



# LODI CITY COUNCIL

Carnegie Forum  
305 West Pine Street, Lodi

Streaming Link:

<https://www.facebook.com/CityofLodi/>

<https://zoom.us/j/93455719476?pwd=NDdhc1E4OEZyYWV3d2pDY1U5SjVZZz09>

**AGENDA**  
**Shirtsleeve Session**  
Date: September 28, 2021  
Time: 7:00 a.m.

## SPECIAL NOTICE

**Effective immediately and while social distancing measures are imposed, Council chambers will be closed to the public during meetings of the Lodi City Council.**

**The following alternatives are available to members of the public to watch Council meetings and provide comments on agenda and non-agenda items before and during the meetings.**

### **Viewing:**

Members of the public may view and listen to the open session of the meeting at <https://www.facebook.com/CityofLodi/>; or

Please click the link below to join the meeting:

<https://zoom.us/j/93455719476?pwd=NDdhc1E4OEZyYWV3d2pDY1U5SjVZZz09>

Passcode: 583605

Or iPhone one-tap :

US: +16699009128,,97500264844#

Or Telephone: Dial: US +1 669 900 9128

Webinar ID: 934 5571 9476

### **Public Comment:**

Members of the public can send written comments to the City Council prior to the meeting by emailing [councilcomments@lodi.gov](mailto:councilcomments@lodi.gov). These emails will be provided to the members of the City Council and will become part of the official record of the meeting.

Members of the public who wish to verbally address the City Council during the meeting should email those comments to [councilcomments@lodi.gov](mailto:councilcomments@lodi.gov). Comments must be received before the Mayor or Chair announces that the time for public comment is closed. The Assistant City Clerk will read three minutes of each email into the public record. **IMPORTANT:** Identify the Agenda Item Number or Oral Communications in the subject line of your email. Example: Public Comment for Agenda Item Number C-17. Members of the public may also participate via Zoom at the following link: <https://zoom.us/j/93455719476?pwd=NDdhc1E4OEZyYWV3d2pDY1U5SjVZZz09>

Pursuant to the Americans with Disabilities Act (ADA) and Executive Order N-29-20, if you need special assistance to provide public comment in this meeting, please contact the Office of the City Clerk at (209) 333-6702 or [cityclerk@lodi.gov](mailto:cityclerk@lodi.gov) at least 48 hours prior to the meeting in order for the City to make reasonable alternative arrangements for you to communicate your comments. If you need special assistance in this meeting for purposes other than providing public comment, please contact the Office of the City Clerk at (209) 333-6702 or [cityclerk@lodi.gov](mailto:cityclerk@lodi.gov) at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.160 (b) (1)).

## **SPECIAL TELECONFERENCE NOTICE**

### **Pursuant to Executive Order N-29-20:**

The Brown Act, Government Code Section 54953, contains special requirements that apply when members of a legislative body participate in a public meeting by telephone. Certain of these requirements have been suspended by Paragraph 3 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, to mitigate the spread of Coronavirus (COVID-19). In particular, the Executive Order suspends that provision of the Brown Act that requires noticing, posting of agendas, and public access to each location where a member will be participating telephonically, as well as provisions that require physical presence of members of the legislative body or the public for purposes of a quorum or to hold a meeting. Executive Order N-29-20 allows an agency to conduct a teleconference meeting that provides members of the public telephonic or other electronic participation in place of making a physical location for the public to observe the meeting and provide public comment, consistent with other provisions of the Brown Act.

For information regarding this Agenda please contact:  
**Jennifer Cusmir**  
**City Clerk**  
**Telephone: (209) 333-6702**

### Informal Informational Meeting

**A. Roll Call by City Clerk**

**B. Topic(s)**

B-1 Receive Presentation and Accept Comments Regarding Economic Development Rate Discount Program (EU)

**C. Comments by Public on Non-Agenda Items**

**D. Adjournment**

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

\_\_\_\_\_  
Jennifer Cusmir  
City Clerk

*All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer Cusmir at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer Cusmir (209) 333-6702.*



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Receive Presentation and Accept Comments Regarding Economic Development Rate Discount Program  
**MEETING DATE:** September 28, 2021  
**PREPARED BY:** Business Development Manager

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**RECOMMENDED ACTION:** Receive presentation and accept comments regarding Economic Development Rate Discount Program.

**BACKGROUND INFORMATION:** Lodi Electric Utility (LEU) has offered its commercial and industrial customers who add at least one, new full-time position, and maintains the position for a 12-month period, a monthly discount of two percent on their electric consumption charges.

The discount increases as the number of new positions increases up to a maximum of eight percent per month, up to one year, for ten or more new positions.

Staff has been discussing making adjustments to the program to enhance the City and LEU's competitiveness for existing business who want to expand, and for new site selectors looking for a new business location. Maximizing the ability of the electric utility to increase the City's competitiveness for the attraction of new capital was discussed with the City Council at the presentation of the City's first Development Prospectus earlier this year.

