

TO: JAMES L. APP, CITY MANAGER

FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: UPDATE OF NEEDS LIST FOR AB-1600 DEVELOPMENT IMPACT FEES

DATE: OCTOBER 19, 2004

Needs: For the City Council to consider approving a list of projects that would be utilized to update the City's Development Impact Fees tentatively set for November 16, 2004.

Facts:

1. "Fiscal Neutrality" is one of the corner-stone policies of the December 2003 General Plan up-date.
2. The "Fiscal Neutrality" policy is designed to provide assurances to current Paso Robles residents that they will not (a) pay for services or infrastructure demanded by new development and/or (b) suffer reduced levels of service from new residential development.
3. AB 1600 authorized Development Impact Fees address the cost of new or expanded infrastructure that is beyond what is being installed as a condition of new development. In this context, the focus is physical improvement such as roads, bridges, and other durable fixtures and equipment that are needed to accommodate new development.
4. AB 1600 fees do not cover the annual, reoccurring costs of services such as Police, Emergency Services, Parks and Library; these impacts will be addressed through other mechanisms such as Community Facilities Districts (CFDs).
5. The City needs to periodically up-date its Development Impact Fees in order to anticipate what facilities will be needed to accommodate future growth and development.
6. As a result of adoption of the General Plan update on December 16, 2003, and to accommodate changes in facility needs since the last fee update, a "facility needs list" has been prepared for City Council consideration. A copy is attached.

7. The facility needs list incorporates the input and recommendations of the respective City departments. Subject to City Council approval, this list would be utilized to calculate the infrastructure improvement projects that would be paid for with Development Impact Fees.

Analysis  
and  
Conclusion:

#### Background

Development Impact Fees that are established pursuant to AB-1600 must demonstrate a “nexus” or connection between the facility that is needed and the fee that is being charged to new development.

The City has identified the need to levy impact fees to pay for transportation facilities, drainage facilities, bike and pedestrian path facilities, public safety, general government, park and recreation, and library facilities. Fees collected will finance facilities on the Needs List attached as Exhibit A at levels consistent with the City's existing facilities standards, policy standards, or at levels identified by the City as appropriate for new development. All new development will be required to pay its "fair share" of the cost of the new infrastructure through these fees.

#### Legal Requirements To Justify Development Impact Fee

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development, as the levy of such fees provides funding to maintain an agency's required public facility standard for an increased service population. A fee is "a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project..." (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee occurring prior to the beginning of construction of a dwelling unit or non-residential building (or prior to the expansion of existing buildings of these types). Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance.

Government Code Section 66000 requires that if impact fees are going to be used to finance public facilities, those facilities must be identified. Identification of the facilities may be made in an applicable general or specific plan, other public documents, or by reference to a Capital Improvement Program (CIP) or Capital Improvement Plan. For purposes of

the City's fee program, the Public Facilities Needs List (the "Needs List") is intended to be the official public document that identifies the facilities eligible to be financed, in whole or in part, through the levy of Fees on new development in the City.

Policy

Reference: General Plan policies calling for "Fiscal Neutrality"

Fiscal

Impact: The purpose of updating the City's Development Impact Fees is for implementing the General Plan provisions calling for "fiscal neutrality".

Options:

- a. For the City Council to provide input as to the infrastructure project needs list, and to adopt Resolution No. 04-xx approving the needs list as a basis for preparing an update of the City's AB-1600 Development Impact Fees. Based on the needs list, staff will meet with the Council's ad hoc Committee (Mayor Mecham and Councilman Nemeth) and prepare for presentation of an updated set of Development Impact Fees.
- b. Amend, modify or reject the foregoing option.

