



Legislation Text

File #: 18-1552, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Adopt Policy J-8 (Special District Impact Fee Offset for Non-Residential Business Development); and
- 2) Adopt and authorize the Board Chair to sign Resolution **218-2018** providing the Chief Administrative Officer the delegated authority to implement Policy J-8, including the authority to negotiate and approve the allocation of special district impact fee offset incentives up to \$20,000 for non-residential business development. (Est. Time: 15 Min.)

FUNDING: Economic Development funding received from Transient Occupancy Tax.

DISCUSSION / BACKGROUND

As of January 2017, Economic Development staff have responded to 29 Requests for Information (RFI) from potential businesses looking to do business within the County, each of which has inquired about County incentives. The two primary incentives staff offers are expedited permitting, which is coordinated by Economic Development staff, and the deferral of Traffic Impact Fee payment for non-residential projects offered through Policy B-3, which has not been used since its adoption in 1995 due to difficulties securing loans with the necessary deed restriction.

On November 7, 2017 (Legistar File #17-0338), 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.

On April 24, 2018 (Legistar File #18-0655) the Board directed staff to explore options to develop an economic development incentive policy that allows for the County to reimburse non-residential developers for the cost of impact fees established on behalf of special districts (e.g, Fire Districts, Community Service 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 to return to the Board within 90 days with a draft policy for consideration.

ALTERNATIVES

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

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Auditor-Controller, County Counsel, Economic Development, and Planning & Building

FINANCIAL IMPACT

If the Board approves the Policy, allowing for the reimbursement of impact mitigation fees associated with non-residential development, there will be a cost increase to the County in the short term; however, if successful, the short term costs will be offset by long term revenue increases in the form of sales and property tax associated with growth in Business Development.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain the Board Chair's signature on the Resolution and return a copy to the Chief Administrative Office.

STRATEGIC PLAN COMPONENT

Economic Development

CONTACT

Don Ashton, Chief Administrative Officer