

## RESOLUTION NO. 26-XX

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE IMPLEMENTATION OF THE CITY OF COMMERCE'S ECONOMIC OPPORTUNITY ZONES (C.E.O.z), AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO ASSESS, ADMINISTER, AND COMMUNICATE INCENTIVES TO QUALIFYING ENTERPRISES IN ACCORDANCE WITH PROGRAM GUIDELINES**

**WHEREAS**, California continues to experience net outmigration of business activity to lower-cost states, driven by regulatory burden, operating cost differentials, and increasingly aggressive recruitment strategies employed by competing jurisdictions, including the States of Texas and Tennessee, which have deployed tax abatements, workforce development grants, and expedited permitting structures to attract employers across a broad range of industry sectors; and

**WHEREAS**, the City of Commerce has undertaken a structured analysis of the regional economic development landscape and identified an opportunity to advance a proactive, coalition-wide incentive framework to enhance the City's competitiveness as a destination for business investment and employment; and

**WHEREAS**, the City Council finds that the adoption of a formal economic development incentive program (C.E.O.z) is consistent with the City's strategic goals, including the attraction of high sales tax-generating enterprises, alignment with the City's long-term economic development vision, net new job creation, site and property beautification, the promotion of quality employment opportunities, and the establishment of the City of Commerce as a Top-10 destination for business investment in the State of California; and

**WHEREAS**, the incentive program is intended for consideration only in connection with scalable proposals submitted by well-established enterprises of demonstrated financial and operational credibility, and any incentive offered shall be contingent upon satisfaction of applicable tax generation and utility generation thresholds, as may be established or modified from time to time; and

**WHEREAS**, oversight of the incentive program shall be vested in the City Manager's Office, with day-to-day administration managed by Economic Development staff, legal counsel, and relevant City departments, as appropriate to the nature and scope of each proposed project; and

**WHEREAS**, the financial commitment associated with any individual incentive shall be determined on a case-by-case basis, commensurate with the scope, scale, and projected economic benefit of the proposed project, with no fixed program budget

established at this time, and all proposed incentive expenditures, commitments, or concessions subject to review and final approval in the form of a development agreement by the City Council prior to authorization; and

**WHEREAS**, with the exception of previously approved budget allocations for associated staff time, no additional fiscal impact to the City has been identified at this time; and

**WHEREAS**, on April 14, 2026, the City Council reviewed and considered the implementation of the City of Commerce's Economic Opportunity Zone program (C.E.O.z) including the program guidelines attached hereto as Exhibit A and incorporated herein by reference (the "Program Guidelines").

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

**Section 1:** The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct and incorporates them herein as findings and as a substantive part of this Resolution.

**Section 2:** The City Council hereby takes the following actions:

- a. Approve the implementation of the City of Commerce's Economic Opportunity Zone (C.E.O.z) Program in accordance with the Incentive Detail attached hereto as Exhibit A;
- b. Authorize the City Manager or designee to assess requests for incentives from the City of Commerce based on the merits of each application, the potential economic impact to the City and its residents, and consistency with the program goals set forth herein; and
- c. Authorize the City Manager or designee to communicate the incentive list to interested parties, including but not limited to qualified real estate developers, corporations, and prospective tenants, subject to the eligibility requirements and approval process set forth in the Program Guidelines.

**Section 3:** The City Manager, or designee, is hereby authorized and directed to:

- a. Implement the City of Commerce's Economic Opportunity Zone (C.E.O.z) Program in accordance with the Program Guidelines and all applicable federal, state, and local laws and regulations;
- b. Evaluate each incentive request on a case-by-case basis, in coordination with Economic Development staff, legal counsel, and relevant City departments, and present any proposed incentive commitment to the City Council in the form of a development agreement for final authorization prior to any obligation being incurred on behalf of the City;

- c. Develop and adopt such supplemental policies, procedures, and administrative protocols as may be necessary for the equitable and efficient administration of the incentive program, consistent with the Program Guidelines; and
- d. Report to the City Council, as appropriate, on the status of incentive applications, approvals, and program outcomes in furtherance of the City's economic development objectives.

