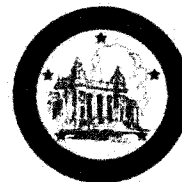


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM  
3.18  
(ID # 5993)

**MEETING DATE:**

Tuesday, February 27, 2018

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Adopt Resolution No. 2018-003,  
Approving the Establishment of the Riverside County Capital Investment  
Incentive Program, All Districts, [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the establishment of a capital investment incentive program does not fall within the definition of a project under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378 (b)(4);
2. Adopt Resolution No. 2018-003, A Resolution of the Board of Supervisors of the County of Riverside Electing to Establish the County of Riverside Capital Investment Incentive Program; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2018-003, including but not limited to, signing subsequent essential and relevant documents, subject to approval by the County Chief Financial Officer and County Counsel.

**ACTION:** Policy


Robert Field, Assistant County Executive Officer/EDA 2/13/2018

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley  
Nays: None  
Absent: None  
Date: February 27, 2018  
xc: EDA

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 2017/18</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The State of California has established the Capital Investment Incentive Program (CIIP) to provide cities and counties with an incentive tool to attract large scale manufacturers to their communities. The CIIP program, authorized under California Government Code Section 51298 et seq., provides property tax abatement for up to 15 consecutive years for large capital investment in qualified manufacturing facilities exceeding \$150 million. The County of Riverside (County) can participate by making an annual payment of 75 percent of the property taxes generated by the new investment. The CIIP program is limited to manufacturing companies that meet certain criteria and is intended to enhance local business attraction efforts in the manufacturing sector. The tax abatement calculation process and State requirements for participating counties are detailed below.

CIIP tax abatement is generally calculated as follows: 1) a property tax base is established that must be achieved before any subsidy can be considered; 2) the property tax base is the sum of the existing property tax base plus the ad valorem value of the next \$150 million in investment; property tax above the base is then shared at a rate of 75 percent to the property owner and 25 percent to the County in the form of a community service payment over a period of 15 years. If a potential project lies in a former redevelopment agency project area, Redevelopment Dissolution Law limits the amount of property taxes collected by the County to the property tax revenues after all enforceable obligations of the former redevelopment agency are paid.

Per California Government Code Section 51298, to establish a CIIP the County must first adopt a Resolution approved by its governing body electing to establish a capital investment incentive program. Companies seeking assistance under CIIP must make a written request to the County, provide a detailed description of the investment being contemplated, specify the number and types of jobs being created, and provide such other information specified in procedures to be adopted by the Board. If approved, the County and company then enter into a Community Services Agreement detailing the terms and conditions of the incentive. The detailed terms and conditions will include, but are not limited to, the amount of the community service payment to the County, hiring targets, and provisions for recapture of the incentive if targets are not met by the company, and other terms required under California Government Code Section 51298.

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It is important to note that establishment of the CIIP program does not obligate the County in any way under CIIP. It allows staff to pursue implementation of the program should it be useful in business attraction and retention efforts. In accordance with California Government Code Section 51298 all CIIP program policies and procedures, the selection of any qualified participants, payments of any capital investment incentive amounts, and any proposed community services agreement shall be presented to the Board for approval under separate actions.

The establishment of the proposed CIIP program was reviewed and determined not to fall within the definition of a project under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378 (b)(4). The CIIP program relates to establishing a funding mechanism, i.e., capital investment incentive amounts, to attract facilities to invest in the County, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Projects, once identified, will be required to comply with CEQA and other applicable environmental regulations.

County Counsel has reviewed and approved the attached Resolution No. 2018-003. Staff recommends approval of Resolution No. 2018-003.

**Impact on Residents and Businesses**

The County of Riverside Capital Investment Incentive Program will assist in the recruitment and attraction of large scale manufacturers to the County of Riverside by offering an incentive that is based on the economic impact of the specific project.

