed Retail Incentive Program offers eligible retailers a credit-based grant payable toward City fees within three categories:

<b>Category</b>	<b>City Fee Credit-Based Grant</b>
New Construction	Up to 50% of total eligible City Capital Facility fees with a maximum of \$250,000 per new construction
Existing Building/Space With Tenant Improvements	Up to 75% of City Building Permit and Plan Check fees with a maximum of \$25,000 per use
Existing Building/Space Without Tenant Improvements (Minimum 5-year Lease)	Up to 5 years of City Business License fees

# Recommendation

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Council to consider the proposed resolution to establish a Retail Incentive Program and approve a related budget amendment.