**Section 4:** No incentive shall be deemed offered, committed, or binding on the City of Commerce until final authorization has been obtained from the City Council. The City Manager or designee is not authorized to execute binding incentive agreements on behalf of the City absent prior City Council approval.

**Section 5:** The City Manager or designee is authorized to execute contractual and related documents necessary for the administration of the program as authorized herein and as subsequently approved by the City Council on a case-by-case basis.

**Section 6:** Authorize the Mayor to execute this Resolution for and on behalf of the City of Commerce.

**Section 7:** This Resolution shall take full force and effect immediately upon adoption by the City Council.

**PASSED, APPROVED and ADOPTED this 14th day of April, 2026.**

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Kevin Lainez, Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**ATTACHMENTS:**

Exhibit A – Big 4 Coalition of Business Cities Economic Development Incentive Program Details

<b>COMMERCE ECONOMIC OPPORTUNITY ZONES (C.E.O.z)</b>		
<b>CATEGORY</b>	<b>INCENTIVE</b>	<b>DESC.</b>
Financial	Sales Tax Rebate (Abatement and Credits)	Multi-year sales tax rebate (by way of abatement and credits) for point of sale operations in manufacturing, retail and other uses.
Financial	Low Interest Loans	Low-interest loans provided by the City to allow for scaled operational buildouts, capital expenditures, and other expenses. Contingent on credit worthiness, job creation, and length of proposed lease or occupancy.
Financial	Project and construction lending resources with pre-vetted local, regional and national lending partners	Pre-vetted lists of lenders open to various projects and familiar with the City.
Financial	Corporate relocation resources	Project management resources for corporate relocation support, including logistics, transportation, and other.
Financial	EIFD: Enhance Infrastructure Finance District	Available tax increment financing for use on facility-related projects, such as water and sewer, wastewater, and environmental and sustainability projects.
Financial	Fee waivers and a reduction in development, permit, and impact fees	Reduction in the overall cost of development, permit, and impact fees proportionate to the amount of investment
Financial	Marketing Support (via City Communication, Ribbon Cuttings, or Economic Development Materials)	Promotional assistance to increase business visibility through City communication channels, events, and outreach materials.
Development	Expedite Entitlement Review/ Process	Fast-tracked entitlement review and processing timelines of 50%+ from traditional timelines.
Development	Fast-Track Review Plans	Fast-tracked plan review timelines of 50%+ from traditional timelines.
Development	Streamlined Tentative Improvement (TI) Process	Fast-tracked plan review timelines of 50%+ from traditional timelines.
Development	Comprehensive Zoning Code Update (In Progress)	Streamlined zoning code updates based on use.
Development	Site Selection Assistance	Dedicated site selection technical assistance in vetting technical, operational, and municipal-centric attributes of sites, City-wide.

Development	Pre-Application Meetings	Pre-application meetings are coordinated to address timing, possible hurdles, and other components.
Development	Public - Private Partnerships (PPPs)	Collaborative opportunities between the City and private sector to advance development projects and community initiatives.
Development	Dedicated Concierge Service & Direct Contact	End-to-end dedicated point of contact for the entire project process.
Development	Availability of pre-vetted architectural and design resources	List of vetted A&E firms
Development	Availability of pre-vetted contractor resources	List of vetted construction firms
Development	Workforce Development Support	Programs and partnerships to connect businesses with trained workers and provide resources for employee skill development.
Infrastructure	Planned Fiber Optic WiFi Node at City Hall	Installation of high-speed fiber optic infrastructure at City Hall to improve connectivity and support future business and community needs.
Infrastructure	Utility rebates, reimbursements, or abatements	City-controlled utilities to provide discounted rates, abated rates, and/or reimbursements.
Infrastructure	Utility Capacity Support and City Water and Sewer Infrastructure Maps are available to developers	City staff is dedicated to provide as built for existing water and sewer lines and assisting with necessary studies and/or outreach to determine utility capacities.