

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: \*B-9

AGENDA DATE: October 17, 2017

**SUBJECT:**

Approval of the Amended Public Facilities Fees Administrative Guidelines, Reinstate the Large Industrial Incentive Program, and Cancel the Public Hearing to Consider the Adoption of the Revised County Public Facilities Impact Fees

**BOARD ACTION AS FOLLOWS:**

No. 2017-571

On motion of Supervisor Olsen, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST: Elizabeth A. King  
ELIZABETH A. KING, Clerk of the Board of Supervisors

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA #: \*B-9

Urgent  Routine

AGENDA DATE: October 17, 2017

CEO CONCURRENCE: 

4/5 Vote Required: Yes  No

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**SUBJECT:**

Approval of the Amended Public Facilities Fees Administrative Guidelines, Reinstate the Large Industrial Incentive Program, and Cancel the Public Hearing to Consider the Adoption of the Revised County Public Facilities Impact Fees

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**STAFF RECOMMENDATIONS:**

1. Approve the amended Stanislaus County Public Facilities Fee Administrative Guidelines.
2. Cancel the previously scheduled public hearing to consider the adoption of the revised County Public Facilities Impact Fees.
3. Approve to reinstate the Large Industrial Incentive Program effective upon Board of Supervisors' approval.

**DISCUSSION:**

The Stanislaus County's Public Facilities Fee (PFF) program was developed in 1989. The primary objective of the PFF program is to ensure that new development pays the capital costs associated with growth. Program updates since inception were completed in 1992, 2003, 2005, and 2010, with the last inflationary adjustment completed in 2014. The PFF program collects impact fees from new development throughout the County, both in the cities and the unincorporated area, to fund the public facilities related to providing county services. The 2010 comprehensive update projects population growth in Stanislaus County through year 2030 and identified needed capital facilities to service that growth.

The PFF Committee is responsible for the administration and oversight of the PFF program. The committee is comprised of the following department heads or their designees: Chief Executive Officer, Chief Building Official, Auditor-Controller, Public Works Director, Planning Director, County Counsel, and Capital Projects. The PFF Committee has the responsibility of ensuring that all issues related to the PFF program are managed in accordance with applicable rules and regulations. The PFF administrative guidelines are used by the County and city partners to implement the program and were first adopted in 1990. The amended PFF Administrative Guidelines includes clarifying definitions for various uses in commercial/retail, motel/hotel, shade structure, and adds manufactured housing to mobile home sections, removes seasonal use, aligns existing County Ordinance related to development agreements, and includes that the administrative fee portion of a deferral or waiver be paid at time of building permit issuance, as well as other minor typos and various language clean-up.

## Approval of the Amended Public Facilities Fees Administrative Guidelines, Reinstate the Large Industrial Incentive Program, and Cancel the Public Hearing to Consider the Adoption of the Revised County Public Facilities Impact Fees

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The County completed the 2017 County PFF program update, which is a comprehensive review of the existing fee program that projects forward 28 years, through 2045, of anticipated growth in Stanislaus County. A major partner in this program has requested additional time to complete their review and analysis of the updated program. As a result staff is recommending that the public hearing scheduled for October 17, 2017 be cancelled and rescheduled at a later date. The approval of the PFF Administrative Guidelines and the reinstatement of the Large Industrial Incentive Program do not require a public hearing and are therefore recommended for approval outside of the public hearing process to ensure timely implementation of these program improvements.

### Large Industrial Incentive Program

The Large Industrial Incentive Program was initiated as part of the 2010 Comprehensive Update to assist large industrial, manufacturing and logistics sector growth. Since inception two applicants, Blue Diamond and Restoration Hardware, have applied for the incentive program. As a result, 246 direct new, full-time, living wage jobs have been created: 92 full-time jobs with Blue Diamond and 154 full-time jobs with Restoration Hardware. The average hourly rate is \$18 - \$20 with benefits.

The Large Industrial Incentive Program expired on June 30, 2017. Staff recommends reinstating the program. However, any potential future cannabis activities will not be eligible for this incentive program. This incentive will be reviewed during the next program comprehensive update.

### **POLICY ISSUE:**

Board of Supervisors' approval is required to amend the PFF Administrative Guidelines and to Reinstate the Large Industrial Incentive Program.

### **FISCAL IMPACT:**

The total Large Industrial Incentive "forgiveness" is \$1.28 million. However, it's estimated that Blue Diamond and Restoration Hardware have created a total of \$170 million capital investment into the community, including \$9.43 million in direct annual salaries, \$25 million in direct and indirect induced salaries annually. The overall fiscal benefit to the community is much greater than the incentive forgiveness.

