

**RESOLUTION NO. 2015-13**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KINGSBURG ADOPTING A POLICY AUTHORIZING THE CITY MANAGER THE AUTHORITY TO REDUCE SELECTED CITY CAPITAL FACILITIES FEES FOR COMMERCIAL DEVELOPMENT PROJECTS THAT CREATE NEW JOBS, INCREASE ASSESSED PROPERTY VALUATION, AND PROMOTE ECONOMIC DEVELOPMENT**

**WHEREAS**, the City of Kingsburg (“City”) desires to provide incentives to facilitate commercial development and revitalization in the City; and

**WHEREAS**, certain commercial development creates permanent jobs, increases property taxes, and promotes additional business attraction, retention and expansion, which are the foundation of the financial well-being of the City; and

**WHEREAS**, the economic recession and the resulting slowdown has made it more difficult to finance commercial development projects; and

**WHEREAS**, Pursuant to the Mitigation Fee Act (Gov. Code 66000 et seq.) the City has adopted various Capital Facilities Fees (i.e. development impact fees) to mitigate the impacts of new development and to fund infrastructure to serve new development, including, without limitation, parks and recreation, fire facilities and equipment, police facilities and equipment, and transportation facilities; and

**WHEREAS**, in certain areas of the City, public infrastructure to support commercial uses currently exists, so the need for additional Capital Facilities Fees (collectively “Fees”) to pay for development impacts in those areas are reduced or eliminated; and

**WHEREAS**, the City recognizes that reduction of selected Fees will reduce the amount of funds available for use on public facilities for each fee that is reduced; and

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

**WHEREAS**, the City recognizes a Fee cannot be increased for future developments or other developments to make up for the reduction of Fees for certain development projects; and

**WHEREAS**, the City recognizes a portion of the reduction of 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 development at the earliest possible opportunity to stimulate job creation.

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

1. The City Manager shall be authorized to reduce the amount due for City Capital Facilities Fees of every type if the following criteria are met:
  - a. Type of development project: The development is for an approved commercial project and the business associated with the project supports, leverages, or creates expansion opportunities in designated Business Improvement Zones (BIZ);
  - b. Permanency of the business: The development project is owner-occupied or subject to a long term lease (i.e. ten years);
  - c. Job Creation: The development project will create or retain jobs that are a good match for the available workforce in the Kingsburg area;
  - d. Location: The development project site is located in an area of the City where public infrastructure to support the proposed commercial development currently exists;
  - e. Zoning: The development is located in approved Business Improvement Zone locations; and
  - f. Overall revenue generation for the City: The development project 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 project, help offset the reduced fees.
2. As the Fees are designed to pay for public infrastructure, the reduction in Fees under this Resolution shall not cause the payment of prevailing wage to be required for the portion of any development project that is not public infrastructure.
3. In addition to the annual report required under the Mitigation Fee Act, the City Manager shall prepare and present a report to the City Council by the end of the one year term of this Resolution, detailing the amount and type of Capital Facilities 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, and/or capital improvement projects planned at the time of adoption of the Fees that will be reduced or eliminated.
4. The City Manager's ability to reduce and/or eliminate Fees shall apply to all new qualifying development projects upon which building permits are issued after the effective date of this Resolution.

- 5. This Resolution shall expire one year after the date of its adoption after which all Capital Facilities Fees for commercial projects will revert back to the full rate at that time without further action by the City.

I, Sue Bauch, City Clerk of the City of Kingsburg, certify that the foregoing resolution was adopted by the City Council of the City of Kingsburg, at a regular meeting held on the 18<sup>th</sup> day of March, 2015 by the following vote:

AYES: COUNCIL MEMBER(S): Creighton, Smith, Roman, and Mayor Reilly  
NOES: COUNCIL MEMBER(S): None  
ABSTAIN: COUNCIL MEMBER(S): None  
ABSENT: COUNCIL MEMBER(S): Blayney

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City Clerk Sue Bauch  
City of Kingsburg