

City of Sachse Expands Levels of Incentives for restaurant recruitment.

The Sachse City Council took their existing economic development incentive and abatement policy to a new level by focusing on a policy to attract sit down restaurants to the community. The City Council in a unanimous vote approved three categories of incentives to recruit regional and national sit down restaurants for the community. Recently the Sachse Economic Development Corporation (SEDC) secured the services of The Buxton Company who identified a One Billion dollar sales leakage out of Sachse. The leadership of the City Council and the SEDC created a matrix of incentive categories with varying percentage of abatements for ad valorem and sales taxes along with additional cash, and permit fee waivers in order to minimize start up cost for a restaurant and also to entice them to locate in Sachse.

With the expansion of Highway 78 to six lanes divided and the opening of the President George Bush Turnpike, the opportunities for a major retail corridor are available for development. Also the development of Wal Mart will be another business district of the city. The idea of providing incentives to restaurants sends a message that the City of Sachse is open for business and is pro-business and pro-development in their approach to business recruitment for the community.

Brian Poff, a member of the SEDC Board and co-author of the policy stated, "This incentive policy will provide the City/SEDC with an excellent opportunity to attract national restaurants, which is what residents are asking for. This policy will enable the city to enter into negotiations with restaurants that in the past would not have considered locating in Sachse."

Carlos Vigil, the city's economic development director, said "tax incentives can be critical to attracting and keeping retailers in Sachse". Incentives were the key in attracting a major grocery store and locating them 2 years ahead of the planned date.

"Unfortunately the door to providing incentives by municipalities was opened and incentives are the competitive tool for cities which puts us in competition with other cities out there," Vigil said. "If we don't have anything to offer, there's a good chance we are not going to get much interest from retailers." It may not be the decision-making

factor for business location or expansion but the initiative that Sachse is willing to “give up” something communicates a stronger message about wanting a retailer to be successful in the community. “These incentives provide our city the competitive tools to attract quality businesses and demonstrates that a business friendly environment exists in Sachse”, said Kenneth Thomas, Chairman of the SEDC.

The City of Sachse established the incentive policy to compete with other communities who have attracted retailers when the economy was booming and with the challenges in today’s economy, retailers need to know that we want them to make capital investments in Sachse. The City of Sachse is ready to start the business partnerships for development to occur now. The incentives can impact the bottom line of the location decision for any business. These incentives are the investment that Sachse is willing to make in order to ensure that we have the businesses, the increased tax base and jobs. The incentives are economic development agreements and each partnership is considered on a case by case basis.

A report funded by the city's economic development department in 2010 identified over 250 retailers that were a good match for Sachse based on the psychographics of the community and drive time data. Retail leakage means that residents are spending more for products than local businesses capture. This means there is unmet demand in the trade area and that the community can support additional store space for that type of business.

Marketing a community is a complex challenge. It requires initial investments in research, creating marketing materials, networking and overall consistent promotion of the opportunities in Sachse. The incentive policy provides one additional tool for recruitment.

The City of Sachse and the SEDC are committed to the promotion and retention of high-quality development within the City of Sachse and to maintaining the quality of life for its citizens. The City Council and the SEDC Board of Directors seek to facilitate a local environment that is responsive and beneficial to business development. They are

prepared to advance public private partnerships intended to help Sachse grow and prosper – a partnership that generates new job opportunities, increased capital investments and overall community improvement.