### **BOARD OF SUPERVISORS' PRIORITY:**

The recommended action supports the Boards' priorities of A Strong Local Economy, A Well-Planned Infrastructure System, and Efficient Delivery of Public Services by administering an impact fee program to ensure that new development pays the capital costs associated with their growth.

Approval of the Amended Public Facilities Fees Administrative Guidelines, Reinstate the Large Industrial Incentive Program, and Cancel the Public Hearing to Consider the Adoption of the Revised County Public Facilities Impact Fees

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**STAFFING IMPACT:**

The overall administration and oversight of the PFF program resides with the PFF Committee.

**CONTACT PERSONS:**

Keith Boggs, Assistant Executive Officer	(209) 652-1514
Tera Chumley, Senior Management Consultant	(209) 573-1398

**ATTACHMENT(S):**

1. Public Facilities Fees Administrative Guidelines
2. Large Industrial Incentive Program

# Attachment 1



## STANISLAUS COUNTY PUBLIC FACILITIES FEES ADMINISTRATIVE GUIDELINES

### I. INTRODUCTION

The County Public Facilities Fees (PFF) were first approved in late 1989, becoming operative in March 1990. During that time, agreements were reached with all nine incorporated Cities for the collection of the County PFF within their jurisdictions as well as in the unincorporated portion of the county. This program was designed to ensure that the need for expanded County facilities directly attributable to increased population be paid for by those creating the need.

The following Administrative Guidelines are for the administration of Public Facilities Fees established to mitigate the impacts of new development as outlined in Section 66000 of the California Government Code. These fees may be used for the purchase, construction, expansion, or acquisition of public facilities, and must be consistent with the adopted fee program, which shall be updated periodically as needed. These policies and procedures have been developed to govern the administration of the PFF Program.

### II. DEFINITIONS

The intent and meaning of the terms that are used shall be as defined in these Administrative Guidelines except as specifically noted, revised, or added. Where terms are not defined, such terms shall have ordinarily accepted meanings such as the context implies. Webster's Third New International Dictionary of the English Language, Unabridged, shall be considered as providing ordinarily accepted meanings.

- A. PFF Committee – shall mean a committee comprised of department heads or their designees from the following departments or divisions of Stanislaus County: Chief Executive Office, Auditor-Controller, Public Works, Planning, Building, County Counsel and Capital Projects.
- B. Chief Building Official – The Chief Building Official of Stanislaus County
- C. Chief Executive Officer – The Chief Executive Officer of Stanislaus County or his or her designee
- D. County – Stanislaus County
- E. County Counsel – The County Counsel of Stanislaus County or his or her designee
- F. Development - the construction, alteration, addition, occupancy or use of any building or structure within Stanislaus County.
- G. Dwelling Unit - a structure as defined in the California Building Code (CBC) as adopted by Stanislaus County: A single unit providing complete, independent living facilities for one (1) or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

- H. Facilities or Public Facilities – Fees have been identified by the County to fund facility categories which include, but are not limited to: animal services, behavioral health, criminal justice, detention, fire marshal, emergency services, health, libraries, other county, regional and neighborhood parks, sheriff, transportation, and information technology.
- I. Fee – A monetary exaction other than a tax or special assessment that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project.
- J. Use Categories – The way land is developed and used in terms of the types of activities allowed. Where ambiguity exists, the California Building Code may be used as a reference document to identify the proper use category.
  - 1) Commercial / Retail as used in this section includes a wide range of retail service uses, both free-standing and in shopping centers, including but not limited to: supermarkets, drug stores, department stores, general merchandise, building materials or lumber stores, specialty retail stores, discount stores, hardware/paint stores, video arcades, new and used car sales as well as auto repair shops, fast-food restaurants, sit-down restaurants, banks and Credit Unions, day care facilities, and gas stations. For purposes of calculating the RTIF, “shopping center” refers to a detached or attached commercial/retail project with shared parking, totaling 100,000 to 300,000 square feet. “Shopping mall” refers to a detached or attached commercial/retail project with shared parking in excess of 300,000 square feet. Shared parking shall not be separated by a public right of way.
  - 2) Industrial – The manufacture, fabrication, reduction or destruction or processing of any article, substance or commodity or any other treatment thereof in such a manner as to change the form or character thereof. Uses include, but are not limited to, heavy and light industrial, warehousing, and industrial parks.
    - a) Small Industrial – less than or equal to 20,000 square feet
    - b) Large Industrial – greater than 20,000 square feet
      - Manufacturing – The conversion of raw materials, components or parts into finished goods that meet a customer’s expectations or specifications. Uses which are considered large industrial include, but are not limited to:
        - Bottling plant
        - Cabinet shop
        - Electronics assembly, paper products
        - Food processor, brewery, bakery
        - Machine shop
        - Printing plant
        - Manufacture, fabrication, processing, packaging and treatment of explosives, oil and grease products, chemicals and chemical products
        - Metal fabricator
        - Pulp and paper mill
        - Reduction, processing and storage of offal, dead animals, bones or similar materials
        - Rock crushing
        - Sheet-metal shop
        - Welding shop