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING A LIST OF CITY INFRASTRUCTURE NEEDS PURSUANT TO  
THE CITY'S GENERAL PLAN AND AS A BASIS FOR  
CALCULATING UPDATED DEVELOPMENT IMPACT FEES  
PURSUANT TO AB 1600 IN ORDER TO IMPLEMENT THE  
GENERAL PLAN GOAL OF FISCAL NEUTRALITY

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WHEREAS, on December 16, 2003, the City Council approved an update to the City's General Plan, including a policy that calls for Fiscal Neutrality; and

WHEREAS, Fiscal Neutrality addresses the annual, recurring costs of providing services and the one-time contributions to the cost of providing infrastructure; and

WHEREAS, the one-time Development Impact Fees established pursuant to AB-1600 are designed to address City infrastructure needs that are linked to future development anticipated in the December 16, 2003 General Plan; and

WHEREAS, the basis for updating the City's Development Impact Fees is a list of infrastructure facilities that will be needed to accommodate the growth and development anticipated in the City's General Plan; and

WHEREAS, the attached list of needs has been prepared with the assistance of the respective City departments and is designed to address the demands for facilities to accommodate future growth and development in a manner that will achieve "fiscal neutrality".

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that the City Council hereby approves and adopts the attached list of public facility needs (labeled Exhibit A) and directs City staff to utilize this list to prepare an updated schedule of Development Impact Fees for City Council consideration.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 19<sup>th</sup> day of October 2004 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk

**DEVELOPMENT IMPACT FEE PROGRAM  
CITY OF PASO ROBLES  
PUBLIC FACILITIES NEEDS LIST (TO BUILDOUT)  
BASED ON RESPONSES FROM CITY DEPARTMENTS**

Facility Name	Size	Unit	Total Cost for Facility	Off-setting Revenues	Net Cost to City	Portion of Cost Allocated to New Development
<b>A. TRANSPORTATION</b>						
<b>1. Traffic Signals</b>						
<b>Intersecting Street 1</b>			<b>Intersecting Street 2</b>			
1 Woodland Plaza			\$60,000	\$0	\$60,000	\$60,000
2 Niblick		River Road	\$60,000	\$30,000	\$30,000	\$30,000
3 Niblick		Rambouillet	\$60,000	\$0	\$60,000	\$60,000
4 Creston		Meadowlark	\$300,000	\$0	\$300,000	\$300,000
5 Union		Golden Hill Road	\$800,000	\$0	\$800,000	\$800,000
6 Creston		Lana	\$300,000	\$0	\$300,000	\$300,000
7 Charolais		River Road	\$500,000	\$0	\$500,000	\$500,000
8 Charolais		Rambouillet	\$300,000	\$0	\$300,000	\$300,000
9 Spring		16th	\$300,000	\$0	\$300,000	\$300,000
10 Spring		21st	\$300,000	\$0	\$300,000	\$300,000
11 Spring		32nd	\$300,000	\$0	\$300,000	\$300,000
12 Riverside		16th	\$300,000	\$0	\$300,000	\$300,000
13 Spring		4th	\$300,000	\$0	\$300,000	\$300,000
14 24th		Vine	\$200,000	\$0	\$200,000	\$200,000
15 10th		Spring	\$40,000	\$0	\$40,000	\$40,000
16 Signal inter-connect (Spring St.)			\$500,000	\$0	\$500,000	\$500,000
17 Signal inter-connect (Creston)			\$500,000	\$0	\$500,000	\$500,000
18 Signal inter-connect (13th St.)			\$40,000	\$0	\$40,000	\$40,000
19 13th		Paso Robles	\$150,000	\$0	\$150,000	\$150,000

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Facility Name	Size	Unit	Total Cost for Facility	Off-setting Revenues	Net Cost to City	Portion of Cost Allocated to New Development
<b>A. TRANSPORTATION (Cont.)</b>						
20 Convert existing signals to video detection (city wide)			\$1,000,000	\$0	\$1,000,000	\$1,000,000
21 LED crosswalks at various locations			\$500,000	\$0	\$500,000	\$500,000
<b>Subtotal Traffic Signals</b>			<b>\$6,810,000</b>	<b>\$30,000</b>	<b>\$6,780,000</b>	<b>\$6,780,000</b>
<b>2. Bridge and Interchange Construction</b>						
1 4th Street Underpass			\$14,100,000	\$0	\$14,100,000	\$14,100,000
2 Dry Creek Road over Huer Huero			\$3,200,000	\$0	\$3,200,000	\$3,200,000
3 13th Street Bridge (only)			\$12,900,000	\$0	\$12,900,000	\$12,900,000
4 24th Street over Railroad			\$7,900,000	\$0	\$7,900,000	\$7,900,000
5 Southern Crossing			\$68,441,100	\$5,651,100	\$62,790,000	\$62,790,000
6 16th Street Ramp Configuration			\$5,900,000	\$0	\$5,900,000	\$5,900,000
<b>Subtotal Bridge Construction</b>			<b>\$112,441,100</b>	<b>\$5,651,100</b>	<b>\$106,790,000</b>	<b>\$106,790,000</b>
<b>3. Road Improvements/Widenings</b>						
1 Beacon Road - Jardine to Airport Boundary			\$270,000	\$0	\$270,000	\$270,000
2 Vine Street - 32nd to 36th			\$405,000	\$0	\$405,000	\$405,000

