



Meeting Date: July 11, 2016

Report No. SEDA-16-01

Agenda Item No. 5-a

Status: General Orders

Purpose: This report is to provide information to the Stillwater Economic Development Authority (SEDA) on a proposed sales tax incentive for Everyman LLC locating at 713 S. Main Street.

Background Summary: Stillwater's Business Improvement District #1 was established in August of 2007. It was created for the purpose of improving and increasing the level of business activities within the boundaries of the District. In 2009 the Business Improvement District #1 Board partnered with the City of Stillwater to offer a sales tax incentive program for new businesses or existing businesses wanting to expand in Downtown Stillwater. The sales tax incentive program has been successfully used as a recruitment tool along with grant programs established through the BID. To date, the City has approved seven loans and six rebates to downtown businesses; however, as of 2015 the City no longer has the loan program and only considers sales tax rebates.

Budget Impact: Over a five year period the City expects to collect over \$18,000 in sales tax revenue, \$6,000 will be rebated back to the business.

Prior Council Action or Part of an Approved Project: No

Related Items: None

Alternatives:

1. Approve proposal in amount requested
2. Approve proposal with smaller amount requested
3. Deny proposal

Recommendation: Staff recommends approving proposal in the amount requested by applicant.

Prepared by: Angela McLaughlin, Economic Development Director

Reviewed by: Melissa Reams, CFO

Submitted by: Norman McNickle, City Manager

Attachments: Incentive Agreement & Incentive Rebate