



**Requested Action:**

Receive an update on the progress being made with Colusa, Glenn and Yolo Counties toward entering into Development Agreements between the Authority and each County.

**Detailed Description/Background:**

This report continues the regular briefings the Board has been receiving on the preparation of Development Agreements with each County (Colusa, Glenn and Yolo) where project construction work is planned to occur. Prior reports have primarily identified the approach being taken related to property tax assessment (i.e. PILTs) and addressing roadwork – road repairs, road improvements and construction of a new road.

The focus of discussions with the Counties over the past several months has been on completing the “with Project” analysis of the positive/negative, short term/long term economic effects to come to a net effect of the Project and address the totality of the issues in a final negotiation. Also, Colusa County has progressed in the development of the Maxwell Community Plan<sup>1</sup> (MCP) with the community input, which is helping to define the Maxwell development potential and other issues.

A key consideration coming out of the MCP review is that, while Maxwell has housing development potential, there is strong community interest to meet project housing needs through temporary, RV-type parking at a level of ~5 to 6 lots near the Project sites with ~50 spaces per lot. This finding coordinates with the labor availability study results that fed into the Construction Workforce Policy (draft) associated with the Construction Manager at Risk procurement last month. This approach makes the project housing needs “self-contained” and aligns with what we are hearing from contractors that their workers prefer. This, along with recruiting workers from the Local Area

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<sup>1</sup> [1] “Maxwell Community Plan” means the planning activities being undertaken by Colusa County to evaluate and define the economic development opportunities associated with the Project and establish changes to land use designations or County codes, ordinances or regulations that will be necessary to implement the adopted plan for the Maxwell community area.

<sup>2</sup> Project Area = Colusa, Glenn and Yolo Counties.

Local Area = Project Area + Butte, Placer, Sacramento, Shasta, Sutter and Tehama Counties.

(encompassing the nine counties instead of just the three Project Area counties), also significantly reduces the negative effects on local public services.

Public service concerns remain about the effects of Project construction and operations on certain providers' ability to continue current service levels to the community "with the project." In the spirit of the Authority's value of "respect for local communities," Staff has engaged in discussions about these concerns and envisions, including a provision in the Development Agreement with Colusa County that specifically identifies that individual agreements will be negotiated with the following agencies:

- Maxwell School District
- Maxwell Fire District
- Colusa County Sheriff
- Maxwell Public Utilities District (water and wastewater)

With the Development Agreement negotiations nearing completion, Staff has complied with the current understanding of the key terms of agreement with each County in Attachment A, attached hereto. The Board's input on these terms is being requested so that final negotiations of the Development Agreements can occur. It is anticipated that the MCP will be completed in early Spring 2025 and the final versions of the Development Agreements will be brought to each signatory board for approval after that occurs.

**Prior Action:**

**July 2024 (Agreements Update):** Among other items, the Board received an update on the County Development Agreements.

**May 2024 (County Developer Agreements):** Reviewed and commented on approach to address County roads within Project footprint and identify county permits/approvals necessary prior to construction.

**Fiscal Impact/Funding Source:**

The cost of the preparation of the Development Agreements and the supporting analysis is included in the Amendment 3 work plan. Costs associated with the commitments being made will be incorporated into the updated Project cost estimate.

**Staff Contact:** Jerry Brown/Leanne Link

**Attachments:**

Attachment A- Key Terms of Development Agreements with Colusa, Glenn and Yolo Counties

## Key Terms of Development Agreements with Colusa, Glenn and Yolo Counties

On a general level, each Development Agreements will identify the requirements of the County as the land use authority and the means by which the permitting/approval needs of the Sites Project are to be fulfilled.

### Agreements and Assurances on the part of the Sites Authority

- The Project will be built and operated in substantial compliance with the approved Project design documents.
- New County roads (@ present 100% located in Colusa County) will be constructed to County standards and will be transferred to the County under a separate agreement.
- For all counties, the Authority will be responsible for repairing road damage attributable to the Project to an “as good or better condition” standard and must perform road maintenance in coordination with Public Works over the course of the Project.
- The Authority must complete any road improvements needed for the Project in accordance with existing County standards in the affected County.
- The Authority commits to investigating a north access to recreation areas accessible from Glenn County with input by the local community.
- The Authority commits to performing local community workforce training and development and will set, monitor, and enforce hiring goals for Project workers from the Project Area and Local Area in accordance with the Authority’s Construction Workforce Policy.
- The Authority will implement its applicable CEQA air quality and GHG mitigation measures in a manner that coordinates with each County’s overall needs and objectives, to the extent feasible.
- The Authority will use best efforts to enter into agreements with Maxwell Unified School District, Maxwell Fire Protection District, Maxwell Public Utilities District (water and wastewater), and Colusa County Sherriff Department that puts measures in place, paid for by the Authority, that avoid degrading levels of service to existing residents “with project”.
- The Authority will be responsible to make annual payments in lieu of taxes (PILTs) in accordance with specified methodology related to property under Authority ownership with each County as validated by the respective County Auditor-Controller.
- To the extent allowed by law, the Authority will require construction contractors to participate in job-site sub-permit reporting to maximize local sales and use taxes collected on behalf of the County’s.
- The Authority would grant first right of first offer for any defaulted capacity rights in the Project to the County if on the waiting list for such capacity.

- The Authority will be responsible to pay, on a pass-through basis, for actual County cost of processing ministerial permits and approvals, design review and construction monitoring/testing of County Road repairs, improvements, and new construction in accordance with the respective County's adopted fee schedule.
- The Authority and County will agree on a process for coordinating changes or landowner concerns raised regarding the implementation of best management practices (BMPs) covered under Final EIR/EIS.
- The Authority maintains sole authority over BMP changes, however the Counties maintain legal rights to object to Authority BMP changes.

#### Agreements and Assurances on the part of the Counties

- Each County would recognize the Authority's vested rights to develop the Project subject to the terms and conditions of the Development Agreements.
- Each County would agree to expeditious processing of land use approvals, any discretionary actions, any ministerial permits and approvals and any other approvals or actions required for Project implementation
- Each County would agree that any action taken by the County after the effective date of the Development Agreement that might affect the Project in any way would not apply to the Project unless agreed to by the Authority.
- Each County would agree to use of the Property for the Project and would not unreasonably withhold or condition land use approvals necessary for the Project construction and operations/maintenance.
- Each County would not be able to claim default of the Agreement if the Project is not constructed and completion is not achieved.
- Each County would allocate PILTs made by the Authority among the entities and purposes in amounts and proportions that would otherwise be received by these entities and purposes.
- Each County will conduct an evaluation upon considering required permits and approvals and make assessments of impact fees, as applicable to building construction, and in accordance with zoning ordinances in effect at the time of executing this DA. Impact fees must be tied to a specific service or service capacity that is directly impacted by the Project and not already covered in this DA.

(Note: In the case of Yolo County, there is an existing agreement entered into between the Authority and Yolo County in December 2023 which has terms consistent with several of these key terms. There are additions in these key terms that will need to be incorporated into the December 2023 existing agreement in a manner acceptable to both parties. It is expected that the Developer Agreements with each County will be consistent across all three parties.)