- Distribution – Entry, receiving, stocking, and shipping products on their way from supplier to customer. Uses which are considered distribution/ mixed use include but are not limited to:
    - Equipment rental yard
    - Freight
    - Junk handling, processing and storage
    - Landfill – waste products disposal or transfer station
    - Recycling facility
    - Septic tank, cesspool services
    - Wholesale nurseries
    - Distribution center (such as Longs, Wal-Mart, Coca-Cola)
  
  - Warehouse – Facility where the primary activity is the storage of materials. Uses which are considered warehouse include, but are not limited to:
    - Bulk feed storage
    - Corporation yard, freight yard
    - Mini-warehouse
    - Moving and storage service
    - Warehousing
- c) Rail-served Large Industrial – Industrial development greater than 20,000 square feet that is directly served by heavy rail, corresponding with the large industrial categories identified in Section (b).
- 3) Office – Professional offices including, but not limited to, business parks, corporate headquarters, and insurance sales.
- 4) Residential as used in this section, shall mean any of the following uses
- a) “Single-family” is a detached home or duplex on an individual lot.
  - b) “Multi-family” relates to dwelling units including triplexes, etc., high and low rise apartments, condominiums, and residential planned units developments. This category also applies to mobile home parks.
- 5) Other Uses
- a) “Churches” / “Hospitals” / “Nursing Homes”
    - 1. “Church” shall mean structures primarily designed or used as a place of public worship.
    - 2. “Hospital” shall mean a structure designed for health services both in-patient and out-patient that includes surgical care of the sick or injured or the physically ill and/or therapeutic treatment for the mentally ill. Included as an integral part of a hospital are laboratories, out-patient departments, training facilities, central service facilities, and hospital staff offices on the same site. The preceding ancillary uses are considered “office” if located off-site, unless a multi-site campus is covered by a P-D Zone for hospital uses. A separate set of offices on the same site for physicians is considered “Office.”



3. "Nursing Home" shall mean a structure designed for use as a convalescent hospital, retirement home, residential treatment home, or a twenty-four hour care center for seven or more persons in addition to members of the family.
- b) Gas "pumps" - For fee calculations, the number of "pumps" using this definition will be the maximum number of passenger cars which can be served at the fuel-dispensing island on the site at one time.
- c) Car wash "lanes" - For fee calculations the number of car wash lanes equals the number of cars that can be washed simultaneously at a car wash.
- d) Motel / Hotel (per room) - All establishments providing temporary lodging for travelers shall pay the PFF per room in the facility. It is assumed that fees per room capture facility demand from the building's common areas.

Note: Mixed Uses – when a development proposal contains more than an incidental mixture of use categories, the general type of uses should be segregated and treated separately for the purpose of calculating development fees.

- K. Very Low, Low, and Moderate Incoming Housing – The income limits by income category and household size, for the purposes of these guidelines, shall be those provided annually by the United States Department of Housing and Urban Development for Stanislaus County.
  - 1) Very Low Income Housing shall mean housing at rents affordable to households earning less than fifty percent of the area median income as outlined in the Stanislaus County Housing Element.
  - 2) Low Income Housing shall mean housing at rents affordable to households earning between 50% and 80% of the area median income as outlined in the Stanislaus County Housing Element.
  - 3) Moderate Income Housing shall mean housing at rents affordable to households earning between 81% and 120% of the area median income as outlined in the Stanislaus County Housing Element.

### III. ADMINISTRATION

Overall administration and oversight of the PFF Program shall reside with the Public Facilities Fees Committee as determined by the Chief Executive Officer. The committee is comprised of the following department heads and/or their respective staffs:

- Chief Executive Officer
- Chief Building Official
- Auditor-Controller
- Public Works Director
- Planning Director
- County Counsel
- Capital Projects

The PFF Committee may meet monthly and has the responsibility of ensuring that all issues related to the PFF are managed in accordance with applicable rules and regulations. The

committee was established to review policy matters related to the PFF Program in the event of appeals regarding fees, the administration of the PFF Program, and other issues that may arise as a result of the implementation of the PFF Program.

Additionally, the purpose of the Committee has further been defined as follows:

- Identify PFF issues for discussion and resolution
- Review and recommend establishment of fees not within the guidelines of the ordinance
- Recommend or revise administrative guidelines
- Adjust fees where appropriate
- Review and monitor city fee collection practices and report findings
- Monitor fees collected to date and provide periodic reports to the Board of Supervisors
- Serve as an administrative hearing body for appeals from applicants. Appeals not administratively resolved will be presented with a recommendation to the appeal review committee for resolution.

