Cathedral City

Legislation Text

File #: 2016-532, **Version:** 1

City Council

MEETING DATE: 12/14/2016

TITLE:
Business Relocation Assistance Program

FROM:
Charlie McClendon, City Manager

RECOMMENDATION:
This item is presented for information, discussion and direction only.

BACKGROUND:
On October 26, 2016, Council approved an amendment to the FY16-17 budget that included $50,000 for establishing a fund to provide relocation assistance to businesses needing to relocate as the result of a cannabis business moving into their existing location. Staff was asked to develop proposed procedures for administering the relocation assistance program for future consideration by Council. The budget amendment established the funding in the general fund using revenues anticipated to be generated through taxes paid by cannabis businesses.

DISCUSSION:
Staff has identified the following possible program parameters for discussion by Council. Once Council has provided their input a formal resolution establishing the program policies will be brought forward for Council action, most likely on January 11, 2017.

1. The relocation assistance program is not available to owner-occupied businesses who sell their property to a cannabis business.

2. Businesses (lessee) having a lease that is terminated by the landlord (lessor) in favor of a cannabis business shall submit the following documentation along with their request for assistance:

   a. A copy of the lease that was in effect at the time of termination and a copy of the notice of termination.
   b. Receipts documenting all non-refundable relocation expenses for which the business is requesting reimbursement assistance. Refundable deposits are not an eligible expense.
   c. Documentation of any payment received from the lessor as compensation for the remaining term of the lease. Payment received will be deducted from the eligible

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       relocation expenses.
- d.   A copy of the new lease for the property to which the business has relocated. The new location must be in Cathedral City.
- e.   Staff will verify that an application for a local license and/or CUP for a cannabis business in the former location have been received.
- f.   The business will be eligible for reimbursement assistance of 50% of eligible relocation expenses up to a maximum of $20,000

3. Businesses having an expiring lease that is not being renewed or who are operating without a lease shall submit the following documentation along with their request for assistance:

- a.   A copy of the lease that is expiring or has expired and a copy of the notice of or non-renewal. If the business has been operating without a lease they shall submit a statement signed by both the business and the landlord indicating that there is not a lease in place.
- b.   Receipts documenting all non-refundable relocation expenses for which the business is requesting reimbursement assistance. Refundable deposits are not an eligible expense.
- c.   A copy of the new lease for the property to which the business has relocated. The new location must be in Cathedral City.
- d.   Staff will verify that an application for a local license and/or CUP for a cannabis business in the former location have been received.
- e.   The business will be eligible for reimbursement assistance of 50% of eligible relocation expenses up to a maximum of $20,000.

4. Assistance packages of up to $5,000 may be approved by the City Manager upon satisfactory documentation of program requirements. Assistance packages of $5,000 or more will require Council approval.

5. The Council has authorized $50,000 for the program. Funds will be allocated to qualifying businesses in the order in which requests are received. Once the funds are exhausted no additional requests will be accepted unless the Council acts to authorize additional funding.

FISCAL IMPACT:
$50,000 has been authorized by Council and is included in the amended FY 16-17 budget.

ATTACHMENTS:
None