



Agenda Item 6

DATE: August 14, 2007
 TO: Board of Supervisors
 FROM: Bart Bohn, County Administrative Officer *Bart Bohn*
 SUBJECT: Status Report on the County Industrial Site Search

RECOMMENDED ACTION:

Receive status Report on County regional industrial site search and provide additional direction if necessary.

This agenda item provides your Board background and an update on the industrial site search and identifies the criteria to be used in this process and the financial role the County and the private sector will play in the creation of a regional 1000-acre industrial site.

FISCAL IMPACT:

There are no costs to be incurred by the County for the receipt of real estate services to be provided by the selected real estate firm of Pearson Realty. The costs of Pearson Realty will be paid by sales commissions paid by seller(s). Funding of land acquisition costs to be paid by the County will be funded from Tobacco Securitization Bond proceeds.

All acquisition costs and other related expenses will be reimbursed to the County of Fresno by a master private developer in charge of marketing and developing the site. All infrastructure and other industrial site improvement costs will be funded by private investors.

IMPACT ON JOB CREATION:

The primary objective of this project is to create new jobs from existing and new businesses. The creation of jobs will improve the economic base and the quality of life of residents of Fresno County.

ADMINISTRATIVE OFFICE REVIEW *Joe Lim-Bang*

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Directed Staff to add retail to the targeted industries, consider multiple sites outside of city spheres, develop a business plan, start the process for Request for Proposals for Master Developer, and return to the Board for further consideration.

CONSENSUS

UNANIMOUS _____ ANDERSON _____ CASE _____ LARSON _____ PEREA _____ WATERSTON _____

DISCUSSION:

Background:

On December 5, 2006 your Board authorized the issuance of a Request for Proposals for the selection and commission of a real estate consultant to assist in the search of a site or sites that in total may add up to 1000 acres for the creation of a regional industrial complex. The consultant is also assisting in the search of a site for an Agriculture and Food Safety Facility (A separate agenda item includes a discussion and actions for the Agriculture Facility item). The consultant may also help in the future to identify land to address office space needs of County government.

On February 28, 2007 after the RFP process was completed, the County Administrative Officer entered into a contractual agreement for real estate services with The Pearson Companies. Other firms interviewed but not selected included Fortune Associates and Colliers Tingey International, Dirk Poeschel Land Development Services, Ind.

Benefits of a new County Regional Industrial Site:

The creation of a new 1000-acre industrial site would address the Fresno region's need for a large industrial site that can be used for the expansion of existing businesses and the attraction of new businesses. The lack of a large industrial site has been an obstacle in the expansion and attraction of industry in Fresno County. A new regional industrial park would facilitate the creation of new jobs in unincorporated areas of Fresno County.

The creation of jobs helps reduce unemployment, improves quality of life of county residents, increases the buying power (per capita income) of residents and provides employment opportunities for individuals on public assistance. The newly created Enterprise Zone in Fresno County provides tax credit incentives to businesses (up to \$35,000 per new eligible employee over the next five years). Overall, when new jobs are created, more salary earnings are circulated back into the economy, more local sales tax revenues are generated and the multiplier effect benefits all areas of the local economy.

Role of County of Fresno and private sector in the creation of a regional industrial site:

The primary role of the County of Fresno in the creation of a regional industrial site is to facilitate its development. It is recommended that the County acquire the site or sites and zone the property for industrial use. After all County land use requirements for the industrial site are addressed, staff recommends that a Request for Proposals be issued for the selection of a private master developer that would have the exclusive right to buy, develop and market the site and to seek private investors. A development agreement to be entered between the County and the master developer would specify the terms and conditions of this relationship.

Costs incurred by the County will be fully reimbursed by the private master developer. The private developer will be expected to fund all infrastructure and on site and off site improvements. The County will assist in seeking State and Federal grants to offset some of the eligible costs.

Site Selection Criteria:

As part of the industrial site search process, County staff prepared and provided Pearson Realty a list of 10 subregions located in unincorporated areas of Fresno County including information about infrastructure available at each subregion. (Exhibit A) Pearson Realty has also received a map (Exhibit B) of the areas recently designated as a State Enterprise Zone. Under this Zone employers are eligible to receive tax credit incentives (up to \$35,000 over the first five years in the hiring of new eligible employees).