#### A. Inflationary Adjustments

The County has kept its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fund its share of needed facilities. The following indices shall be used for adjusting fees for inflation:

Buildings – Engineering News Record’s Building Cost Index (BCI)

Equipment – Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

- 1) Timing of Adjustments – In an effort to ensure that the fees collected are adequate for inflation, an annual inflation adjustment shall be applied each year to the PFF. The PFF rates for all use categories shall be administratively adjusted annually to account for inflation.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the County will conduct more extensive updates of the fee documentation and calculation when significant new data on growth forecasts and/or facility plans become available. These updates are anticipated at 5 year intervals.

- 2) Notification of Inflationary Adjustment

Any fee adjustment will be presented to the Board of Supervisors prior to implementation. The item should be scheduled to allow for sufficient time for the increase to become effective at the beginning of the fiscal year.

#### B. Calculation and Collection of Fees

- 1) A Public Facilities Fee shall be charged and paid at the time of issuance of a building permit for development. The fee shall be determined by the fee schedule in effect on the date that the vesting tentative map or vesting parcel map is deemed complete. For

projects that do not have a vested map, then the date used will be the date the building permit application is received.

- a) In accordance with County Ordinance No. C.S. 824, a Development project will be subject to the fees in place prior to April 5, 2003, if the development project is the subject of a written development agreement entered into and signed by the developer(s) and the County or a city within the County prior to April 5, 2003.
- 2) Use categories not specified on the Public Facilities Fees schedule (i.e. recreational) shall be charged at rates determined by the Chief Building Official in consultation with the Director of Public Works using trip generation estimates found in the most recent edition of the Institute of Transportation Engineers (ITE) manual. The formula used to derive the road fee portion of each category is as follows:

Regional Transportation Impact Fee – Peak hour trip end generation X diverted trip factor X causality adjustment factor X intercity cost per trip end of \$2,525 (see 2005 PFF Inflationary Adjustments, page 26)

City/County Road Fee – Peak trip generation X diverted trip factor X causality adjustment factor X City/County cost per trip end of \$1,403 (see 2005 PFF Inflationary Adjustment, page 25)

- 3) When application is made for a new building permit following the expiration of a previously issued building permit for which fees were paid, the fee payment shall not be required, unless the fee schedule has been amended after the expiration date. In this event, the appropriate increase or decrease shall be imposed prior to the issuance of a new building permit.
- 4) In the event that subsequent development occurs with respect to property for which fees have been paid, additional fees shall be required only for additional square footage or units of development that were not included in computing the prior fee or a change in use. (See exception #2)
- 5) When a fee is paid for a development project and that project is subsequently reduced and it is entitled to a lower fee, the County shall, upon request of the payor, issue a partial refund of the fee to the payor, less the administration portion of the fee.
- 6) When a fee is paid for a development project and the project is subsequently abandoned without any further action beyond obtaining the building permit, the payor shall be entitled to a refund of the fee paid, less the administrative portion of the fee.
- 7) A developer of any project subject to the fee may submit a request for consideration to the Public Facilities Fee Committee for reduction or adjustment to that fee, or a waiver of that fee, based upon the absence of any reasonable relationship or nexus between the impacts of the development and either the amount of the fee charged or the type of facilities to be financed. The application shall be made in writing and submitted to the Public Facilities Fees Committee. The request shall state in detail the factual basis for the claim, waiver or adjustment.

The decision of the Public Facilities Fees Committee may be appealed in writing to the Chief Executive Officer or his/her designee no later than ten (10) days after the Committee's decision of the appeal is mailed to the developer. Any appeal that is not timely filed will be deemed ineffective and the administrative determination of the Public

Facilities Fees Committee will become final. The Chief Executive Officer or designee shall fix a reasonable time for the appeal hearing and shall provide ten (10) days written notice to the developer. An appeal review committee comprised of the Chief Executive Officer, or designee, the Chairman and Vice Chairman of the Board of Supervisors shall hear the appeal and issue a decision within 30-days after the hearing. The Public Facilities Fee Committee shall prepare a written report and recommendation for the appeal review committee's consideration. The appeal review committee may take any appropriate action upon the original administrative action that was appealed, including granting or denying the appeal in whole or in part, or imposing, deleting or modifying the fee. The decision of the appeal review committee shall be final. If a reduction, adjustment, or waiver is granted, any subsequent change in use within the project shall invalidate the reduction, adjustment, or waiver.

- 8) By agreement, the cities that collect PFF on behalf of the County are allowed to retain a portion of the administrative fee collected.
- 9) For purposes of collecting PFF on behalf of the County, the county shall determine the amount of the fee that shall be used and the City shall collect that fee.

