



# Board Agenda Item 5

DATE: October 22, 2019

TO: Board of Supervisors

SUBMITTED BY: Supervisor Pacheco

SUBJECT: Proposed property tax rebates for Darling Ingredients, Inc.

RECOMMENDED ACTION(S):

**Discuss and provide direction, if necessary, on whether Fresno County should implement an economic development incentive program and the possible application of any such program to relocation of Darling Ingredients to a new site at the Fresno-Clovis Regional Wastewater Treatment Plant.**

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. However, should your Board eventually provide a property tax rebate for the Darling project, revenues rebated are estimated at \$6,743,602 over a 30-year period.

DISCUSSION:

Darling Ingredients, Inc., is a company involved in animal rendering located at 795 W. Belgravia Ave. in the City of Fresno. Using City of Fresno financial assistance and New Market Tax Credits, the company is proposing to move to the Fresno-Clovis Regional Wastewater Treatment Plant at Jensen and Cornelia avenues in the City of Fresno. Both sites are within the City of Fresno boundaries.

The company has been at the Belgravia Avenue site for about 70 years. The city annexed the site in the early 1970s and a residential community is nearby. In recent years, residents in the area have complained about odors coming from the plant. Moving the facility to the Wastewater Treatment Plant site resolves the community's problems with odor.

In April, the Mayor of Fresno sent the County Administrative Officer a request that the County participate in providing incentives for the move of the Darling facility. Under the City's proposal, the County of Fresno would rebate property tax revenues for the new Darling Ingredients facility at the sewage treatment plant for 30 years to help facilitate a move from the Belgravia Avenue location. Currently, the County lacks statutory authority to grant a tax rebate in the specific circumstances presented here. Neither of the properties involved in the move are in the County's jurisdiction or subject to any planning or code enforcement process on the part of the County. There is no existing County program or procedure for economic development that would allow for direct tax rebates under these circumstances. But staff believes that it can develop a program, particularly to deal with situations impacting the environmental and general health and welfare of

County residents, that would meet legal requirements should the Board so direct. The County Administrative Officer has concerns about the fiscal impacts on the County of any property tax rebate incentive that could be included in such a program.

The Board of Supervisors could direct staff to investigate developing an economic development program that would allow the County to offer various incentives for economic development purposes.

OTHER REVIEWING AGENCIES:

City of Fresno

REFERENCE MATERIAL:

BAI #3, August 20, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Letter from Tim Orman, Chief of Staff for Mayor Lee Brand NMTC Intake Form and Impact Questionnaire Map

CAO ANALYST:

Ronald Alexander