



## Legislation Text

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**File #:** 18-0655, **Version:** 1

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Chief Administrative Officer recommending the Board explore options to develop an economic development incentive policy that allows for the County to loan or reimburse non-residential developers for the cost of impact fees established on behalf of special districts (e.g, Fire Districts, Community Services Districts, and Parks & Recreation Districts) related to non-residential development, such as retail/commercial, office, research and development, industrial, agriculture or warehouse/distribution development, and direct staff to return to the Board within 90 days with a draft policy for consideration. (Est. Time: 15 Min.)

**FUNDING:** Economic Development funding received from Transient Occupancy Tax revenue.

### **DEPARTMENT RECOMMENDATION**

Chief Administrative Officer recommending the Board explore options to develop an economic development incentive policy that allows for the County to loan or reimburse non-residential developers for the cost of impact fees established on behalf of special districts (e.g, Fire Districts, Community Services Districts, and Parks & Recreation Districts) related to non-residential development, such as retail/commercial, office, research and development, industrial, agriculture or warehouse/distribution development, and direct staff to return to the Board within 90 days with a draft policy for consideration.

### **DISCUSSION / BACKGROUND**

On November 7, 2017, the Board received an update on the implementation of the Economic Development goal of the County's Strategic Plan and directed the Chief Administrative Officer, Auditor-Controller and Assessor to return to the Board with recommendations to implement Policy J-7 (Economic Development Incentives), including providing the Chief Administrative Officer the delegated authority to negotiate incentives under specific criteria. Based on this direction, staff from the Chief Administrative Office, Auditor-Controller and Assessor have met and continue to discuss various incentive policies.

One example of an incentive currently being considered by staff relates to the recent proposed increases in mitigation impact fees for non-residential development from the El Dorado Hills County Water District, Rescue Fire District and Lake Valley Fire District. Specifically, on March 20, 2018, the Board approved a recommendation from the El Dorado Hills County Water District that increased fees for retail/commercial, office and industrial development. In addition, on April 24, 2018, the Board will consider requests from the Lake Valley Fire Protection District and Rescue Fire District to update their fees, which if approved will also result in fee increases for non-residential development.

In regard to mitigation fees for special districts, it is important for the County to balance the request of the elected district boards and their determination of funding needs for their adopted services levels,

while also continuing to promote economic growth in the County as identified in our strategic plan.

### **ALTERNATIVES**

The Board could choose not to approve this recommendation, which would maintain that non-residential development continue to absorb the full cost of impact mitigation fees.

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Auditor-Controller and Assessor

### **FINANCIAL IMPACT**

There is no financial impact associated with this recommendation. However, in the event the Board does approve a policy that allows for the reimbursement of impact mitigation fees associated with non-residential development, it will increase costs to the County in the short term, but if successful, will also generate long term revenue increases within the County.

In Fiscal Year 2017-18, the Board of Supervisors approved a recommendation to set aside approximately \$800,000 to be used for economic development incentives.

### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

### **STRATEGIC PLAN COMPONENT**

Economic Development

### **CONTACT**

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