

ECONOMIC DEVELOPMENT SUBSIDY INFORMATION
PURSUANT TO GOVERNMENT CODE SECTION 53083

ECONOMIC DEVELOPMENT SUBSIDY TO BE GIVEN
UNDER AN OPERATING COVENANT AGREEMENT
BETWEEN THE CITY OF ATASCADERO AND THE
ECONOMIC DEVELOPMENT COLLABORATIVE (EDC)

NOTICE IS HEREBY GIVEN that the City of Atascadero will hold a public hearing in the Council Chambers at 6500 Palma Avenue, Atascadero, on June 11, 2024, at 6 p.m., unless otherwise changed by the City Manager, to consider an Operating Covenant Agreement between the City of Atascadero and the EDC (“Agreement”). All interested persons are invited to attend this hearing and express opinions upon the items listed below. The Agreement is available for review at City Hall, 6500 Palma Avenue, Atascadero, CA 93422 or at the City’s website at <https://www.atascadero.org/service/economic-development-opportunities>.

Pursuant to Government Code Section 53083, the City Council of the City of Atascadero must hold a noticed public hearing (as part of regularly scheduled council meeting) and, prior to the public hearing, provide all of the following information in written form and available to the public and through the City’s website, regarding a proposed economic development subsidy to be provided by the city pursuant to the Agreement.

The purpose of the following report is to provide the information required pursuant to Government Code Section 53083. This report shall remain available to the public and posted on the City’s website until the end date of the economic development subsidy (described in Item 2 below).

1. **The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy.**

The Agreement is with the Economic Development Collaborative (EDC) and all entities that they select for the Restaurant Assistance Loan Program. The EDC is a non-profit 501c-3 whose address is 4001 Mission Oaks Blvd., Suite A-1, Camarillo, California 93012, Attn: Marvin Boateng.

2. **The start and end dates and schedule, if applicable, for the economic development subsidy.**

The start date of the economic development subsidy will be June 11, 2024, and the end date will be seven (7) years after such date.

3. **A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.**

Total Loan Capital to establish the Revolving Loan Fund is \$1,000,000. The economic development subsidy will be paid by the city to the EDC in 2 payments on July 31, 2023, and on July 31, 2024, each payment being \$500,000 paid to the EDC’s interest-bearing

account held in Trust for lending to applicants on behalf of the City of Atascadero's Restaurant Loan program.

4. **A statement of the public purposes for the economic development subsidy.**

The primary goal of this program is to assist in the facilitation of commercial kitchen installation in the Downtown Commercial Zoning District. The program's ongoing purpose is to support the growth and success of restaurants in the City by incentivizing additional restaurants, offsetting the rising costs for opening eating and drinking establishments, and increasing downtown vibrancy while generating jobs and sales tax revenue in the City.

5. **The projected tax revenue to the local agency as a result of the economic development subsidy.**

The program will have a projected tax revenue of \$80,000 per year (once all loan funds are disbursed) as a result of the economic development subsidy.

This figure is generated from the estimate of 10 new downtown restaurants created, multiplied by approx. \$8,000 per year in tax revenue from each restaurant (average derived by HDL reports), for a total of \$80,000 of local agency tax revenue.

6. **The estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.**

The economic subsidy is projected to create 20 full-time equivalent jobs. This figure is generated from the industry standard of 1 job per every \$50,000 of funding lent. There are no part-time or temporary positions anticipated at this time.