#### C. Fees Application

- 1) An existing building that was built without a building permit will be subject to the fees in place at the time of the estimated date of original construction as determined by the Chief Building Official.
- 2) Shell Buildings
  - a) Will be charged the full fee for the projected use at the time the shell permit is obtained. If the projected use is unknown at the time the permit is obtained, the industrial rate will be imposed.
  - b) Tenant improvement permits will be charged the incremental difference in fee between the actual use and the use that was given for the shell permit.
  - c) Tenant improvement permits within building shells will be charged the incremental difference between its previous use and the proposed use.
  - d) Stanislaus County's determination of fees is separate from and irrespective of the determination of other jurisdictions.
- 3) Detached garages and accessory structures that are converted to residential occupancy will be charged the fee for a single-family residential unit if greater than 800 square feet and the fee for multi-family residential unit if less than 800 square feet and a primary residence already exists on the parcel, unless otherwise exempted under state law. Any structure 800 square feet or larger in size is considered to be single family and any structure less than 800 square feet in size is considered to be multi-family.
- 4) Mobile Homes and Manufactured Housing
  - a) Mobile home parks will be charged the multi-family fee for each mobile home space.
  - b) Factory-built housing will be charged the single-family fee.

- 5) Modular Buildings – Modular buildings are part of a construction style of buildings that are prefabricated or manufactured at a central location and shipped/moved to another location.
    - a) Temporary modular buildings will be charged the fee for its intended use. If an applicant who paid PFF on a temporary modular building removes that temporary building within five (5) years of payment of the PFF, that applicant can apply in writing, provide proof of removal (demolition permit filed with Building Division), and be reimbursed for the entire amount of PFF paid less administrative fees. The deadline for receipt of the written application for a rebate is five (5) years from payment of PFF.
    - b) Replacement of existing modular buildings with permanent construction will be charged the incremental difference in fee between the existing use and the new construction.
  - 6) Shade structure - Permanent nonresidential shade structures that are associated with commercial activity will be charged the fee corresponding with the structure's use.
- D. Exemptions – Public Facilities Fees established by these policies shall not be imposed on any of the following:
- 1) Any alteration or addition to a residential structure, except to the extent that additional units are created.
  - 2) Any alteration or addition to a specific non-residential structure if the square footage of the structure is increased less than ten percent, unless the alteration or addition changes the use of the structure to a higher density category or will result in the generation of additional peak hour trip ends. Structure is defined as a separate building which may or may not be part of a larger complex. When determining the 10%, only the individual structure and not the entire square footage of the complex will apply.
  - 3) Any replacement or reconstruction of any residential, commercial or industrial development project that is damaged or destroyed as a result of a natural disaster as declared by the Governor.
  - 4) Any replacement of a previously existing structure, in kind, if the applicant can prove, using County Tax Assessor's records, that the structure or facility legally existed in 1990 or later and no previous fee credit has been given.
  - 5) Any replacement, in kind, of structures damaged by fire, flooding or earthquake.
  - 6) Detached residential garages, carports and other accessory structures.
  - 7) Public facilities, i.e. state agencies, utilities, fire districts, public schools, public housing agencies, community service districts, etc.

8) Mobile Homes and Manufactured Homes

- a) Replacement of mobile/manufactured homes in existing mobile home park spaces
- b) Replacement of an existing legally installed mobile/manufactured home on private property.
- c) Any mobile/manufactured home that is subject to a mobile/manufactured home permit for temporary use, for example, for housing an ill or aged family member or farm worker housing.

9) Any agricultural building that is designed and constructed to house farm implements, hay, grain, poultry, livestock or other horticultural products. This structure shall not be a place of human habitation or a place of employment where agricultural products are processed, treated or packaged, nor shall it be a place used by the public.

E. Deferrals and Waivers

1) Affordable Housing – Contingent upon the housing being developed with assistance from a public agency, fees may be deferred the entire time period that the income eligibility, as set by the funding source, is maintained. However, the administrative fee portion shall not be deferred and shall be paid at time of building permit issuance.

- a) Fees for housing developed for occupancy by moderate and low income households defined as being 50 to 120 percent of the area median income, shall be afforded the opportunity to defer the fee. Documentation shall be provided that confirms such occupancy and a contract will be executed and recorded that indicates the deferral with instructions regarding future payment.
- b) Housing developed for occupancy by very low income households shall be afforded the opportunity to waive the entire fee. Very low income is defined as less than 50 percent of the area median income. Documentation shall be provided that confirms such occupancy. A contract will be executed and recorded that indicates the waiver status along with instructions regarding future payment should the very low income housing status not be maintained.

