

AUTHORITY TO IMPOSE AND CHARGE DEVELOPMENT IMPACT FEES

The City Council of the City of Lemoore is granted authority to establish and charge development impact fees as a condition of approval of a development project for the purpose of defraying the costs of public facilities (including public improvements, public services and community amenities) related to development projects.

Development impact fees may be established and charged to pay for the cost of development of streets and thoroughfares, law enforcement facilities and equipment, fire facilities and equipment, general city facilities, storm water drainage facilities, wastewater collection facilities, water supply and holding facilities, water distribution facilities, refuse collection, hauling, handling, disposal and recycling facilities, and parks and recreation facilities. (Ord. 2001-06, 9-4-2001)

**Get a Sales Tax Credit
toward your deferred
Development Impact Fees**



**For more information,
please contact:**

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Impact Fee Deferral Sales Tax Credit Program



**Ask Us How You Can
Save Money Now
When You Locate or
Expand Your
Business In Lemoore**

Ask how you can Defer a Portion of your Development Impact Fees and get a Sales Tax Credit toward your Deferred Amount

The purpose of charging development impact fees is to prepare and budget for future increases and improvements to the City's infrastructure that will eventually be required as a result of new development. When new development occurs in Lemoore, it places stress on the City's existing infrastructure. While the City might not need to drill a new well or replace an existing street for one additional business or residence, the cumulative impact of new development will eventually require more infrastructure to be built or improvements to be made to existing infrastructure. Thus, each new project is required to pay a fee equal to its proportionate share of the cost for the new infrastructure.

Impact fees are based on the actual cost of the infrastructure. The fees are collected and placed in an account dedicated to the future construction or repair as it becomes necessary.

However, since the economy continues to struggle, Council has approved a **Temporary Development Impact Fee Deferral / Sales Tax Credit Program.**



TEMPORARY IMPACT FEE DEFERRAL/SALES TAX CREDIT PROGRAM GUIDELINES

On January 7, 2014, the Lemoore City Council approved a program to temporarily defer twenty-five percent (25%) of the development impact fees for sales tax producing businesses, and then, based on actual sales tax revenue generated from the new or expanding business during its first three-year period, the business will be given a credit for up to fifty percent (50%) of the sales tax revenue against the impact fees that were deferred. This incentive will give some businesses relief from impact fees as well as make sure the City has adequate balances in its impact fee accounts to upgrade the infrastructure when needed.

Criteria

- ◆ Available for two years beginning February 1, 2014.
- ◆ Impact Fees will be calculated as usual for all businesses building in the City of Lemoore.
- ◆ Businesses that wish to participate in the Impact Fee Deferral Program may do so by entering into an agreement with the City of Lemoore.
- ◆ Businesses that are expected to generate sales tax will be able to defer up to twenty five percent (25%) of their impact fees for a period of three years.

Criteria Continued:

- ◆ Fifty percent (50%) of the actual sales tax revenue generated by the business paid to the City of Lemoore during the afore-mentioned three-year period will be credited against the deferred impact fees.
- ◆ At the end of the three-year deferral period, the business will pay the balance of the impact fees owed (deferred impact fees minus 50% of sales tax generated), not to exceed the amount of impact fees deferred.
- ◆ On any remaining balance after year three, interest equal to that which the City would have earned in its LAIF accounts over the three-year period will be applied.
- ◆ The application period will be for businesses that open for business between February 1, 2014 and February 1, 2016.
- ◆ Businesses must be new to the community, expanding their business, or opening an additional location. Relocating businesses are not eligible. In the case of a business expansion or the opening of an additional location, only the increase in sales tax will be considered when calculating the credit to impact fees.
- ◆ If the business defaults on payment of the deferred impact fees in year three, the City of Lemoore will place the remaining balance on the tax roll to be collected by the Kings County Assessor's Office.

**Defer a Portion
Credit a Portion**