

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***Notice to Board of Executive Director’s Determinations for Specific Parameters under the
Sales and Use Tax Exclusion Program***

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SUMMARY

The regulations for the Sales and Use Tax Exclusion (“STE”) Program (the “Program”) contain several provisions that require the Executive Director of the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) to determine various parameters for use by the Authority when evaluating Applications for the Program.

These parameters can be updated by the Executive Director when it is determined that an adjustment of parameters will further advance the goals of the Program, is required by the regulations, or will otherwise improve the accuracy of Application evaluations. The ability to adjust parameters provides CAEATFA with an important tool to respond to the dynamic nature of the technologies and industries served by the Program.

The Executive Director has determined that updating the unemployment rate would advance the goals of the Program and improve the accuracy of Application evaluation. Staff anticipate updating additional parameters in the near future.

This item is presented for the Board’s information only. No action is required.

BACKGROUND

In order to evaluate the fiscal and environmental benefits of an Application, the evaluation criteria embodied in the STE Program regulations rely on a number of specific values and parameters that the Executive Director must determine based on relevant research literature, consultation with professional economists or outside experts, information provided by other State agencies, and data provided by the public.

The Blue Sky Consulting Group provided significant input into the selection of the parameters and their initial values, these proposed modifications, and the integration of parameters into the net benefits evaluation.

The Board approved the Program’s initial parameters in September 2010. The most recent update to the parameters was implemented in December 2017.

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While reviewing the Applications for consideration at this March 2020 Board meeting, it was determined that updating the unemployment rate, which is one of the Competitive Criteria, would advance the goals of the Program and improve the accuracy of Application evaluation. The current annual average unemployment rate for the state and counties are used to determine whether Applicants are eligible for additional points based on the unemployment rate where the facility is located compared to the statewide average employment rate. Staff anticipate updating additional parameters in the near future.

The current annual statewide average unemployment rate decreased from 5.1% (2017 data) to 4.1% based on the most recent annual data from the Employment Development Department. Below is a table of the employment rate for each county.

County	2019 Rate
Alameda County	2.9%
Alpine County	5.2%
Amador County	3.8%
Butte County	4.9%
Calaveras County	3.8%
Colusa County	12.9%
Contra Costa County	3.0%
Del Norte County	5.7%
El Dorado County	3.5%
Fresno County	7.2%
Glenn County	6.2%
Humboldt County	3.6%
Imperial County	19.3%
Inyo County	3.6%
Kern County	7.8%
Kings County	7.9%
Lake County	5.0%
Lassen County	4.6%
Los Angeles County	4.4%
Madera County	7.0%
Marin County	2.2%
Mariposa County	4.7%
Mendocino County	3.9%
Merced County	8.1%
Modoc County	7.2%
Mono County	3.4%
Monterey County	6.2%
Napa County	2.9%
Nevada County	3.3%
Orange County	2.8%
Placer County	3.1%
Plumas County	7.9%

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Riverside County	4.2%
Sacramento County	3.6%
San Benito County	5.1%
San Bernardino County	3.8%
San Diego County	3.2%
San Francisco County	2.2%
San Joaquin County	5.9%
San Luis Obispo County	2.8%
San Mateo County	2.0%
Santa Barbara County	3.7%
Santa Clara County	2.5%
Santa Cruz County	4.8%
Shasta County	4.7%
Sierra County	5.5%
Siskiyou County	6.5%
Solano County	3.8%
Sonoma County	2.7%
Stanislaus County	6.1%
Sutter County	7.4%
Tehama County	5.6%
Trinity County	5.6%
Tulare County	9.6%
Tuolumne County	4.5%
Ventura County	3.6%
Yolo County	4.1%
Yuba County	6.2%