

## Visalia Stimulus Package Overview

Council Approved Actions on April 19, 2010 (effective May 1, 2010)

- 1) Until December 31, 2010, offer to defer all impact fees until close of escrow or December 31, 2011
  - Deferring the fee until close of escrow would allow the developer to pay for these fees from the property's sale, improving the ability to finance projects.
- 2) Continue to offer the 5-year impact fee financing for industrial projects secured by a lien against real property.
  - Continuing to offer to finance impact fees for industrial property to be paid via the tax roll when secured against real property offers sizeable assistance to development.
- 3) Until December 31, 2010, offer a 5-year financing of transportation impact fees (TIF) for all commercial projects whose TIF fees exceed \$10,000 (Cost: no cost if projects postponed. \$70,000 for each \$1 million deferred if projects are financed.)
  - Transportation Impact fees represent significant costs to commercial development due to the assumed large traffic volumes.
- 4) Expedite commercial and large residential development projects in excess of \$1,000,000 until December 31, 2010.
  - Because City staff can do this work, the plan checks will be completed more quickly.
- 5) Large User, Transient Occupancy (Bed) Tax Rebate.
  - For large events with over 1,000 room nights in Visalia that are contracted and held before December 31, 2011 provide a 50% Transient Occupancy Tax rebate to the organizing committee.
  - If 6 such events occur at the 1,000 room night level at a cost of \$100 a room, the rebate would be \$30,000. The total TOT garnered from 6,000 room nights would be \$60,000.
  - At the \$236 per delegate night spending projection provided in the independent HVS study, the total economic impact to Visalia from 6,000 room nights would be \$1.4 million.
- 6) Participate in the CaliforniaFIRST energy efficiency and solar energy low-interest financing program for Visalians
  - This would enable Visalia property owners to install energy efficiency retrofits and/or solar energy systems which will significantly lower their ongoing energy costs and put contractors to work installing these systems.
  - Staff estimates that the CaliforniaFIRST program would create approximately \$2,700,000 annually in new energy efficiency and solar energy projects in the City and approximately 30 jobs in the growing green-jobs industry as well as trades such as plumbing, electrical, and HVAC.

## Council Approved Actions on June 7, 2010 (effective immediately)

- 1) Reduce Transportation Impact Fees by 15% "across the board".
  - Deferring \$10.5 million in projects bordering or just outside of the 165,000 UDB.
  - Utilizing \$3.4 million from the State's Corridor Mobility Improvement Account Fund to be used for the Plaza Drive Interchange Project.
  - Reduce the right of way acquisition costs by 65% to reflect current market conditions – a \$30 million reduction.
  - By utilizing \$43.9 million
- 2) Reduce Park Acquisition and Water Acquisition Fee by 15%.
- 3) Establish a "Special Downtown TIF Credit Zone" with a TIF credit of 25%.
  - Cost of future street improvements in this area will be significantly less because of the "trend toward walkability" (less vehicle trips).
- 4) Increase the existing "Infill Credit" from the current 15% to 25%, in addition to any Special Downtown TIF Credit Zone credit.
- 5) Utilize a tiered fee structure for TIF fees for gas stations to give credit for underutilized gas pumps during non-peak hours.
  - TIF for an 18-position station would be reduced from \$405,504 to \$265,408.
- 6) Waive the 2009 Construction Cost Index increase of 6.5% for fiscal year 2010 2011 only.
  - In May of 2010, the impact fees were all reduced by .28% per the new construction cost index.
  - The deferral of the 6.5% increase saved developers an estimated \$390,000 in 2008/2009.