



Meeting Date: 12/19/2018
Agenda Item: # _____

Mission Statement

To provide our growing dynamic community excellent municipal services to make Fernley a great place to live, work, and play.

Together, we enhance the desirability, safety, friendliness, aesthetics and quality of life in our city.

FERNLEY CITY COUNCIL MEETING - STAFF REPORT

REPORT TO: Mayor & City Council

REPORT FROM: Kim Swanson, City Clerk

REPORT THRU: Daphne Hooper, City Manager

REVIEWED BY: Brandi Jensen, City Attorney

REVIEWED BY: Denise Lewis, Finance Director

AGENDA ITEM: **Discussion and Possible Action to approve the Business Impact Statement, a conclusion based on the Business Impact Study and public comments received regarding the proposed business license fee restructure impacting only businesses identified as Manufacturing, Distribution, Industrial and Warehouse, and direct staff to move forward with updating the Fernley Municipal Code and the Business License Resolution to reflect these changes.**

ACTION REQUESTED: __Consent __Ordinance __Resolution XMotion __Receive/File

RECOMMENDED ACTION BY CITY COUNCIL

Staff recommends the following action: approve the Business Impact Statement, a conclusion based on the Business Impact Study and public comments received regarding the proposed business license fee restructure impacting only businesses identified as Manufacturing, Distribution, Industrial and Warehouse.

"I Move to approve the Business Impact Statement, a conclusion based on the Business Impact Study and public comments received regarding the proposed business license fee restructure by impacting only businesses identified as Manufacturing, Distribution, Industrial and Warehouse, and direct staff to move forward with updating the Fernley Municipal Code and Business License Resolution to reflect these changes.

Key Points:

1. On September 19, 2018, City Clerk's office requested permission to conduct a Business Impact Study pursuant to NRS 237.090, relating to businesses identified as industrial, warehouse, manufacturing and distribution.
2. The current fee schedule requires businesses in a commercial location to report gross receipt revenue to determine business license fees. A handful of businesses in Fernley do not fit into the commercial business category.
3. The study was completed based on the State of Nevada Guidelines and References.

POLICY REFERENCE

Nevada Statutes: NRS 237.030 through NRS 237.110; NRS 76.020; NRS Title 7

Fernley Municipal Code: Title 10

Policies & Procedure Manual: N/A

Community Assessment: N/A

Other:

SUPPORTING INFORMATION

The attached Business Impact Statement was prepared in accordance with NRS 233B.0608. This statute instructs the City to: 1.) determine the impact on small businesses; 2.) consult with owners and officers of small businesses; 3.) analyze likely impact on small businesses; 4.) consider methods to reduce impact on small businesses; 5.) prepare business impact statement.

Pursuant to NRS 237.090, the Business Impact Study was conducted, and public comment was solicited. A notice regarding public workshops, explanation of the proposed changes, an example page comparing a gross revenue business license fee to a square footage business license fees and a public comment form was mailed to 32 Fernley businesses categorized as “Warehouse, Industrial, Distribution or Manufacturing”. The notices were published in the Reno Gazette Journal on October 3, 2018 and October 24, 2018 and posted on the City website and Facebook pages.

Two (2) public workshops were conducted at City Hall, one on October 9th from 5 – 7pm and one on October 25th from 5:30 – 7:30pm. One person attended the October 9th Workshop. No one attended the October 25th Workshop. The City received one (1) verbal public comment.

As a result of the comment received, staff recommends that City Council direct staff to move forward with updating the Fernley Municipal Code and the Business License Fee Resolution to add square footage as another way to calculate business license fees for industrial, warehouse, distribution and manufacturing.

FINANCIAL INFORMATION

FISCAL IMPACT:

- 1. Is There a Fiscal Impact? Yes
- 2. Is it Currently Budgeted? No
- 3. If Budgeted, Which Line Item/Account?

*The Business Impact Statement itself carries no financial burden. Revenue generated by the restructure of the business license fee schedule will affect GL 100-320-100

FISCAL SYNOPSIS:

The restructure of the business license fee schedule has the potential to increase business license revenue next fiscal year.

BACKGROUND INFORMATION

The City of Fernley business license fees for commercial locations were set in 2001. Amendments were made to the fees in 2003, 2009, 2011 and 2016. This update would add square footage to the way business license fees are calculated for industrial, manufacturing, warehouse and distribution. These businesses will have to report gross receipt revenue as well as square footage of the building(s) and pay whichever is greater.

PRIOR COUNCIL ACTION/REVIEW

- At the time of incorporation the City adopted business license fee schedule by Resolution 2001-003 on July 12, 2001.
- City Council passed Resolution 2003-007 on May 7th 2003 modifying the fee schedule.
- On June 3rd, 2009 City Council passed Resolution 2009-010 modifying the fee schedule.
- On March 16th, 2011 City Council passed Resolution 2011-001 modifying the fee schedule by adding Child Care.
- On November 16, 2016 City Council passed Resolution 16-027 modifying the fee schedule by adding gross receipts for commercial locations.

ATTACHED INFORMATION

Business Impact Statement