

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL INSTITUTING A PILOT
PROGRAM TO INCENTIVIZE JOB CREATION ALONG
THE VENTURA/KINGS CANYON CORRIDOR EAST OF
FIRST STREET.

WHEREAS, the City desires to provide incentives to facilitate job creation in the
City; and

WHEREAS, commercial and mixed-use development creates jobs, increases
property and sales taxes, attracts more business, and creates and enhances vibrant
neighborhoods; and

WHEREAS, the City has recently began Bus Rapid Transit service along the
Ventura/Kings Canyon corridor in southeast Fresno, and the City wishes to incentivize
job creation along the corridor; and

WHEREAS, the City has adopted various development impact fees to mitigate
the impacts of new development and to fund infrastructure to serve new development,
including parks, trails, fire stations, police substations, street improvements, and traffic
signals pursuant to the Mitigation Fee Act (Gov. Code 66000 et seq.); and

WHEREAS, public infrastructure to support mixed use and commercial infill
development currently exists along the Ventura/Kings Canyon corridor, so the need for
additional development impact fees to pay for development impacts in those areas are
reduced or eliminated; and

WHEREAS, the City recognizes the elimination of selected impact fees will
reduce the amount of funds available for use on public facilities for each fee that is
eliminated; and

WHEREAS, certain public facilities that were planned at the time of adoption of the current impact fees may need to be reduced or eliminated as unnecessary, nonessential, or delayed; and

WHEREAS, the City recognizes a fee cannot be increased on future developments or other developments to make up for fees eliminated for certain development projects; and

WHEREAS, the City recognizes a portion of the eliminated fees may need to be offset by either reducing the public infrastructure investments that are the basis for the current fee schedule and/or identifying other legally available funding sources; and

WHEREAS, the City desires to provide the incentive to new commercial and mixed use development along the Ventura/Kings Canyon Corridor at the earliest possible opportunity to incentivize job creation; and

WHEREAS, to further incentivize job creation and new commercial and mixed use development along the Ventura/Kings Canyon Corridor the City desires to provide sales, property, and business license tax rebates to eligible businesses which create jobs along the corridor; and

WHEREAS, the City wishes to test this type of incentive program by implementing an 18-month pilot program along the Ventura/Kings Canyon Corridor.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. Consistent with the goals of the Economic Expansion Act, the City Manager shall be authorized and directed to reduce and/or eliminate the amount due for

citywide Impact Fees of every type, except water connection charges and sewer connection charges, if the following criteria are met:

a. The development is a commercial or mixed-use development on vacant property along the Ventura/Kings Canyon Corridor, east of First Street. For the purpose of this resolution, “vacant” shall mean any parcel or storefront, developed or undeveloped, that has been without an occupant or tenant for a period of one month or more;

b. The development is owner-occupied or subject to lease of three years or more;

c. Necessary public infrastructure is already in place;

d. The development will create and sustain at least a net five new full-time equivalent jobs that are a good match for the available workforce in the four-county Fresno commute shed; the applicant shall have a continuing annual obligation to document the jobs created, and the applicant’s records shall be subject to City audit to verify the necessary information;

e. The development will create an increase in assessed valuation, and therefore property tax receipts due to the City, which combined with potential sales tax revenue and other revenue streams resulting from the job creation and economic activity of the development, help offset the reduced fees and other incentives in the long term; and

f. The business is not simply relocating from another location within the City of Fresno.

g. The business is current on its business license tax.

2. In addition to the annual report required under the Mitigation Fee Act, the Administration shall provide Council an annual report detailing the amount and type of development impact fees reduced for each development project, along with the running total of reduced fees that may need to be offset by other legally permissible City funding sources. The annual report shall contain information about jobs created as a result of the incentives provided herein.

3. The City Manager is further authorized and directed to enter into an agreement consistent with this resolution to fully rebate the following taxes once actually paid by or on behalf of a business meeting the criteria set forth in Section 1 above, for a period of up to 10 years, and upon the execution of an economic incentive agreement between the business and the City:

a. 50% of the City of Fresno's share of local sales and use taxes as of the date of this Resolution, pursuant to California Revenue and Tax Code section 7203.1 (the City shall not rebate a portion of any special tax); and

b. For owner occupied properties, 50% of the incremental City property tax attributable to investment made or caused by the business.

4. Program applicants shall be eligible for tax rebates after satisfying all criteria in Section 1 for one full year, and must maintain eligibility over the life of the economic incentive agreement.

5. The total value of incentives granted to a business under this Resolution shall not exceed \$15,000 per full time equivalent employee, not to exceed \$375,000 total.

6. The City Manager's authorization and direction to reduce and/or eliminate

selected impact fees and enter into an agreement regarding tax rebates shall apply to jobs created after the effective date of this resolution. A proportional share of any one-time incentive granted pursuant to this resolution, such as an impact fee waiver, shall be rebated to the City if the applicant does not remain in compliance with the criteria set forth in Section 1 for the full ten years. Incentives granted pursuant to this resolution shall be to the exclusion of other City incentive programs.

7. This Resolution shall expire 18 months from its adoption, unless renewed by Council.

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____, 2018.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2018
Mayor Approval/No Return: _____, 2018
Mayor Veto: _____, 2018
Council Override Vote: _____, 2018

YVONNE SPENCE, MMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: _____
Katie Doerr [Date]
Chief Assistant

KBD:ns [78918ns/kbd]