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	{1}	{2}	{3}	{4}		
Facility Name	Size	Unit	Total Cost for Facility	Off-setting Revenues	Net Cost to City	Portion of Cost Allocated to New Development
<b>A. TRANSPORTATION (Cont.)</b>						
3 Creston Road - River to Niblick			\$45,500,000	\$0	\$45,500,000	\$45,500,000
4 24th St. - Oak Avenue to City Limit			\$600,000	\$0	\$600,000	\$600,000
5 Airport Road - Highway 46 to Tower			\$6,400,000	\$0	\$6,400,000	\$6,400,000
6 Dry Creek Road - Airport to Aero Tech Way			\$4,375,000	\$0	\$4,375,000	\$4,375,000
7 Dry Creek Road - Airport to the West			\$5,000,000	\$0	\$5,000,000	\$5,000,000
8 Union Road - Golden Hill Road to East City Limits			\$2,550,000	\$0	\$2,550,000	\$2,550,000
9 Union Road - Riverglen Drive to Golden Hill Road			\$4,550,000	\$2,275,000	\$2,275,000	\$2,275,000
10 Acceleration Lane at the Landfill Access Road			\$590,000	\$0	\$590,000	\$590,000
11 City-wide Traffic Calming Master Plan			\$400,000	\$0	\$400,000	\$400,000
12 Sherwood - Creston to Commerce			\$1,550,000	\$0	\$1,550,000	\$1,550,000
13 Buena Vista - Experimental Station to Dallons			\$675,000	\$0	\$675,000	\$675,000
<b>Subtotal Road Construction</b>			<b>\$72,865,000</b>	<b>\$2,275,000</b>	<b>\$70,590,000</b>	<b>\$70,590,000</b>
<b>TOTAL TRANSPORTATION</b>			<b>\$192,116,100</b>	<b>\$7,956,100</b>	<b>\$184,160,000</b>	<b>\$184,160,000</b>