In developing a recommended selection criteria County staff consulted with the Industrial Site Infrastructure of the Economic Development Corporation and other economic development sources. Exhibit C provides in order of priority a list of key factors considered in a site selection process. The top ten factors are: highway accessibility, availability of skilled labor, occupancy of construction costs, labor costs, availability of telecommunications, availability of land, state and local incentives, energy availability and costs, environmental regulations and tax exemptions. Other factors including quality of life are listed in Exhibit C.

More specific requirements are applied depending on the industry cluster being targeted. Exhibit D shows a matrix with the "the top five hot buttons" to look for depending on the industry cluster being targeted. Based on recent growth trends and studies of industries with the greatest growth potential in the Central Valley, the industrial areas being targeted for this industrial site would include: Light manufacturing, logistics, warehousing and distribution. These industry clusters are included in the industry clusters being targeted in the County's Economic Development Strategy, the Economic Development Corporation and the Regional Jobs Initiative.

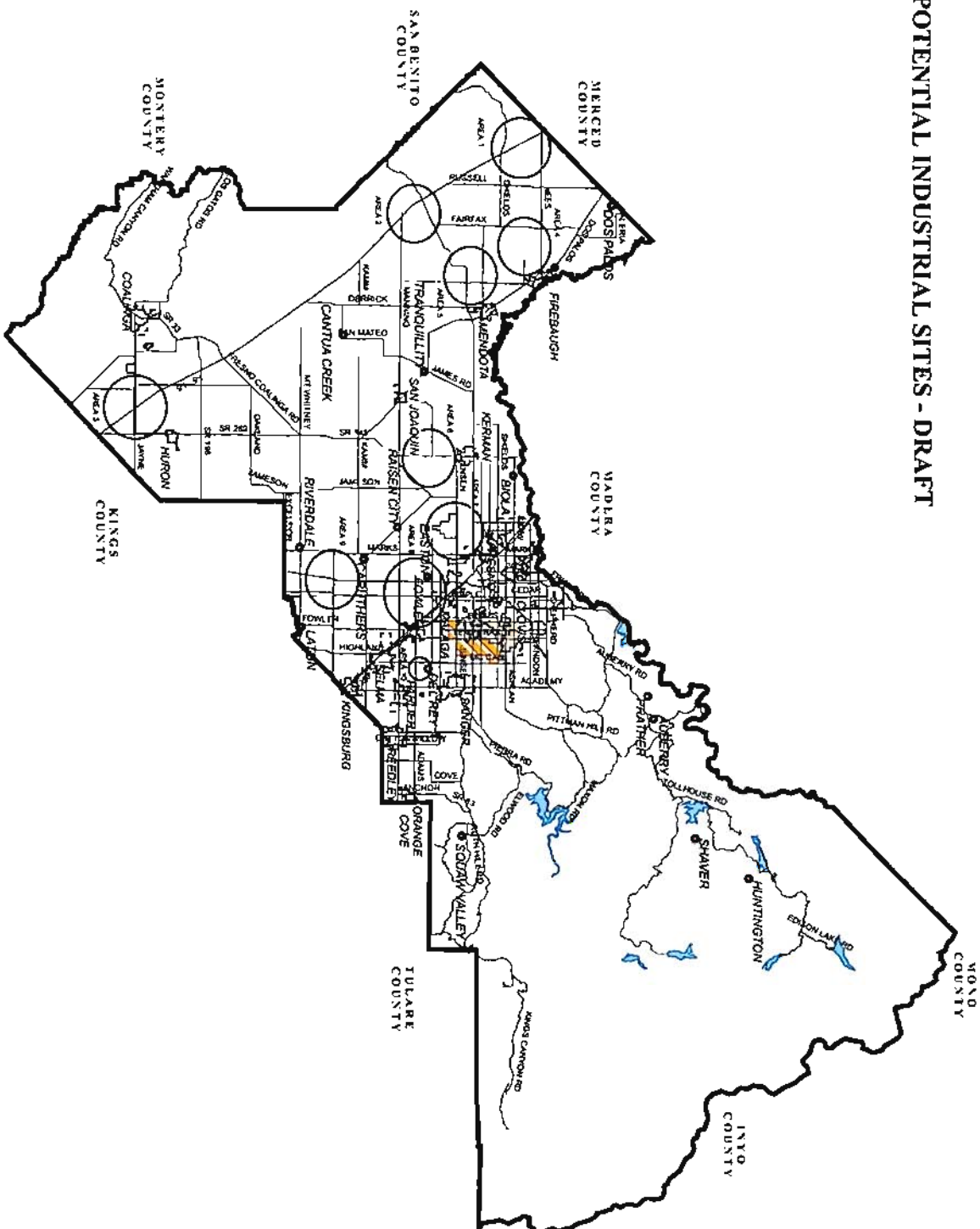
Pearson Realty conducted its own research relating to the top factors to be targeted in the selection of an industrial site. Pearson Realty's research has confirmed the importance of access to regional highway transportation corridors and multi-modal rail road systems. These factors are critical for the cost-effective movement of raw materials and finished products.