The new program proposed by staff would offer a new, and expanding large commercial customer adding more than 20 jobs an eight percent discount for more than one year for choosing Lodi as opposed to another service territory while maintaining the existing program for commercial customers creating one to 20 new jobs.

The current program is an annual program. The discount ends after the first year unless new jobs are created in the next year. The new program offers a discount for the new employess hired in year one and extends the benefits over a maximum of five years as long as the number of jobs are not cut from the eligible customer's budget.

The tentative program is structured as follows:

# New Positions	# Years @ 8 percent discount
1-10	1 year
11-20	1 year
21-30	2 years
31-40	3 years
41-50	4 years
>50	5 years

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APPROVED: \_\_\_\_\_  
Stephen Schwabauer, City Manager

In 2019 and 2020, the EDR program provided approximately \$350,000 per year in discounts. Seven customers received the discount in both years. In 2021, the numbers are projected to be similar.

Should all seven customers hire at least 51 employees and qualify for the five year discount period, the program is estimated to provide approximately \$2 million in discounts over the five year period, or \$400,000 per year – an annual increase of approximately \$50,000 compared to existing discounts provided on an annual basis. Each additional entrant into the program is estimated to add about \$46,000 per year to the discount, or approximately \$230,000 over a five year period. This additional cost for a new entrant is based on the average current discount, and will vary with consumption and demand.

It is important to note that commercial and industrial customers expanding operations also expand consumption of kilowatt hours and demand against which the EDR discount is applied. Further, increased energy usage helps spread fixed costs over more kWh, thus benefitting all utility customers.

Staff requests City Council to consider and provide direction regarding the proposed addition to the EDR program. Should City Council support the change, staff will bring the item back for City Council consideration as part of a public hearing process to amend the EDR rate tariff.

**FISCAL IMPACT:** The actual fiscal impact will depend on the number of customers who become eligible for the existing and newly proposed EDR discount, as well as the number of jobs added.

**FUNDING AVAILABLE:** The EDR discount is funded through LEU operating funds.

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Astrida Trupovnieks  
Business Development Manager



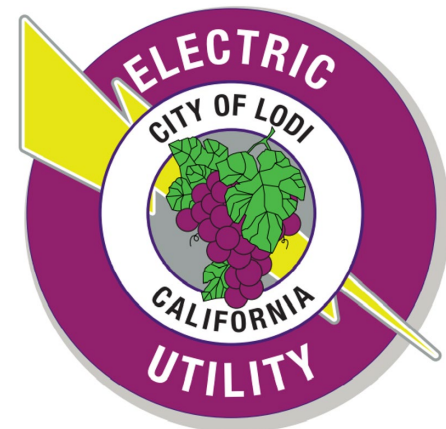
# Lodi Electric Utility

Best electrical solutions for the best customers.

Shirtsleeve Session with City Council on September 28, 2021

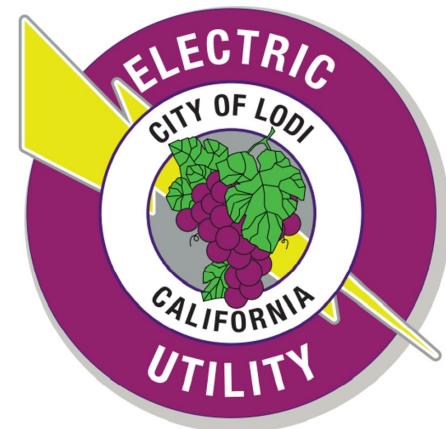
# Economic Development Program in Lodi

- I. Expand Tax Base, Attract Capital, Generate Revenue
- II. Sustain Lodi Electric Utility by Creating New Electric Load
- III. Create Conditions for Existing Business to Expand



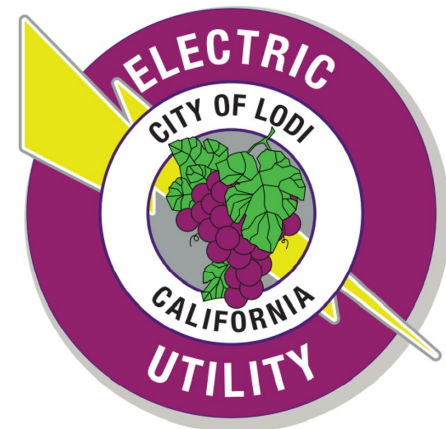
# I. Expand Tax Base, Attract New Capital, Generate Revenue

- Facilitate new job creation
- Induce maintaining existing jobs
- Provide the means for increases in economic growth



## II. Sustain LEU by Creating New Electric Load

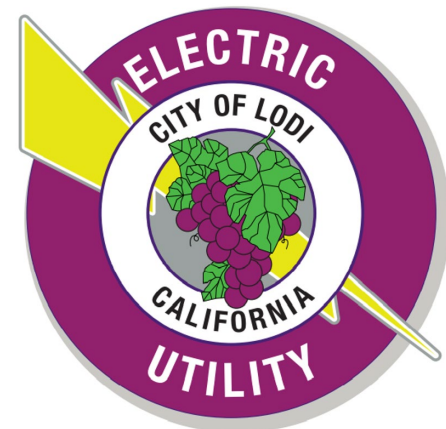
- Ongoing communication with key accounts speeds up local investment
- Responding to key account needs
- Provide energy efficiency solutions to increase bottom line
- Incentivize jobs
- Lower costs for greater profit margin
- Actively manage key accounts





