

City of
Fernley
Clerk's Office

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To: All City of Fernley Industrial, Warehouse, Manufacturing and Distribution Customers
From: Kim Swanson, City Clerk
Date: September 25, 2018
Subject: Business License Fee Restructure, Public Comment and Workshop

On September 19th, 2018 the Fernley City Council granted permission to City staff to initiate a Business Impact Study regarding the restructure of City business license fees relating to industrial, warehouse, manufacturing or distribution. Pursuant to NRS 237.030 through NRS 237.110, the City is required to conduct this study to determine:

“Will the new rule (an ordinance changing recording requirements or any information which the business must submit to the local government) impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business?”

The City Clerk's office is soliciting information from current industrial, warehouse, manufacturing and distribution, business license holders to provide feedback to the City Council in the form of a Business Impact Statement which will be heard at a regularly scheduled Council meeting as a Public Hearing.

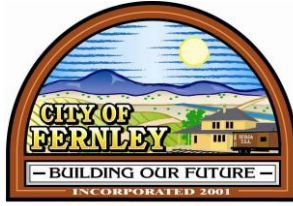
The current fee schedule requires businesses in a commercial location to report gross receipt revenue to determine business license fees. A handful of businesses in Fernley do not fit into the commercial business category. Therefore, staff is proposing to create a new category for industrial, warehouse, manufacturing and distribution customers. The business license fees for these customers will be based on square footage of the building or gross receipt revenue, whichever is greater.

Participation in one of the **Public Workshops is strongly encouraged. The workshops are scheduled for Tuesday, October 9th from 5:00 – 7:00 pm and Thursday, October 25th from 5:30 – 7:30 pm** at Fernley City Hall, Council Chambers. Any and all comments, data, or arguments must be received by **Wednesday, October 31st, 2018 by 5pm** to 595 Silver Lace Blvd, Fernley, NV. 89408 to be considered for the Business Impact Statement.

Enclosed you will find a “draft” square foot fee schedule as well as the Public Comment form. This information is also available on the City website www.cityoffernley.org and at City Hall 595 Silver Lace Blvd, Fernley, NV 89408.

595 Silver Lace Blvd.
Fernley NV 89408

Telephone: (775) 784-9830
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PUBLIC COMMENT FORM PROPOSED BUSINESS LICENSE FEE RESTRUCTURE

City staff members are soliciting information from businesses regarding the proposed Business License Fee Restructure. We are soliciting the information to prepare a "Business Impact Statement" pursuant to NRS 237.090. 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. Therefore, staff is proposing to create a new category for industrial, warehouse, manufacturing and distribution customers. The business license fees for these customers will be based on square footage of the building or gross receipt revenue, whichever is greater.

Interested parties are encouraged to provide written comments by completing this Public Comment Form and returning it to the City Clerk's office. Two (2) Public workshops will be held regarding the proposed business license fee restructure. They will be held at **City Hall, Council Chambers located at 595 Silver Lace Blvd. Please attend either workshop on Monday, October 9, 2018 from 5:00 – 7:00 pm or Thursday, October 25th from 5:30 – 7:30, 2018.** Any and all comments, data, or arguments must be received by **Wednesday, October 31st, 2018 by 5pm** to be considered for the Business Impact Statement.

Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?
- 2) Describe the direct beneficial effects of the proposed rule on your business?
- 3) Describe the indirect adverse effects of the proposed rule on your business?
- 4) Describe the indirect beneficial effects of the proposed rule on your business?
- 5) Will there be a direct and significant economic burden upon your business or restrict the formation, operation or expansion of your business?

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: _____

Phone Number: _____ Email address: _____

Proposed Square Foot vs. Gross Receipts

The license fee for the new category (Industrial, Warehouse, Distribution, Manufacturing) will be based on the amount of the calculation using the Square Foot pricing or Gross Receipt Revenue, whichever is greater.

Proposed Square Foot pricing:

1-10,000	\$.09
10,001-50,000	\$.06
50,001-200,000	\$.03
200,001 and above	\$.01

EXAMPLE A

If the total building size is 5,600 square feet multiply that number by .09. (5,600 x .09 = \$504.00)

If the Gross Receipts from the same business are \$898,038.00

Using the Gross Receipt Fee Calculator: (Currently in place per Resolution #17-007)

Gross Receipt Amount	\$898,038.
Subtract	<u>\$400,000</u>
	\$498,038
Divided by 10,000	<u>\$ 49.80</u>
Add the base fee	<u>\$ 300.00</u>
Total	\$ 349.80

In this example the business would pay according to the square foot pricing.

EXAMPLE B

If the total building size is 199,000 square feet multiply that number by .03. (199,000 x .03 = \$5,970.00)

If the Gross Receipts from the same business are \$60,225,738.

Using the Gross Receipt Fee Calculator: (Currently in place per Resolution #17-007)

Gross Receipt Amount	\$60,225,738.
Subtract	<u>\$ 400,000</u>
	\$59,825,738.
Divided by 10,000	<u>\$ 5,982.57</u>
Add the base fee	<u>\$ 300.00</u>
Total	\$ 6,282.57

In this example the business would pay according to their gross receipts.