2) PFF Installment Payment Program for Qualifying Non-Residential Projects

In lieu of paying public facilities fees for a project at the time of obtaining a building permit for a project, a non-residential developer whose successful development activity will facilitate job creation or retention, address an identified community need, provide a “living wage” (defined as at least 1½ the minimum wage), or are located in locations that meet strategic objectives of the County (i.e. transit oriented development, diverted trips through the use of rail, infill, anchor to a new business park, etc.), may make application to the Public Facilities Fees Committee to enter into a Multi-year PFF Payment Agreement with Stanislaus County to pay an initial amount of 20% of the total fee due at building permitting with the balance to be paid in equal annual payments. In no case shall the payment period exceed four years.

Qualified projects must meet the following standards:

- a) Project is of commercial, retail and/or industrial nature. Residential developments are NOT eligible for this fee deferment program;

- b) Facilitates job retention and/or creation within the first 12 months of project completion;
- c) The applicant provides satisfactory evidence that the project has one or more of the following characteristics:
  - 1. Provides for “living wage” jobs at least 1½ times the minimum wage;
  - 2. Supports a community need;
  - 3. Will likely attract other businesses;
  - 4. Will make a significant effort to reduce greenhouse gases; or
  - 5. Sited in a location that meets strategic objectives of the County (transit oriented development, diverted trips through use of rail, infill, anchor to new business park, etc.).

3) PFF Deferral Payment Program for Residential Projects

Payment of fees may be made at the issuance of the residential building permit or may be deferred until the close of escrow on the sale of the residential building for which the building permit was issued. For those deferrals that do not pertain to a sale the fee must be paid prior to Final Inspection or prior to Certificate of Occupancy. Opting to defer payment of the fees requires the execution of a contract which shall be recorded as a lien, thus assuring that the County will receive the fees owed.

F. Hardship

The Public Facilities Fee Committee has authority from the Board of Supervisors to exercise discretion in allowing an individual to pay the fee which was in effect at the time they commenced a project involving a single residential dwelling, in which the applicant either currently resides or intends to reside, if the individual was unable to proceed with the project to the point of paying the Public Facilities Fee in effect at the commencement of the project due to the unanticipated onset of a serious and debilitating health condition or due to other changed circumstances which were beyond the control of the individual and which interrupted the progress of their project and which is determined by a majority of the members of the Public Facilities Fees Committee to constitute a “hardship”.

G. Annual Report

As required by Subsection 66006 of the Government Code, each year an annual report will be prepared and made available to the public within 180 days after the last day of each fiscal year. The report shall be prepared by the Auditor-Controller and shall contain the following information:

- 1) A description of the type of fee in the account or fund
- 2) The amount of the fee.
- 3) The beginning and ending balance of the account or fund
- 4) The amount of the fees collected and the interest earned.

- 5) An identification of each public facility on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- 6) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
- 7) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive from the loan.
- 8) The amount of refunds made pursuant to subdivision (e) of Subsection 66001 of the Government Code and any allocations pursuant to subdivision (f) of Section 66001.



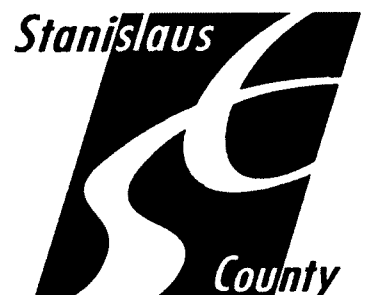
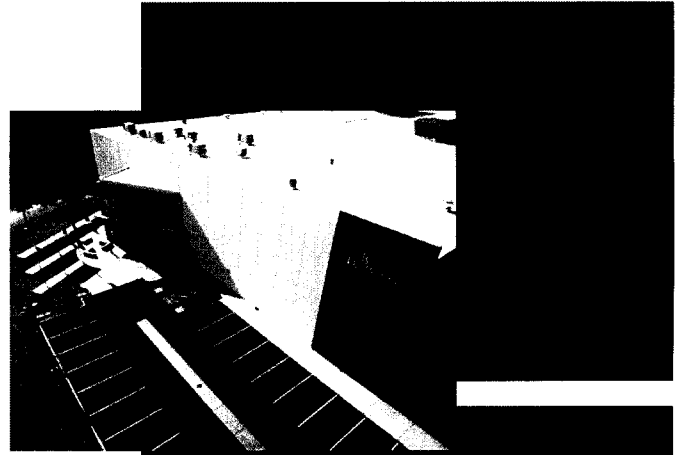
The following Board of Supervisors items were utilized in the creation of these guidelines:

