



## Morgan Hill Welcomes Your Business

*The City of Morgan Hill welcomes your business.*

*Below are incentives and programs you will find valuable when choosing to do business in Morgan Hill.*

### ***Incentives for Doing Business in Morgan Hill***

#### **No Local Minimum Wage Policy**

Unlike many cities in Santa Clara County, the City of Morgan Hill does not have an escalating minimum wage ordinance in effect.

#### **No Utility User Tax**

The City of Morgan Hill does not have Utility User Tax on services such as electricity, gas and water, which saves any business money just by locating in Morgan Hill.

#### **New Auto Dealer Incentive Program**

The City of Morgan Hill has developed a sales tax sharing program for new automobile dealers looking to invest and open-up shop into Morgan Hill.

#### **No Construction Tax**

The City of Morgan Hill does not impose construction taxes on any new building development or tenant improvements.

#### **Use Tax Incentive**

The City of Morgan Hill provides a rebate of up to 30% of the local sale tax revenue collected on select purchases of equipment, materials and fixtures purchased by business or contractors operating in Morgan Hill.

#### **Low Business Tax**

The City of Morgan Hill's base tax rate for most businesses is less than \$5 a month. Depending on the industry the business is in, an additional charge may apply up to \$3 per employee.

#### **Fee Freeze Incentive**

The City of Morgan Hill will lock (freeze) impact fees for new industrial or commercial ground up construction for a period of three years for new permitted development.

#### **Impact Fee Financing**

The City of Morgan Hill can finance up to 80% of the impact fees associated with traffic, sewer and undergrounding of utilities for up to a five-year period.



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### **State Community Infrastructure Program (SCIP)**

The City of Morgan Hill is a member of the SCIP program which offers an alternative financing program for up to 30 years for construction and impact fees associated with public improvements.

### **Foreign Trade Zone**

Companies that are purchasing materials for production or manufacturing can delay, reduce or eliminate customs duties. Merchandise stored, manufactured or assembled within a Foreign Trade Subzone area are considered international commerce.

### **State of California Sales Tax Programs for Manufacturers**

- **Partial Manufacturing Sales Tax Exemption on equipment purchases**  
The State of California provides an immediate sales tax exemption (on the State portion of sales tax) on manufacturing and production equipment for companies identified as manufacturing or R&D operations.
- **California Alternative Energy and Advanced Transportation Financing Authority (CAEFTA) Program (This is a complete exclusion of sales tax on purchase of equipment)**  
The State of California provides a full exemption of sales tax on manufacturing production equipment.

### **California Income Tax Program Incentive**

The State of California provides a competitive income tax credit program for all business in California based upon their investment in jobs or equipment.

### **Site Selection and Streamlined Permitting Assistance**

City of Morgan Hill staff can help you find the right location for your business. Once you find the site, our office will serve as your liaison as you go through any permitting process, ensuring the process is as efficient as possible.

### ***Business Programs Supporting Morgan Hill***

#### **OpenCounter**

The City of Morgan Hill invites you to use OpenCounter, a web based platform, to help you prepare for the permitting process with information on costs and actual permits necessary for your business in Morgan Hill.



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### **Oppsites**

The City of Morgan Hill has partnered with Oppsites, a web platform, to showcase existing development opportunities sites in Morgan Hill for prospective developers. Oppsites provides users with Zoning and General Plan information showcase clear outcomes on uses the City is seeking from select properties.

### **Quick Read Development Review**

Morgan Hill Economic Development staff are here to assist your business with a range of services including community information and demographics, navigating the City's development and permit approval processes, addressing planning, permitting and entitlement issues and resolving problems or complaints. Free of cost, developers can meet with key city departments to review development proposals.

### **Grow Morgan Hill Fund**

The Grow Morgan Hill fund support Morgan Hill based businesses with loan amounts of \$100,000 to \$2 million at very favorable rates and terms. Loans are available for permanent working capital, real estate acquisition, property improvements, machinery/equipment, and refinance of eligible debt.

### **Silicon Valley Clean Energy**

Silicon Valley Clean Energy is a community choice program that offers business new clean and competitively-priced energy services at rates lower than Pacific Gas & Electric.

### **Small Business Support**

Service providers such as the Small Business Development Center (SBDC) and Service Core of Retired Executives (SCORE) provides business assistance to start-up and established businesses a no to low cost.

### **Morgan Hill Chamber of Commerce**

The Morgan Hill Chamber of Commerce is a membership organization that acts as a champion for business, and serves as a leader in the community as an incubator for business development.

### **Manex Consulting**

Manex assists innovative manufacturing businesses to optimize business processes to be competitive in the global environment.



CITY OF MORGAN HILL

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### **Industrial Development Bonds**

Manufacturing and technology firms may qualify for California's Industrial Development Bond financing, a low-interest financing program for the acquisition of buildings or capital equipment.

### **Employment Training Panels Funds**

The State of California Employment Training Panel provides funds to offset the costs of job training necessary to maintain a competitive workforce

### **Workforce Development**

The City of Morgan Hill partners with work2future a federally funded workforce board serving Santa Clara County which provides services such as employment, training, education, and layoff aversion strategies to employers and job seekers.

### **California Governor's Office of Business and Economic Development**

The Governor's Office of Business and Economic Development (GO-Biz) is a single point of contact for statewide economic development and job creation efforts.