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Staff Report

ITEM 6

To: Lemoore City Council
From: JP Prichard, Administrative Analyst 
Date: July 31, 2013
Subject: Request to Modify Area Impact Fee Designation – Montrio Capital Partners

Discussion:

Resolution 2011-10, which set the current rate of development impact fees for the City (outside of special consideration given to in-fill project), states that:

“Any person subject to a fee required by this Resolution may apply to the City Council for a reduction, adjustment, or waiver of that fee based on the absence of a reasonable relationship between the impact of that person’s commercial, industrial, or residential development project on demands on infrastructure types in the City of Lemoore”

Montrio Capital Partners has a Multi-Family Residential development project located between State Highway 41 and 19 ½ Avenue, immediately north of the railroad tracks running through the City. Attached for Council review is a letter from the developer requesting a fee reduction on various grounds.

Originally, this area was planned to be zoned Highway Commercial. Consequently, it maintained a stronger nexus with West Side properties immediately surrounding the Highway 41/Bush Street Interchange. However, a case can be made that, as a Multi-Family Residential project, it bears a stronger nexus with the infrastructure needs of East Side development. Therefore, it would not be inappropriate to consider charging Montrio Capital Partners the East Side Development Impact Fees instead.

The second request made by Montrio Partners is to waive the Community Recreation Facility Fee. While the developers will be providing a number of amenities for their residents, they will not have the same variety that the City provides, nor are they likely to be open to non-residents. Therefore, it is suggested that this fee be charged for this development.

Budget Impact:

Should the Council agree to allow the use of East Side Fees instead of West Side Fees, the City will collect approximately \$321,000 less revenue from development impact fees. However, it is assumed that there would be a corresponding reduction in the need for City infrastructure from the project.

Waiving the Community Recreation Facility Fee will result in a \$124,000 less revenue without a corresponding reduction in infrastructure needs.

Recommendation:

Staff recommends that the Council allow for the project to be considered an East Side development for purposes of determining its development impact fees. Staff further recommends that Council not waive the Community Recreation Facility Fee.