- June 4, 1991 (B-11) – Appointment and Role of Public Facility Fee Committee
- July 21, 1992 (B-9) – Public Facilities Fee Committee – Proposed Policy Guidelines for Housing Affordability
- June 22, 1993 (B-12) – Public facility Fee Deferral on Public Assisted Housing
- October 3, 1995 (B-10) – Approval to Allow Deferred Option for Paying Public Facilities Fees for Residential Development and Adoption of a Resolution
- April 9, 2002 (B-3) – Approval of the Public Facilities Fees Annual Financial Report for the Fiscal Year Ending June 30, 2001
- December 13, 2005 (B-13) – Introduction and Waiver of the First Reading of an Ordinance to Authorize the Establishment of a Public Facility Fee Installment Payment Program for Qualifying Non-Residential Projects and Conditional Approval to Establish such a Program
- September 12, 2006 (B-6) – Approval of an Amendment to the Guidelines for the Public Facility Fee Committee to include the Exercise of Discretion by the Public Facility Fee Committee in Cases Involving Hardship
- July 20, 2010 (6:35 p.m.) – Public Hearing to Consider Adoption of Revised Regional Transportation Impact Fees and Related Matters
- December 18, 2012 (B-10) – Approval to Adopt the Revised Public facilities Fees (PFF) Administrative Guidelines and Revisions to the Deferral Payment Contract
- August 19, 2014 (6:35 p.m.) – Approval of the Revised PFF Committee Administrative Guidelines

# Attachment 2

# **STANISLAUS COUNTY PUBLIC FACILITIES FEES**

## **LARGE INDUSTRIAL INCENTIVE PROGRAM**



## PROGRAM GUIDELINES

### LARGE INDUSTRIAL INVESTMENT INCENTIVE PROGRAM STANISLAUS COUNTY

One of the priorities of the Stanislaus County Board of Supervisors is the development of "A strong local economy". Goal 1 of this priority is to facilitate job creation through: facilitating business park development, increasing workforce preparation skills and managing incentives and fee programs. The Extra-ordinary Investment Incentive Program (the "Program") has been developed to assist the facilitation of job creation in Stanislaus County in the Industrial sector.

The Program applicant may receive a discount in the amount of Public Facilities Fees (PFF) paid based on a sliding scale, with the maximum discount reaching 50% in the Manufacturing sector and up to 60% in Warehouse and Distribution sectors. The amount of the discount is determined by a point system based on the project's anticipated positive impacts to the County. With every 5 points the applicant gains a 1% discount in the PFF.

The minimum project size for participation in the Program is 150,000 sq. ft. for warehouse projects and 100,000 sq. ft. for manufacturing and distribution projects. Office space is not included in the square footage calculation. Cannabis industry projects are not eligible for this incentive.

Points are determined based on the following criteria:

1. **Total Capital Investment** – 3 points are awarded for every \$1 million of project capital investment to include land acquisition and development, building design and construction, tenant improvements, fixtures, construction management and non-County PFF government charges and fees – City fees can be included in this category.
2. **New Jobs Created** – 1 point is awarded for every new full time job created within the first 12 months of project completion. "New" is defined as a newly created position in Stanislaus County working a minimum 35 hours per week. There is no minimum new job requirement to be considered for participation in the program.
3. **Average Hourly Wage** - 1 point is awarded for every 1% of average hourly wage above the minimum wage calculated based upon on-site employees. Salaries of management and corporate officers are not included in the calculation of the average hourly wage.

4. **Bonus Points** (50 point maximum)

Additional Revenue	Points can be achieved in the Additional Revenue category for those projects that will contribute significant sales tax, mil tax or some other revenue source that goes directly to the County (excludes property tax which has been previously accounted for in the Capital Investment category).
Community Need	Points can be achieved in the Community Need category for those projects that are in a sector that has been previously identified as a "Community Need" such as bio-medical support, agricultural export, high-tech, etc...
"Attraction" Factor	Points can be achieved in the "Attraction Factor" category for those manufacturing uses that by their very nature will likely attract other sizeable suppliers and support businesses.
"Green" Factor	Points can be achieved in the "Green Factor" category for those projects that can demonstrate they are making significant additional efforts to reduce greenhouse gases consistent with the goals of SB375/AB32.
Location	Points can be achieved in the Location category for those projects that are sited in locations that meet strategic objectives of the County (transit oriented development, diverted trips through use of rail, infill, anchor to new business park, etc...)

5. Given the impact the PFF has on very large industrial facilities, industrial facilities greater than 300,000 square feet can qualify for an additional 5% discount above any discount determined based on the criteria listed above.

To participate in the program, applicants must submit the attached application at the time of initial project consultation with County Development Staff and enter into an agreement with the County that will provide for verification by the County of the applicant's capital investment, job creation and average hourly wages, and ensure sustainability of the jobs for a minimum 2 year period. An audit will be conducted at the end of the first and potentially second years of the program to verify that the original assumptions provided by the applicant did in fact materialize as stated in the application, and if not equivalent to or better than those projections, the discounted amount will be recalculated and the applicant will be required to pay the discrepancy amount.

