

TO: James L. App, City Manager
FROM: Robert A. Lata, Community Development Director
SUBJECT: Development Impact Fee Update
DATE: September 6, 2005

Needs: For the City Council to consider authorizing an amendment to the contract with David Taussig & Associates to prepare an update of the City's Development Impact Fees.

Facts:

1. David Taussig & Associates are under contract to prepare a Development Impact Fee Justification Study for the purposes of updating the Development Impact Fees.
2. Updating the Development Impact Fees is part of the process of implementing the fiscal neutrality policies outlined in the City's General Plan.
3. Attached is a scope of work needed to augment the work provided by Taussig & Associates to date in the amount of \$47,500.
4. Attached is a resolution appropriating funds from the General Contingency Fund.

**Analysis
and**

Conclusion Fiscal neutrality is an adopted policy in the new General Plan. One of the tools to achieve this neutrality is to update the City's Development Impact Fees on a regular basis. Development Impact Fees are key to improving the City's infrastructure as needed to support the impact of new development so that this burden will not be borne by the current citizens of the City.

**Policy
Reference:** Fiscal neutrality is a policy component of the new General Plan.

**Fiscal
Impact:** \$53,000 has been incurred to date on this project; additional work is required to complete the update. The supplemental costs (\$47,500) of the fee update can be paid from the General Contingency Fund. The fee update is needed to help insure no adverse long-term impact on the City as a result of new development.

Options:

- a. Authorize the City Manager to enter into an addendum to the current scope of work with David Taussig & Associates to undertake the update of the Development Impact Fees as an implementation step of the new General Plan and adopt Resolution No. 05-xx appropriating funds. The not-to-exceed contract supplement amount would be \$47,500.
- b. That the City Council amend, modify or reject the above option.

Attachments: (2)

1. Taussig Contract Amendment
2. Resolution

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROPRIATING FUNDS TO PAY FOR CONTRACT SERVICES
RELATED TO DEVELOPMENT IMPACT FEE UPDATE

WHEREAS, the City Council had authorized a contract with David Taussig & Associates to assist the City with a Development Impact Fee Justification Study; and

WHEREAS, the time and materials expended working on the City's Development Impact Fee Justification Study exceeded the allocated budget because of factors beyond the control of David Taussig & Associates.

WHEREAS, the additional expenses total \$47,500 beyond the allocated budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that a one time appropriation in the amount of \$47,500 from the General Contingency Fund Budget Account No. 100-910-5224-596 is hereby approved.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 6th day of September 2005 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

EXHIBIT A

AUGMENTED SCOPE OF WORK AND BUDGET

DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY
FOR THE
CITY OF PASO ROBLES

This augmented Scope of Work for the Development Impact Fee Justification Study currently being prepared for the City of Paso Robles ("Client") by David Taussig and Associates, Inc. ("DTA") consists of the following tasks to be undertaken by DTA:

1. Make revisions to Needs List and appropriate Levels of Services, as directed by City staff.
2. Make revisions to cost estimates, as directed by City staff.
3. Make revisions to apportionment methodologies, as directed by City staff.
4. Re-calculate impact fees based on revised Needs List, cost estimates and apportionment methodologies.
5. Calculate annual commercial & industrial income, per 1,000 square feet, from Fiscal Impact Report model, and determine net present value of fiscal surplus to be used as credit against commercial/industrial impact fees.
6. Respond to written and oral questions from City staff, stakeholders and City Council.
7. Collect information on impact fees charged by other jurisdictions.
8. Revise text of AB 1600 report to reflect revisions resulting from the above changes.
9. Prepare presentational materials for meetings.
10. Attend up to two additional meetings in Paso Robles with City Council and stakeholders.
11. Provide verbal input to City staff, stakeholders and other interested parties.

EXHIBIT B

AUGMENTED BUDGET FOR PROFESSIONAL SERVICES

DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY
FOR THE
CITY OF PASO ROBLES

Augment fees for finalizing the Development Impact Fee Justification Study would be charged on a time and materials basis according to the hourly fee schedule listed in Table 1, not to exceed an additional \$45,000, plus up to \$2,500 for additional out-of-pocket expenses. Out-of-pocket expenses shall include travel, duplication, facsimile, courier, long-distance telephone, administrative and other out-of-pocket expenses

TABLE 1
HOURLY FEE SCHEDULE

David Taussig & Associates, Inc. Year 2004 Fee Schedule	
President	\$180/Hour
Vice President	\$170/Hour
Director	\$160/Hour
Manager	\$155/Hour
Sr. Associate	\$135/Hour
Associate	\$115/Hour
Analyst	\$100/Hour
Research Assistant	\$ 75/Hour

Limitations

- This budget assumes approximately \$10,000 in labor costs resulting from negotiations with stakeholders related to the fee levels and facilities listed in the Fee Study. Extensive negotiations requiring greater amounts of time, if necessary, may not be covered by this budget.
- More than two additional meetings in Paso Robles may not be covered by this budget.

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