



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: ECONOMIC DEVELOPMENT INCENTIVES	Policy Number: J-7	Page Number 1 of 4
	Date Adopted: 04/19/2016	Effective Date: 04/19/2016

I. PURPOSE

The Economic Development element of the County General Plan adopted by the Board on July 19, 2004 includes policies to encourage economic development and specifically provides for the development of incentives to encourage development of particular business sectors.

The purpose of this policy is to:

- A. Identify targeted business sectors that have the highest potential for growth and will offer the highest economic impact through the use of incentives.
- B. Identify economic incentive options.
- C. Establish a formalized analysis, fair process, and transparent review of economic development incentives for businesses starting in, expanding in, or locating to El Dorado County.
- D. Ensure any and all incentives offered to job-creating firms in El Dorado County offer benefit to the goals of the County as well as the business.

II. POLICY

A. Targeted Business Sectors

The primary focus for economic incentives will be on business sectors that generate high economic impact and provide a variety of employment opportunities for County residents. Examples of these sectors include:

1. Advanced manufacturing
2. Research & Development
3. Alternative Energy / Green Technology
4. Health & Wellness

B. Incentive Options

1. Sales or Property Tax Rebate/Reduction

The purpose of a rebate or reduction to either the sales or property tax paid by a business is to encourage job creation, particularly in business sectors targeted by the County. Applications for this incentive will receive more comprehensive review, and



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approvals will include key conditions to ensure employment levels assured by the business will be met.

a. Sales Tax Rebate/Reduction

A portion of a business' sales tax obligation to the County, or on sales tax paid to the County for investment in new equipment, machinery, or Research & Development materials and/or equipment, could be rebated on an annual, semi-annual, or one-time basis. Rebate term could be for 5-10 years, and contingent upon employment levels identified in the original agreement, not to exceed a pre-established limit.

The tax rebate may be applied based on number of net new jobs created by the business. Additionally, there may be a "local bonus" – and additional rebate offered to the business for hiring employees who reside within El Dorado County.

b. Property Tax Rebate/Reduction

A portion of a business's increased property tax obligation (tax increment) to the County could be rebated on an annual, semi-annual, or one-time basis. Rebate term could be for 5-10 years, and contingent upon employment levels identified in the original agreement, not to exceed a pre-established limit.

The rebate may be applied based on number of net new jobs created by the business. Additionally, there may be a "local bonus" – and additional rebate offered to the business for hiring employees who reside within El Dorado County.

2. Permit Process Assistance

a. Priority Permit Processing

b. One-Stop Permit Pre-Meeting

3. Deferral/Reduction of Permit or Impact Fees

4. Small Business and Micro-Enterprise Assistance

Through the County's Community Development Block Grant (CDBG) funding, both financial and technical assistance may be offered to very small businesses and micro-enterprises (5 or fewer employees). This may include short- or long-term business loans, or technical assistance from subject matter experts, when funding is available.



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5. State Programs

The State of California offers a variety of financing programs for economic development, including direct loans for new construction for businesses, and off- and on-site infrastructure needed for construction of new industrial facilities.

6. Workforce Development Assistance

The County may provide the following workforce development services to businesses, resulting in both direct and indirect cost-saving to a business.

- a. Recruitment and Hiring
- b. On-the-Job Training (OJT) Assistance
- c. Employment Training Panel – ETP (Customized Training)
- d. Work Opportunity Tax Credit (WOTC)

III. PROCEDURE

Sales and Property Tax Incentives shall be considered by the County on a case-by-case basis. If, after a thorough cost-benefit analysis, the incentive is determined appropriate, the Chief Administrative Office will develop detailed administrative procedures for a defined application and evaluation process for economic development incentives, make a recommendation to the Board of Supervisors for consideration. to include a thorough cost-benefit analysis.

~~Any tax or fee related incentives provided to a business shall be submitted to the Board of Supervisors for approval.~~

IV. REFERENCES

General Plan – Economic Development Element Objective 10.1.5, Policy 10.1.2.2

Board of Supervisors Policy J-2, “Economic Development – Priority Industrial and Commercial Properties”

V. RESPONSIBLE PARTIES

Chief Administrative Office
All Departments
~~Community Development Agency
Health & Human Services Agency~~



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VI. DATES APPROVED AND REVISED

Approval Date: 02/11/2014

Revised Date: 02/10/2015

Reinstatement Date: 04/19/2016

Revised Date: 4/11/2017

VII. SUNSET REVIEW DATE: 04/30/20