Attachment:

- Resolution No. 2018-003

Rf:HM:CH:RM

  
Rohini Dasika, Principal Management Analyst 2/20/2018

  
Gregory P. Priamos, Director County Counsel 2/14/2018

1 **BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

2 **RESOLUTION NO. 2018-003**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**  
4 **ELECTING TO ESTABLISH THE COUNTY OF RIVERSIDE CAPITAL INVESTMENT**  
5 **INCENTIVE PROGRAM**

6  
7 **WHEREAS**, the California Legislature has established the California Capital Investment  
8 Incentive Program ("CIIP") by enacting California Government Code Section 51298 et seq (the  
9 "CIIP Code") to provide local governments with opportunities to attract large manufacturing  
10 facilities to invest in their communities and to encourage aerospace, high technology,  
11 automotive, biotechnology, software, and other industries to locate and invest in those facilities  
12 in California;

13 **WHEREAS**, companies interested in the CIIP program must file a written request with  
14 the County for the payment of a capital investment incentive amount for the manufacturing  
15 facility for up to fifteen (15) consecutive fiscal years (the "Written Request");

16 **WHEREAS**, in accordance with the requirements of the CIIP Code, companies  
17 requesting the incentive must enter into a Community Services Agreement with the County that  
18 includes a job creation plan for the manufacturing facility and recapture provisions by the  
19 County of community investment incentive payments in the event the manufacturing facility is  
20 not operated as required by the Community Services Agreement and the CIIP Code;

21 **WHEREAS**, the CIIP provides an opportunity to companies meeting State mandated  
22 criteria to receive some assistance with their property tax;

23 **WHEREAS**, the Board of Supervisors of the County of Riverside (the "Board of  
24 Supervisors") is the elected governing body of the County;

25 **WHEREAS**, to establish a capital investment incentive program, the CIIP Code requires  
26 the County to first adopt a resolution approved by a majority of its governing body electing to  
27 establish the program; and

28  
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FORM APPROVED COUNTY COUNSEL  
BY: *Shirley R. Brown* 2/13/18  
DATE  
JAILA R. BROWN

1           **WHEREAS,** the Board desires to establish a Capital Investment Incentive Program  
2 pursuant to the CIIP Code and to authorize County Economic Development Agency staff to  
3 develop program guidelines to offer the incentive to qualified business, subject to approval by  
4 County Counsel.

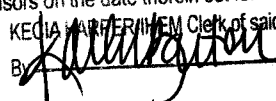
5           **NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by  
6 the Board of Supervisors of the County of Riverside ("Board"), in regular session assembled on  
7 February 27, 2018, in the meeting room of the Board of Supervisors located on the 1st floor of  
8 the County Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

- 9
- 10       1. The Recitals set forth above are true and correct and incorporated herein by this  
11       reference.
  - 12       2. The Board hereby elects to establish a Capital Investment Incentive Program for the  
13       County subject to and in accordance with California Government Code Section 51298  
14       et seq.
  - 15       3. The Board hereby authorizes and directs the Assistant County Executive Officer or  
16       designee to notify the Governor's Office of Business and Economic Development, (i) on  
17       or before June 30, 2018 of the passage of this Resolution electing to establish the  
18       Community Investment Incentive Program, and (ii) on or before June 30 of each fiscal  
19       year in which a capital incentive payment is made pursuant to this Resolution, the  
20       amount of any such payment and to whom such payment is made.
  - 21       4. The Board further authorizes and directs County Economic Development Agency staff  
22       to develop program guidelines and procedures to offer the incentive to qualified  
23       business, subject to approval by County Counsel, to be presented to the Board at a  
24       later date for consideration.
  - 25       5. This Resolution shall take effect immediately upon its adoption.

26       **ROLL CALL:**

27       Ayes:                 Jeffries, Tavaglione, Washington, Perez and Ashley  
28       Nays:                 None  
         Absent:             None

The foregoing is certified to be a true copy of a  
resolution duly adopted by said Board of Super-  
visors on the date therein set forth.

KECIA MARTINEZ Clerk of said Board  
By  Deputy