OTHER AGENCY INVOLVEMENT:

The Director of Public Works and Planning, the Economic Development Coordinator and the President of the Economic Development Corporation serving Fresno County assisted the County Administrative Officer in the interviews conducted as part of the real estate consultant selection process. The Purchasing Division coordinated the RFP process.

BB:cn

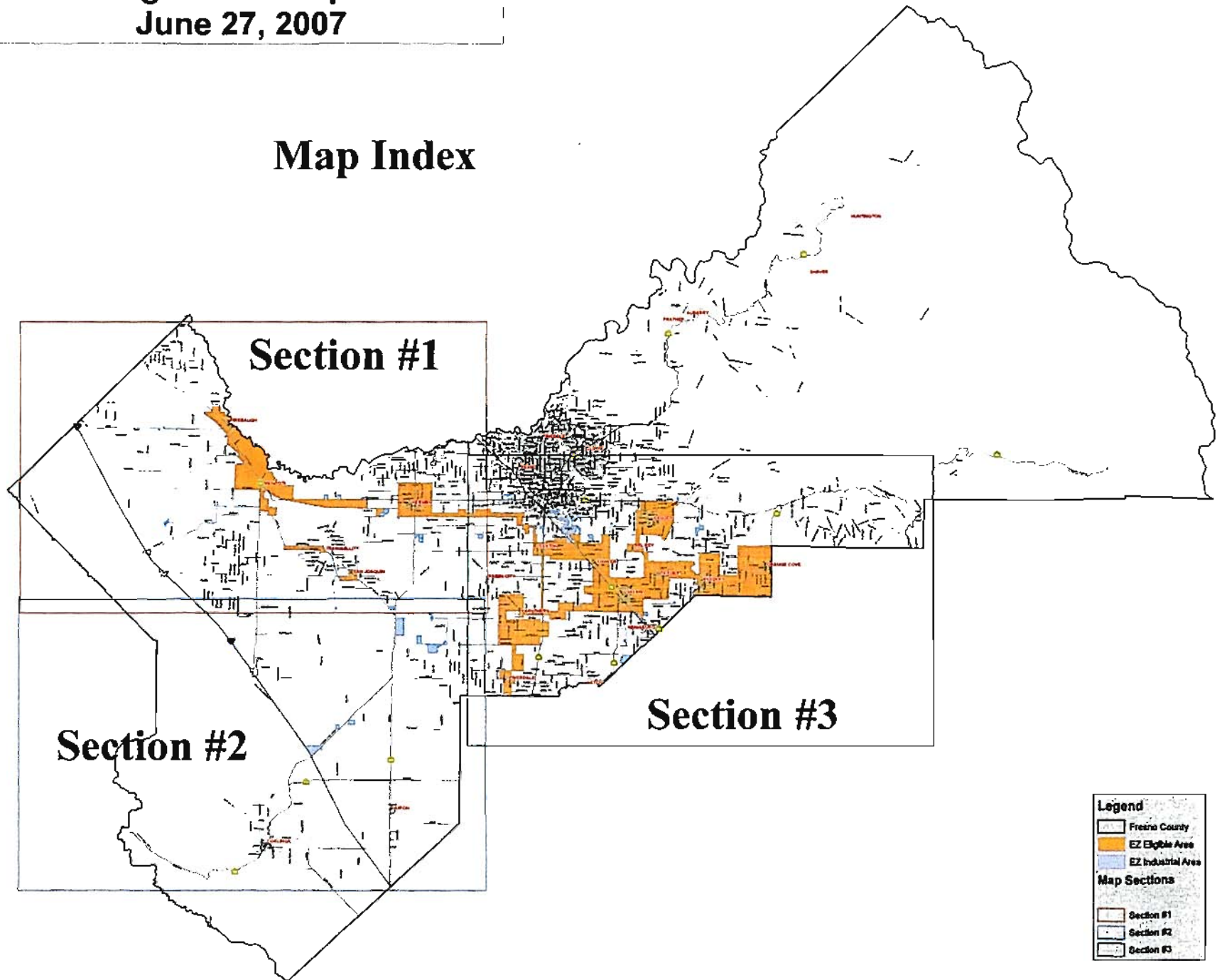
POTENTIAL INDUSTRIAL SITES - DRAFT



Fresno Regional Enterprise Zone
June 27, 2007

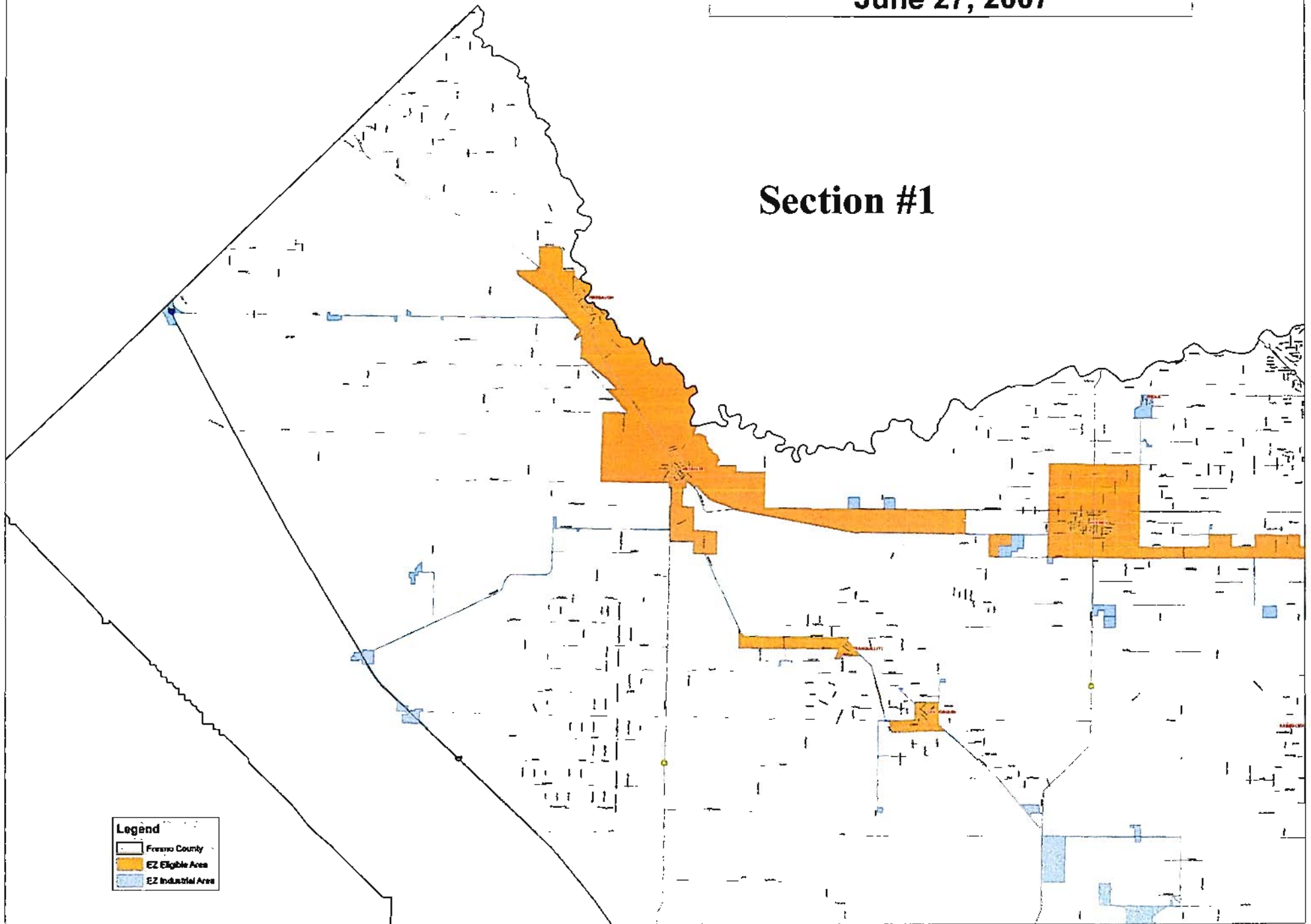
EXHIBIT B

Map Index



Fresno Regional Enterprise Zone
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Section #1