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Facility Name	Size	Unit	Total Cost for Facility	Off-setting Revenues	Net Cost to City	Portion of Cost Allocated to New Development
<b>B. DRAINAGE FACILITIES</b>						
1 Cool Valley Basin Improvements			\$270,000	\$0	\$270,000	\$270,000
2 Golden Hill Road/Red River Road Basin Improvements			\$675,000	\$0	\$675,000	\$675,000
3 Creston/Rolling Hills Basin Improvements (to address water quality)			\$675,000	\$0	\$675,000	\$675,000
4 4th Street - Spring to Railroad (installation of culverts)			\$607,500	\$0	\$607,500	\$607,500
5 Downtown SD System Improvements (new drain inlets and pipelines)			\$390,000	\$0	\$390,000	\$390,000
6 Pacific Ave. SD Improvements			\$405,000	\$0	\$405,000	\$405,000
7 Mountain Springs Road SD Improvements			\$472,500	\$0	\$472,500	\$472,500
8 17th Street and Locust SD Improvements			\$337,500	\$0	\$337,500	\$337,500
9 21st Street/Villa SD Improvements			\$337,500	\$0	\$337,500	\$337,500
10 River Road/Union Improvements			\$405,000	\$0	\$405,000	\$405,000
11 Basin #W-7 Improvements, (7th Street), Spring Street/Southern			\$507,960	\$0	\$507,960	\$507,960
12 Basin #W-7 Improvements, (7th Street), Olive Street/Spring Street			\$476,040	\$0	\$476,040	\$476,040
13 Basin #W-8 Improvements, S/o 13th Street, Southern Pacific			\$750,480	\$0	\$750,480	\$750,480
14 Basin #W-8 Improvements, S/o 13th Street, Spring & 12th/Southern			\$897,960	\$0	\$897,960	\$897,960
15 Basin #W-8 Improvements, S/o 13th Street, 12th - from Chestnut/Spring			\$779,520	\$0	\$779,520	\$779,520
16 Basin #W-8 Improvements, N/o 13th St., along 15th St. - Spring/Salinas River			\$812,760	\$0	\$812,760	\$812,760
17 Basin #W-8 Improvements, N/o 13th St., along 14th - Vine/Spring, Spring -15th			\$432,840	\$0	\$432,840	\$432,840
18 Basin #W-9 Improvements, along 21st St., Spring to the Salinas River			\$1,743,240	\$0	\$1,743,240	\$1,743,240
19 Basin #W-9 Improvements, Vine Street/Spring Street, 23rd, Oak and 22nd			\$930,480	\$0	\$930,480	\$930,480
20 Basin #W-10 Improvements, (Spring Street), 32nd Street/36th Street			\$723,600	\$0	\$723,600	\$723,600
21 Basin #W-10 Improvements, (Spring Street), 28th Street/32nd Street			\$591,600	\$0	\$591,600	\$591,600
22 Storm Drainage Master Plan			\$350,000	\$0	\$350,000	\$350,000
<b>TOTAL DRAINAGE FACILITIES</b>			<b>\$13,571,480</b>	<b>\$0</b>	<b>\$13,571,480</b>	<b>\$13,571,480</b>



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<b>C. BIKE AND PEDESTRIAN PATH FACILITIES (Cont.)</b>						
1 Creston Road from Lana Street to Charolais Road			\$100,000	\$0	\$100,000	\$100,000
2 Charolais Road from South River Road to 300' East of South			\$23,400	\$0	\$23,400	\$23,400
3 St. Ann Drive from North along Creek to Toward Snead Street			\$2,000	\$0	\$2,000	\$2,000
4 Vine Street from 1st Street to 4th Street			\$52,800	\$0	\$52,800	\$52,800
5 16th Street from Riverside Avenue to Vine Street			\$30,000	\$0	\$30,000	\$30,000
6 10th Street from Riverside Avenue to Vine Street			\$10,000	\$0	\$10,000	\$10,000
7 Connection between Creekside Bike Path and Tract 1771			\$82,368	\$0	\$82,368	\$82,368
8 Southeast Corner of Snead Street and Rambouillet Road			\$41,184	\$0	\$41,184	\$41,184
9 South Vine Street from Hwy 46 West to 1st Street			\$475,200	\$0	\$475,200	\$475,200
10 Airport Road from Linne Road to Meadowlark Road			\$132,000	\$0	\$132,000	\$132,000
11 Airport Road from Tower Road to Hwy 46 East			\$375,000	\$0	\$375,000	\$375,000
12 Dry Creek Road from Airport Road to Aerotech Center Way			\$145,000	\$0	\$145,000	\$145,000
13 Tower Road from Airport Road to Jardine Road			\$280,500	\$0	\$280,500	\$280,500
14 Union/46 Specific Plan			\$535,392	\$0	\$535,392	\$535,392
15 Dallons Drive from Buena Vista Road to Golden Hill Road			\$617,760	\$0	\$617,760	\$617,760
16 City-wide Stripping and Signing along Bike Routes			\$20,000	\$0	\$20,000	\$20,000
17 Golden Hill Road from Dallons Drive to HWY 46 East			\$52,800	\$0	\$52,800	\$52,800
18 Threatre Drive from 2,000 feet south of Highway 46 City Limits			\$400,000	\$0	\$400,000	\$400,000
19 South River Road Creston Road to Niblick Road			\$2,000,000	\$0	\$2,000,000	\$2,000,000
<b>TOTAL BIKE AND PEDESTRIAN PATH FACILITIES</b>			<b>\$5,375,404</b>	<b>\$0</b>	<b>\$5,375,404</b>	<b>\$5,375,404</b>