## LARGE INDUSTRIAL INCENTIVE PROGRAM

### STEP 1:

- Contact Chief Executive Office, Public Facilities Fee (PFF) Coordinator either by phone or email; 209-525-4393, 209-525-6333, [chumleyt@stancounty.com](mailto:chumleyt@stancounty.com);
- Set up consultation meeting to provide project information such as, size of structure, valuation of project and number of anticipated employees; completed application packet; provide a detailed company background, history, solvency, etc.

### STEP 2:

- Project Developer then must complete and submit the application to the Public Facilities Fee (PFF) Coordinator with all supporting documentation.
- PFF Coordinator will accept the application and determine if the applicant qualifies for the discount.
- If the applicant qualifies the PFF Coordinator will take completed packet to the next PFF Committee meeting for committee review/action.

### STEP 3:

- If approved, the calculated discounted Public Facilities Fee (PFF) estimate will be based on information provided.
- Project Developer agrees to move forward based upon estimate given.
- The PFF Coordinator will contact/meet with the Project Developer (owner) and review the Agreement and move to sign and notarize the Agreement along with payment of the discounted fee amount.
- Once the Agreement is notarized and adjusted fees paid, it will then be forwarded to the Auditor's Office.

### STEP 4:

- Stanislaus County will be provided with a time line of 2 dates in which they will receive the Payroll records for the 1<sup>st</sup> year of business following occupancy, for review of staff pay amount and the amount of staff during the year;
- At month 13 an audit will take place and based on findings, the applicant may or may not have the amount of their discount adjusted. The decision will be based off a significant increase or decrease of development baselines provided and obligated to in initial application.

**LARGE INDUSTRIAL INVESTMENT INCENTIVE PROGRAM  
APPLICATION**

Applicant: \_\_\_\_\_

Project Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip Code: \_\_\_\_\_

A.P.N.(s): \_\_\_\_\_

Building Permit No: \_\_\_\_\_ Jurisdiction: \_\_\_\_\_

Type of Project (distribution, manufacturing): \_\_\_\_\_

Project Size: \_\_\_\_\_

Business History/Background/Solvency:

Incentive Criteria:

Total Capital Investment for the project: \_\_\_\_\_

New Jobs Created (within first 12 months of operation): \_\_\_\_\_

Average Hourly Wage (excluding management and corporate officers): \_\_\_\_\_

Bonus Points:

Bonus points can be awarded at the discretion of the County based upon a project's ability to contribute significant additional discretionary revenue to the County of Stanislaus General Fund, address a identified community need, attract other supplier and support businesses, demonstrate significant efforts to reduce greenhouse gases or be sited in a location that meets strategic objectives of the County. If you believe this project meets one or more of these objectives, please explain below (attach additional documents as necessary):

Additional Revenue:

Community Need:

Attraction Factor:

Green factor:

Location factor:



OTHER MATTERS:

At the end of the first and second years following issuance of any development permits, the County will conduct an audit of the Applicant's project to verify that the original assumptions provided herein by the Applicant did in fact materialize as stated in this Application, and if the results of the County's audit show the estimates are not equivalent to or better than those projections, the Public Facilities Fees discount amount will be recalculated and the applicant required to pay within 90 days any additional amount due as the result of a recalculation.

Applicant acknowledges it is the sole responsibility of the applicant to ensure that this Application is complete and is properly submitted to the County. Applicant hereby certifies that it has reviewed the requirements for participation in the Project and that it is eligible to participate in the Program and that to the best of its knowledge the information contained in this application is accurate and complete.

Applicant acknowledges that any information submitted to the County by the applicant in response to or in connection with the Application is subject to public disclosure requirements as set forth in the California "Public Records Act", California Government Code §§ 6250 - 6276.48.

Applicant acknowledges that the Large Industrial Incentive program is not a guaranteed incentive. Each applicant request will be reviewed by the County's Public Facilities Fees Committee for relevance, impact on program stability, and may be denied based upon those factors.

IN WITNESS WHEREOF, the applicant has read and agrees to the conditions set forth and has caused this Agreement to be executed by and through the applicant's authorized officers:

APPLICANT

By	Title	Date
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To be completed by County Staff

Incentive Program Points Awarded:

Capital Investment Points: _____	
New Jobs Points: _____	Public Facilities Fees: \$ _____
Hourly Wage Points: _____	
Project Size Points: _____	Public Facilities Fees
Bonus Points: _____	Discount: \$ _____
Total Points: _____	
Total Discount % _____	Total Public Facilities
	Fees Owed: \$ _____

Approved by	Date
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October 17, 2017