

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

464



FROM: Economic Development Agency

SUBMITTAL DATE:
April 8, 2010

SUBJECT: Implementation of a Riverside County Cost Segregation Program

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Economic Development Agency (EDA) to partner with the California Association for Local Economic Development (CALED) in implementing a Cost Segregation program; and
2. Authorize the Assistant County Executive Officer/EDA or his designee to execute any documents necessary to implement the program.

BACKGROUND: CALED, a statewide professional economic development organization, has implemented a program for for-profit businesses that own commercial property that analyzes a business' tax strategy as it relates to depreciable building assets. This program will help determine if the appropriate accounting method is being used and, if not, assist the business in identifying the necessary changes to their depreciation methods in order to maximize tax benefits under the law.

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

| | | | | |
|-----------------------|-------------------------------|------|-------------------------|-------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 0 | In Current Year Budget: | N/A |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 09/10 |

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A

| | |
|----------------------------------|--------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION: APPROVE

Jennifer L. Sargent

BY: Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: April 6, 2010
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

Prev. Agn. Ref.: N/A

District: ALL

Agenda Number:

3.42

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* A. Lind
DATE: 03/25/10
KATHERINE A. LIND

Policy
 Consent
 Dept't Recomm.:
 Consent
 Per Exec. Ofc.:

BACKGROUND: (Continued)

This program is a result of changes in the tax code that went into effect during the last few years. The potential benefits to a participating business include a tax refund, improved long term cash flow, and compliance with Internal Revenue Service (IRS) codes. CALED has contracted with an industry leader in Cost Segregation Analysis to conduct the studies and receives a fee for referrals generated through CALED and its members. CALED is offering a percentage of the fee they receive to its members who refer businesses that take advantage of the program; EDA is a member of CALED and is therefore eligible. The referral fee that EDA receives would be used to fund economic development, business attraction, and retention programs. The program would be offered to cities throughout the County as part of the Team Riverside County partnership.