



CITY COUNCIL AGENDA ITEM

TO: Mayor & City Council

DATE: September 15, 2011

FROM: John McDonough, City Manager

AGENDA ITEM: Consideration of Economic Development Incentives for GT Software

MEETING DATE: For Submission onto the September 20, 2011, City Council Work Session Meeting Agenda

BACKGROUND INFORMATION: (Attach additional pages if necessary)

See attached:

Memorandum
Policy

APPROVAL BY CITY MANAGER:  APPROVED

_____ NOT APPROVED

PLACED ON AGENDA FOR: 9/20/2011

CITY ATTORNEY APPROVAL REQUIRED: () YES () NO

CITY ATTORNEY APPROVAL: 

REMARKS:



TO: Mayor and City Council

FROM: John McDonough, City Manager

DATE: September 15, 2011 for submission on the Agenda of the September 20, 2011 City Council Meeting

ITEM: Consideration of Economic Development Incentives

Background

In July, a draft Economic Incentive Policy was presented to the City Council to serve as the basis of a policy. Council directed staff to proceed with refining the draft policy and route it through the City's Planning Commission for review. Since that time, the City has received a request from GT Software for available economic incentives in the City should they decide to locate their business in Sandy Springs.

Discussion

GT Software specializes in mainframe integration solutions and currently has offices in Atlanta and Alpharetta. The company is looking to consolidate their operations into a single location. They are considering the purchase of properties in Sandy Springs and Vinings and will immediately move 45 employees, with plans to expand by an additional 30 employees over the next two years. The firm also has 12 employees working remotely, but with an occasional need to come to the main facility.

They will be purchasing existing space and building out approximately 27,000 square feet with an estimated capital expenditure of \$4,000,000. The firm is looking to make this move in 4th quarter, 2011.

Utilizing the parameters proposed in the draft Economic Incentive Policy, the business would be eligible for a waiver of business license fees for a period of two years, equaling a potential \$150,000 incentive. Council may also authorize waiver of permitting fees related to the up-fit of the existing commercial space proposed for purchase, conditioned upon actual capital investment.

Alternatives

Council could choose not to authorize incentives for GT Software.

Attachment

1. Draft Economic Development Policy

*City
Manager*



City of Sandy Springs Economic Development Incentive Policy

In an effort to create a business friendly atmosphere in the city, the following policy proposes to adopt minimum thresholds for the development of an economic incentive package for businesses relocating or expanding within the boundaries of the Sandy Springs, GA.

As such, minimum thresholds established to qualify for the city's economic incentive package are defined as follows:

Job Creation: *Create 16 or more full time positions working at a business located within the City of Sandy Springs.*

Capital Investment: *Provide new capital investment equal to or in excess of \$1.0 million for a business relocating or expanding in the City of Sandy Springs. Note: Capital investment must be in new construction, an addition to an existing facility or tenant upfit improvements.*

Businesses meeting both of these criteria when relocating or expanding existing operations in the City of Sandy Springs will qualify for the city's economic incentive package, which includes:

1. Expedited Permitting Process

The City of Sandy Springs will expedite the permitting process required for business location or expansion. Our Community Development Department is experienced with fast-tracking permit approvals and will insure that a prospective business will have a personal representative assigned to act as their advocate, insuring that they are talking to the right people at the right time, saving additional time and money for the business.

2. Waiver of Permit/Impact Fees

The City will waive all building permit fees associated with the business relocation/expansion including all fees associated with new construction, plan review and tenant finishes. Additionally, businesses relocating to the city that meet the threshold criteria defined above will also be exempt from impact fees assessed per Section 107 of the Code of the City of Sandy Springs (Impact Fee Ordinance).

3. Waiver of Business Occupational Tax

The City will waive applicable business license taxes up to the sum of \$75,000 annually for qualifying businesses that meet the established criteria listed above. This waiver may be for up to three years depending upon the total capital investment and jobs created. This incentive is available twice in a ten-year period. (See table below).

	Tier I	Tier II	Tier III
Number of New Jobs Created	15 - 26	26 - 99	100+
Amount of Capital Investment	\$1 million	\$1.01 million to \$5 million	\$5 million +
Business Occupant Tax Waiver	1 year	2 years	3 years