

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, ADOPTING A PILOT PROGRAM TO INCENTIVIZE JOB CREATION WITHIN PORTIONS OF THE TOWER DISTRICT LOCATED WITHIN DISTRICTS 1 AND 3 AND THE PORTION OF THE AREA WEST OF HIGHWAY 99 BETWEEN CLINTON AVENUE AND SHAW AVENUE LOCATED WITHIN DISTRICT 1

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 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, 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 the eliminated fees need to be offset by identifying other legally available funding sources; and

WHEREAS, the City desires to provide the incentive to new commercial and mixed-use development within a portion of the Tower District located within District 1 and 3 (Districts 1 and 3 Tower District Incentive Area) and the portion of the area west of

Highway 99 between Clinton Avenue and Shaw Avenue located within District 1 (District 1 Incentive Area) at the earliest possible opportunity to incentivize job creation; and

WHEREAS, to further incentivize job creation and new commercial and mixed-use development within the District 1 Incentive Area and the Districts 1 and 3 Tower District Incentive Area, the City desires to provide sales, property, and business license tax rebates to eligible businesses which create jobs within the District 1 Incentive Area and the Districts 1 and 3 Tower District Incentive Area; and

WHEREAS, the Council now wishes to establish an 18-month pilot program under the terms set forth below.

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 business is a local business. For purposes of the Resolution, a “local business” means those commercial or retail businesses which are licensed by the City of Fresno, meet all requirements to conduct business within the City of Fresno, and whose principal place of business or headquarters is located within City limits;

b. The development is a commercial or mixed-use development on vacant property within the District 1 Incentive Area and the Districts 1 and 3 Tower District Incentive Area. The Districts 1 and 3 Tower District Incentive Area is

defined as the portion of the Tower District identified in Exhibit A. The District 1 Incentive Area is defined as the area west of Highway 99 between Clinton Avenue and Shaw Avenue within Council District 1, as depicted in Exhibit B. 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;

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

d. Necessary public infrastructure is already in place;

e. 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;

f. 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;

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

h. The business is current on its business license tax; and

i. Funding is available in the adopted City budget to transfer into the

impact fee accounts to offset the amount of any reduced or waived impact fees.

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. 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 ten 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. Any business or developer operating as or intending to operate as a “retail tobacco store,” as defined by Fresno Municipal Code section 10-1103, or any business regulated under Fresno Municipal Code Chapter 9, Article 33 “Cannabis Retail Business and Commercial Cannabis Business” within the District 1 Incentive Area and Districts 1 and 3 Tower District Incentive Area shall not be eligible for the incentives established by this Resolution.

8. This Resolution shall expire 18-months from its Effective Date, unless renewed by Council.

9. This resolution shall be effective upon final approval.

* * * * *

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

I, TODD STERMER, 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 _____, 2023.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2023
Mayor Approval/No Return: _____, 2023
Mayor Veto: _____, 2023
Council Override Vote: _____, 2023

TODD STERMER, CMC
City Clerk

By: _____
Deputy Date

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Jennifer M. Quintanilla Date
Senior Deputy City Attorney

Attachments:
Exhibit A - Districts 1 and 3 Tower District Incentive Area
Exhibit B - District 1 Incentive Area

Exhibit A - Districts 1 and 3 Tower District Incentive Area

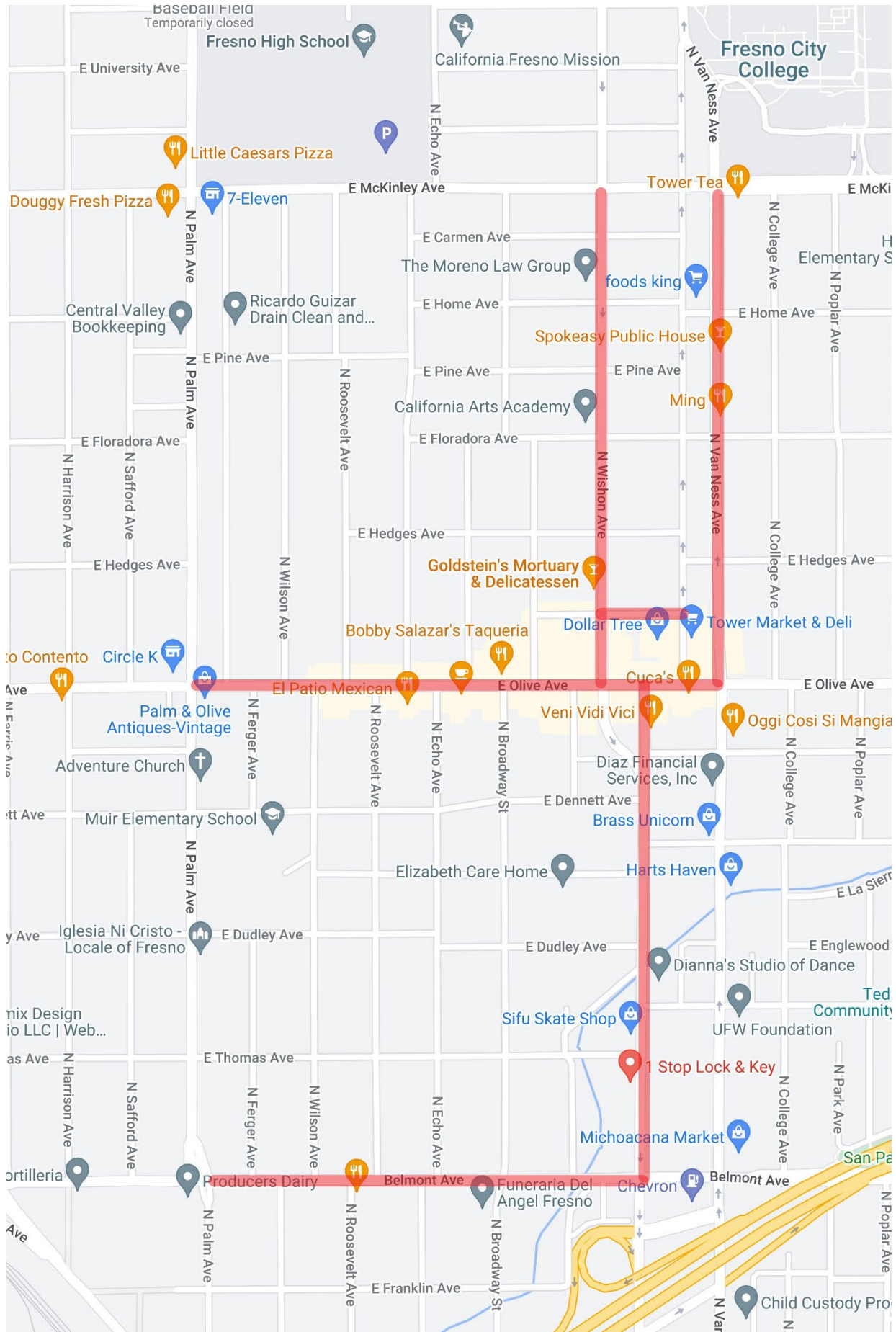


Exhibit B – District 1 Incentive Area