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<b>D. PUBLIC SAFETY FACILITIES</b>						
<b>1. Police Facilities</b>						
1 Patrol/Detective/Specialty Vehicles			\$420,882	\$0	\$420,882	\$420,882
2 Assigned (Additional) Officer Equipment			\$100,140	\$0	\$100,140	\$100,140
3 Computers and Communication Equipment			\$225,000	\$0	\$225,000	\$225,000
4 Multi-channel Portable Radios			\$36,000	\$0	\$36,000	\$36,000
<b>2. Fire Facilities</b>						
1 Station (3,200 SF Apparatus Bay/3,460 SF Living Quarters)	6,660	sf	\$4,422,525	\$0	\$4,422,525	\$4,422,525
2 Fire Training Facility - Project No. FD-04			\$5,069,725	\$0	\$5,069,725	\$5,069,725
3 Fire Fighter Equipment			\$159,453	\$0	\$159,453	\$159,453
<b>TOTAL PUBLIC SAFETY FACILITIES</b>			<b>\$10,433,725</b>	<b>\$0</b>	<b>\$10,433,725</b>	<b>\$10,433,725</b>
<b>E. GENERAL GOVERNMENT FACILITIES</b>						
1 City Hall - Project No. GF-01	35,000	sf	\$27,430,470	\$0	\$27,430,470	\$27,430,470
2 Public Use Facility - Project No. CC-01	6,000	sf	\$3,085,000	\$0	\$3,085,000	\$3,085,000
3 Civic Center	54,000	sf	\$32,500,000	\$0	\$32,500,000	\$32,500,000
4 300 Space Parking Structure -1000 Spring St.			\$11,044,370	\$0	\$11,044,370	\$11,044,370
5 Replace City Yard - Project No. GF-03			\$4,634,161	\$0	\$4,634,161	\$4,634,161
<b>TOTAL GENERAL GOVERNMENT FACILITIES</b>			<b>\$78,694,001</b>	<b>\$0</b>	<b>\$78,694,001</b>	<b>\$78,694,001</b>

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			{1}	{2}	{3}	{4}
Facility Name	Size	Unit	Total Cost for Facility	Off-setting Revenues	Net Cost to City	Portion of Cost Allocated to New Development
<b>F. PARK AND RECREATION FACILITIES</b>						
1 Centennial Park Improvements	16	ac	\$1,000,000	\$0	\$1,000,000	\$1,000,000
2 Sherwood Park Land Improvements	28	ac	\$10,000,000	\$0	\$10,000,000	\$10,000,000
3 Salinas Corridor Open Space Land Acquisition	15	ac	\$1,502,630	\$0	\$1,502,630	\$1,502,630
4 Salinas Corridor Open Space Land Improvements	15	ac	\$497,370	\$0	\$497,370	\$497,370
5 Montebello Park Land Acquisition	3	ac	\$750,000	\$0	\$750,000	\$750,000
6 Montebello Park Land Improvements	10	ac	\$4,250,000	\$0	\$4,250,000	\$4,250,000
7 Aquatic Facility	10	ac	\$12,000,000	\$0	\$12,000,000	\$12,000,000
8 Public Art [1]			See Footnote [1]			
<b>TOTAL PARKS AND RECREATION FACILITIES</b>			<b>\$30,000,000</b>	<b>\$0</b>	<b>\$30,000,000</b>	<b>\$30,000,000</b>
<b>G. LIBRARY FACILITIES</b>						
1 Remodel Existing Library Upstairs - Project No. LB-02	11,400	sf	\$4,200,000	\$0	\$4,200,000	\$4,200,000
2 Library Books @ \$60 per book	20,000	each	\$1,196,000	\$0	\$1,196,000	\$1,196,000
3 Library Study Center	1,800	sf	\$250,000	\$0	\$250,000	\$250,000
<b>TOTAL LIBRARY FACILITIES</b>			<b>\$5,646,000</b>	<b>\$0</b>	<b>\$5,646,000</b>	<b>\$5,646,000</b>
<b>Total all Facilities</b>			<b>\$335,836,710</b>	<b>\$7,956,100</b>	<b>\$327,880,610</b>	<b>\$327,880,610</b>

[1] Fee proposed to be identified via separate public art ordinance.