



Legislation Text

File #: 17-0338, **Version:** 3

Chief Administrative Office recommending the Board:

- 1) Receive a presentation and update on the implementation of the Economic Development goal of the County's Strategic Plan;
- 2) Direct the Chief Administrative Officer and all Department Heads to continue to support the implementation of the Economic Development objectives defined in the County's Strategic Plan;
- 3) Continue to focus Economic Development efforts on the following areas: building a County wide Economic Development Team; communication, outreach, and image development; and exploring 90 day permit processing;
- 4) Add an additional area of focus to include a Sales Tax Retention Program(s); and
- 5) Direct the Chief Administrative Officer, Auditor-Controller and Assessor to return to the Board with recommendations to implement Policy J7 (Economic Development Incentives), including providing the Chief Administrative Officer the delegated authority to negotiate incentives under specific criteria. (Est. Time: 45 minutes)

DEPARTMENT RECOMMENDATION

- 1) Receive a presentation and update on the implementation of the Economic Development goal of the County's Strategic Plan;
- 2) Direct the Chief Administrative Officer and all Department Heads to continue to support the implementation of the Economic Development objectives defined in the County's Strategic Plan;
- 3) Continue to focus Economic Development efforts on the following areas: building a County wide Economic Development Team; communication, outreach, and image development; and exploring 90 day permit processing;
- 4) Add an additional area of focus to include a Sales Tax Retention Program(s); and
- 5) Direct the Chief Administrative Officer, Auditor-Controller and Assessor to return to the Board with recommendations to implement Policy J7 (Economic Development Incentives), including providing the Chief Administrative Officer the delegated authority to negotiate incentives under specific criteria.

DISCUSSION / BACKGROUND

On March 21, 2016, the Board of Supervisors adopted the Strategic Plan Goal, Macro Measures, and Objectives for the Economic Development element of the County's Strategic Plan.

On March 28, 2017 Staff provided an update to the Board and recommended that Economic Development efforts focus on the following areas: building a County-wide Economic Development Team; communication, outreach, and image development; and exploring 90-day permit processing.

On October 17, 2017 Staff provided a presentation and update to the Board highlighting accomplishments made toward building a County-wide Economic Development Team; communication, outreach, and image development; and exploring 90-day permit processing. Over the past six months, significant progress has been made in developing a strong foundation towards a successful economic development program, which also highlighted the importance of a strong partnership between land use planning, building permitting and economic development.

Recognizing that changing perceptions takes years and changing an economy takes decades, Staff is recommending a continuation and maintenance of effort of the focus areas identified at the March 28th meeting and adding a Sales Tax Retention Program(s) as an additional area of focus.

In addition, Staff is seeking direction from the Board regarding business development incentives.

The Board has an existing policy, Policy J7 (Economic Development Incentives) that includes Incentive Options (II), including: Sales or Property Tax Rebate/Reduction; Permit Process Assistance; Deferral/Reduction of Permit or Impact Fees; Small Business and Micro-Enterprise Assistance; State Programs; and Workforce Development Assistance. The Policy also includes a Procedure (III); specifically "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 make a recommendation to the Board of Supervisors for consideration."

Over the past 11 months, the County has responded to 6 Requests for Information (RFIs) from potential businesses, each of which requested information on incentives. Incentives in the form of Sales or Property Tax Rebate/Reduction were not offered; however, pursuant to existing Policy and/or Programs the following incentives were: access to a designated executive and technical team; priority permit processing; permit process assistance through the Community Development Services' Ombudsman; Deferred Traffic Impact Mitigation Fees; and Access to Health and Human Services Agency's El Dorado County Connections - One Stop.

The RFI process is very competitive and quick; with response deadlines sometimes as short as one week. It has become apparent that the ability to develop an appropriate incentive package, and to ultimately commit to and issue all forms of incentives needs to be a fluid and expeditious process.

Therefore, the Chief Administrative Officer is recommending that the Board provide direction to the Chief Administrative Office to develop appropriate language to provide delegated authority to the Chief Administrative Officer to negotiate business development incentives, including sales tax, property tax, and/or other monetary incentives, such as relocation costs, under specific criteria.

If the Board is approves proceeding with Sales Tax, Property Tax, and/or other monetary incentives, the Chief Administrative Officer is recommending the Board direct the Chief Administrative Officer, Auditor-Controller and Assessor to return to the Board with recommendations to implement Policy J7, including providing the Chief Administrative Officer the delegated authority to negotiate incentives under specific criteria.

ALTERNATIVES

The Board could choose to provide alternative direction to staff.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

All Departments

FINANCIAL IMPACT

N/A

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Economic Development

CONTACT

Don Ashton, Chief Administrative Officer