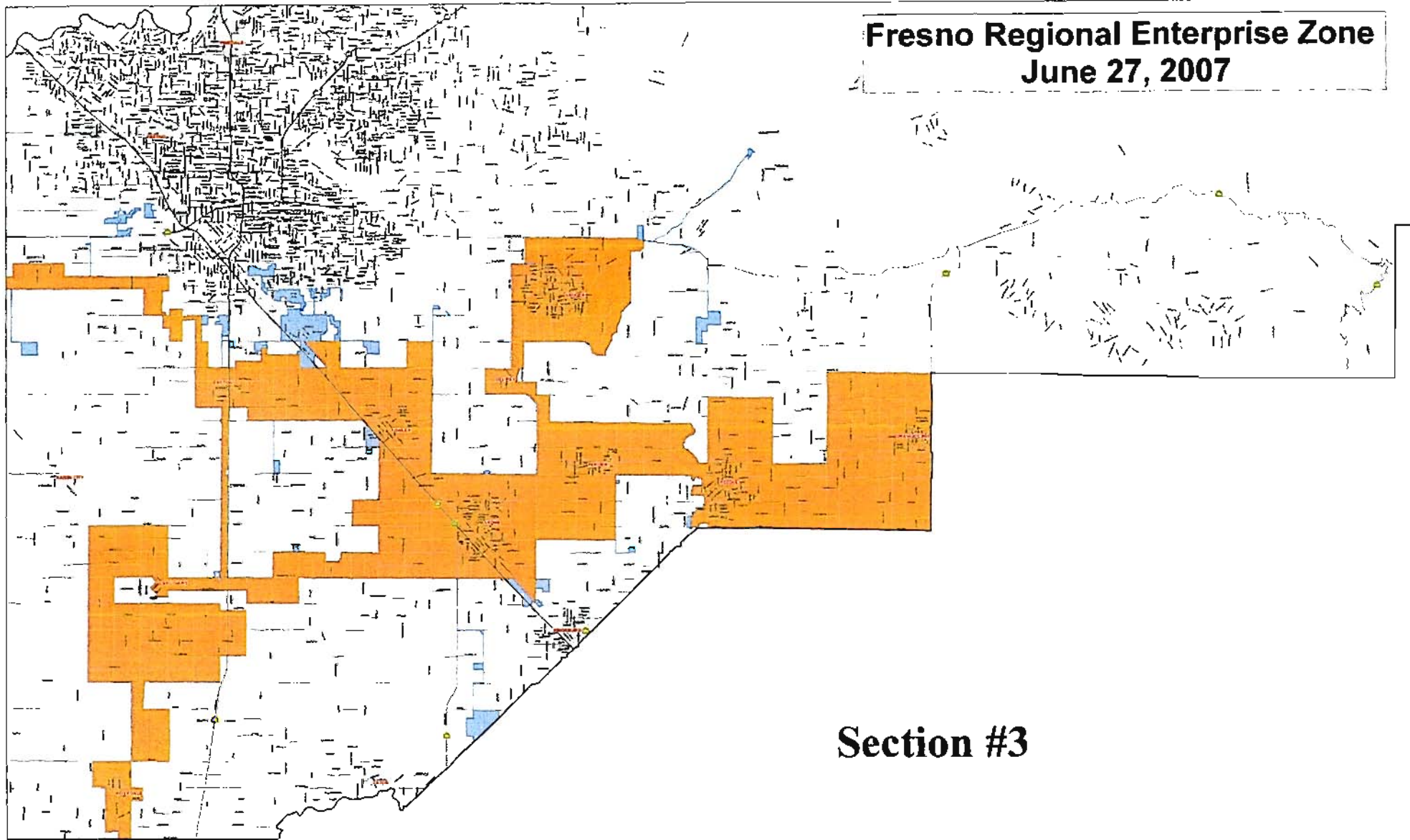


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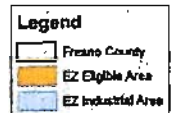
Section #2



Fresno Regional Enterprise Zone
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Section #3



PRIORITIZED SITE SELECTION FACTORS

RANKING	BUSINESS FACTORS	SCORE
1	Highway Accessibility	91.5
2	Availability of Skilled Labor	88.0
3	Occupancy or Construction Costs	85.7
4	Labor Costs	84.8
5	Availability of Telecommunications	82.0
6	Availability of Land	81.1
7	State and Local Incentives	80.9
8	Energy Availability and Costs	78.9
9	Environmental Regulations	78.6
10	Tax Exemptions	77.9
11	Nearness to Major Markets	76.9
12	Cost of Land	75.7
13	Low Union Profile	75.0
14	Nearness to Suppliers	65.3
15	Right-to-Work State	65.0
16	Availability of Long-term Financing	60.0
17	Accessibility to Major Airports	59.6
18	Availability of Unskilled Labor	55.8
19	Workers / Technical Programs	54.4
20	Raw Materials Availability	53.4
21	Near Technical University	32.7
22	Railroad Service	26.1
23	Waterway or Ocean Port Accessibility	16.8
	QUALITY OF LIFE FACTORS	
1	Low Crime Rate	81.3
2	Health Facilities	69.0
3	Ratings of Public Schools	68.6
4	Housing Costs	67.6
5	Housing Availability	66.1
6	Climate	56.4
7	Recreational Opportunities	54.5
8	Colleges and Universities in Area	54.3
