

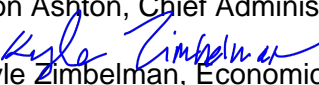


EL DORADO COUNTY PLANNING & BUILDING DEPARTMENT

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Date: January 21, 2022

To: Don Ashton, Chief Administrative Officer

From:  Kyle Zimbelman, Economic and Business Relations Manager

Subject: Board of Supervisors Policy J-8 Special District Impact Fee Offset for Non-Residential Business Development – Tri-Square Construction Company

The Economic Development Division has received a request from Jennie Daniel, Tri-Square Construction Company, for an offset of the Special District Impact Fees for the El Dorado Hills Fire District fees of \$25,608.00 collected as part of the Building Permit Fees related to the construction of a new facility located at 4994 Hillsdale Circle in El Dorado Hills.

The Tri-Square Construction Company is planning to expand its footprint and business operations in the El Dorado Hills Business Park, and they are in the process of constructing a new 26,400 square foot facility. Tri-Square Construction Company, founded in 2003, is a general and electrical construction company specializing in the construction and maintenance of wireless communication sites in Northern California and Nevada. They have completed over 300 sites in El Dorado County alone and have expanded their operations in the past five years. The company currently leases a warehouse and office space in the El Dorado Hills Business Park and has recently purchased additional land in the Business Park and begun construction of a new building. Plans for construction were submitted and approved, and work has begun at the new site.

The total project is valued at \$4.1 million dollars, which includes both the land valuation and improvements. Tri-Square Construction Company's new facility will be utilized for their current workforce, expected/expanded workforce, and for training new employees and other industry professionals. By constructing the new facility, they expect to be able to increase their workforce by 25% in year 1 and 50% by year 3. The increase in employees equates to 24 new employees by year 3. The current raw land value is \$425,000 and this project increases the assessed property value by an additional \$3.675 million dollars. Please see the attached company overview for a more in-depth description of the project, workforce projections, and expected economic impacts.

Pursuant to Board of Supervisors Policy J-8, section A, it is to the benefit of the County to incentivize non-residential business development. Localized business development offers prosperity to our citizens through the creation of new jobs; reduced commute times; improved quality of life and an assured tax base to provide service needs for existing and future residents of the County.

Additionally, pursuant to Policy J-8, section B, with priority given to existing businesses seeking to expand and remain in the County the Department is recommending that the requested fee offsets associated with this project be granted for all special district fees, which in this case is the El Dorado Hills Fire fees. The proposed project will generate high economic impact through job creation, offer high wage offerings, bring large capital investments, and provide a variety of employment opportunities for County residents

Policy J-8 fee offset does not apply to any fees related to building permits that are not imposed by special districts. The total fee amount associated with this project totals \$172,943.07, including Traffic Impact Fees (TIF) of \$97,566, school fees of \$17,424.00, fire district fees of \$25,608.00, and other various permit and impact fees making up the remainder. Staff has worked closely with the applicant throughout this process to provide supplemental information and determine applicability of this offset policy. Staff are excited to present the Chief Administrative Office and Board of Supervisors with this recommendation, as it is the first qualified opportunity since the policy was created in 2018 and it represents great project for the County.

The Department is recommending the Chief Administrative Office approve this request to offset the \$25,608.00 special district impact fee imposed by the El Dorado Hills Fire District. The County will immediately see a return on this offset as the construction of the new building will increase property taxes collected by the County by roughly \$7,000 per year in property tax value. The County will realize a return on investment (ROI) of the \$25,608.00 offset midway through the 4th year of the project through increased property tax alone. In addition to increased property taxes, this project will produce spin off sales tax dollars to the County. Along with the increase of at minimum \$7,000 per year to the property tax base, the County and community will see a return on investment in the way of job creation and increasing employment opportunities by improving workforce development skills. These investment returns along with meeting several County Economic Development strategic goals helps nurture the County and Community's business friendly environment. With concurrence from the Chief Administrative Office, Economic Development staff will prepare an item for the Board's consideration.

Should you have any questions or need additional information, please contact me at extension 5935 or by email at kyle.zimbelman@edcgov.us.

c: Karen Garner, Planning and Building Director

Attachments: Fee Waiver Request
Commercial Permit Fee Worksheet
Tri-Square Construction Company Overview
Policy J-8 Offset Evaluation
Tri-Square Follow-Up Payroll Data