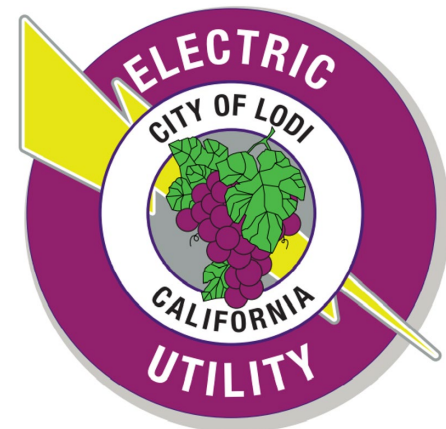
# III. Create Conditions for Existing Business to Expand

- Work the problem
- Modify programs to meet needs of existing business
- Business retention visits
- Advocate to find lowest rates and fees possible



# LEU Economic Development Program Con-Duit All

- Economic Development Discount Rate
- New Business Monthly Discount
- Zero Percent Loan Financing
- Customized Energy Efficiency Rebates
- EV Charger Rebates
- Energy Efficiency Engineering Consultation (upon request)
- Keep Your Cool program for small business



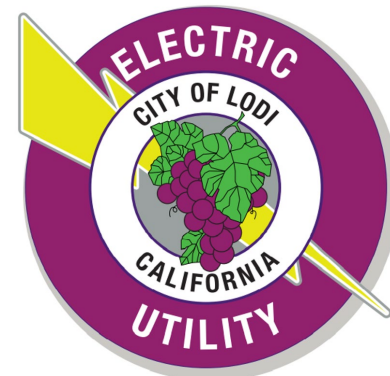
# Economic Development Rate Discount

- Established in 2011; Rate re-established 2015 and 2018
  - Based on # new jobs; not replacements
  - 12 month period and annual renewal required
  - Subject to validation
  - \$350,000 per year
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- 2%- one to 3 new jobs
  - 4%- 4 to 6 new jobs
  - 6%- 7 to 9 new jobs
  - 8%- 10 or more new jobs



# New Economic Development Rate Discount

- Available to businesses creating more than 20 jobs
- Maximum discount of 8%
- Spread benefits (amortize) out over more than one year
- Maximum benefit 5 years
- Discount becomes function of # new jobs and 5-year amortization period
- Subject to validation



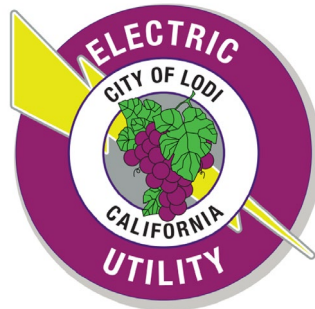
# New Economic Development Rate Program

# New Jobs	Year 1	Year 2	Year 3	Year 4	Year 5
10-20	8%				
21-30	8%	8%			
31-40	8%	8%	8%		
41-50	8%	8%	8%	8%	
> 50	8%	8%	8%	8%	8%



# Eligibility Criteria

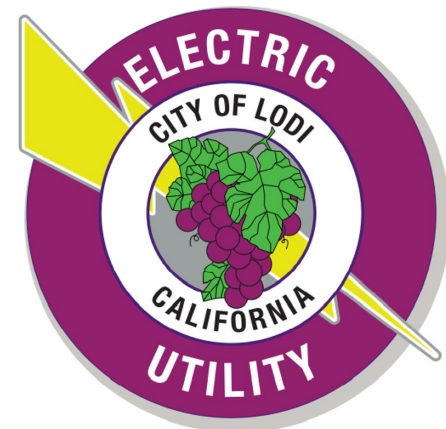
- Any commercial or industrial customer adding more than 20 new full-time positions
- Maintain same number over the amortization period
- Sign an affidavit stating the EDR is an influencing factor to locate or remain within LEU service territory
- Submit a report including the number, date of hire of new jobs



# What happens when jobs are cut during a 5 year discount agreement?

Each year of a 5 year discounted agreement represents 20 percent of the program.

20 percent loss in positions = lose one year of multi-year program





# Jobs cut from 2, 3 or 4 year agreements?

# new jobs	Year 1 8%	Year 2 8%	Year 3 8%	Year 4 8%	Year 5 8%	Total
1-10	\$XX,XXX					
11-20	\$XX,XXX					
21-30	\$XX,XXX	\$XX,XXX				
31-40	\$XX,XXX	\$XX,XXX	\$XX,XXX			
41-50	\$XX,XXX	\$XX,XXX	\$XX,XXX	\$XX,XXX		

# Questions?

