



COUNTY OF EL DORADO, CALIFORNIA

BOARD OF SUPERVISORS POLICY

Subject: ECONOMIC DEVELOPMENT INCENTIVES	Policy Number: J-7	Page Number 1 of 5
	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 the County of El Dorado.
- D. Ensure any and all incentives offered to job-creating firms in the County of El Dorado 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
5. High-Value Startups and Entrepreneurs (Innovative/Intellectual Property (IP) driven technical businesses)

B. Incentive Options

1. Sales or Property Tax Rebate/Reduction



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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 a more comprehensive review, and 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 terms 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 the 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 terms 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 the 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 the County.

c. Technical Assistance for Local Startups and Entrepreneurs

A one-time commitment of up to \$500,000 of Transient Occupancy Tax (TOT) funds to support small businesses or entrepreneurs that have been accepted into a cohort of an approved incubator or accelerator located in El Dorado County. A large portion of these funds will be used to provide technical assistance, support, training, and access to funding to an El Dorado County-based business with the requirement that they remain in the County for at least three (3) years. Each eligible business will be entitled to an amount of up to \$50,000.



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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, provided funding is available.

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-savings 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 (rebates/reductions) shall be considered by the County on a case-by-case basis. If, after a thorough cost-benefit analysis, the incentive is determined appropriate upon concurrence by the Chief Administrative Officer, the Planning and Building Department will make a recommendation to the Board of Supervisors for consideration.



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1. An application to request economic development incentives shall be submitted by the business to the Planning and Building Department, Economic Development Division, to initiate the review process.
2. The Economic and Business Relations Manager may, at his/her discretion, consult with appropriate Department Heads, including but not limited to, the Chief Administrative Officer, Assessor, Auditor-Controller, Planning and Building Department Director, County Counsel, and Economic Development Division staff, or designees, on a project-by-project basis to review submitted applications and assess the award of incentives.
3. The Economic and Business Relations Manager reserves the right to request supplemental analysis and documentation from the developer/business, as determined necessary, to make a decision on the appropriateness and/or amount of the incentive award.
4. The Economic and Business Relations Manager will submit his/her recommendation to the Chief Administrative Officer for review and concurrence.
5. The Chief Administrative Officer must make a finding that the incentive will provide a significant community benefit by providing prosperity to the County through the creation of local jobs and/or tax base, including a statement of value or projected return on investment, from the recipient of the incentive.
6. Upon approval by the Chief Administrative Officer, the Economic Development Division will submit a recommendation to the Board of Supervisors for consideration.
7. The Board of Supervisors will be the deciding authority of awarding incentives upon review of the application and presentation to the Board regarding the business and potential impacts to the County.
8. The Chief Administrative Officer and the recipient shall execute an agreement setting forth the terms and conditions of the award.
9. Issuance of funds from the County to the recipient shall occur following the execution of the agreement.



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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

Planning & Building
Chief Administrative Office
Auditor-Controller
Treasurer-Tax Collector
County Counsel
Assessor

VI. DATES APPROVED AND REVISED

Approval Date: 02/11/2014
Revised Date: 02/10/2015
Reinstatement Date: 04/19/2016
Revised Date: 04/11/2017
Revised Date: 04/19/2022

VII. SUNSET REVIEW DATE: 04/30/2026