9	Cultural Opportunities	49.2

Source: 1998 Annual Corporate Opinion Survey by Area Development Magazine, December 1998

TOP FACTORS CONSIDERED FOR SITE SELECTION

	Food Processing	Industrial Machinery	Machine Tools/Metal Working	Telephone Service Centers	Professional Business Services	Computer and Data Processing	Transportation Equipment	Apparel and Other Finished Textiles
1	Proximity to Raw Materials	Proximity to Markets	Cost of doing Business	Telecommunications Infrastructure nearby	Communications services	Educated Labor Force	Proximity to Markets	Labor Availability
2	Access to Distribution	Intermediate Manufactured Products	Labor Availability	Labor Availability	Access to business, professional and technical services	Labor Availability	Cost of Labor	Cost of doing Business
3	Low Cost, Available Labor	Precision Production and Repair	Proximity to Suppliers	Low-cost Labor	Secondary education quality	Quality of Life (housing affordability)	Labor Relations	Proximity to Markets
4	Water Supply and Wastewater Treatment	Cost of Labor	Energy Dependability	Job Training	Higher education quality	Proximity to Suppliers	Built Space Costs	Proximity to Suppliers
5	Access to Packaging Materials	Labor/Management Relations	Access to Intermediate Manufactured Products			Proximity to Markets	Energy Dependability	Public Infrastructure