

TO: James L. App, City Manager
FROM: Ronald Whisenand, Director of Community Development
SUBJECT: Updated Development Impact Fees
DATE: August 1, 2006

Needs: That the City Council consider updating and adjusting Development Impact Fees associated with State Assembly Bill 1600.

Facts:

1. In 1988, the State established law that provides the authority to establish fees to cover the cost of public facilities needed to serve new development.
2. Development Impact fees are a tool to implement the General Plan policy that new development will pay for its impacts.
3. Development Impact Fees reflect policy adopted in the Economic Strategy to “establish stable, long-term funding for infrastructure”.
4. It is estimated that by 2025 6,548 new housing units and approximately 4,305,000 square feet of industrial and commercial development will develop. The future residents and employees will create an additional demand for public facilities that cannot be accommodated unless they pay their share of the costs.
5. On October 19, 2004, the Council adopted a list of City infrastructure needs pursuant to the General Plan. The Needs List identifies projects and building improvements in transportation, drainage, bike and pedestrian paths, public safety (police and fire), general government facilities, park and recreation facilities and library facilities.
6. The City retained David Taussig & Associates to prepare a Development Impact Fee Justification Study in order to “determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed”.
7. An updated Needs List has been prepared by Taussig separating transportation projects into three categories; east side, west side and regional. This list has been prepared as the basis to assess fees more equitably throughout the City, with east side development appropriately supporting east side transportation projects.
8. In February, 2005, Omni-Means concluded the updated Needs List and the nexus between east side development and its separation of east side transportation projects is sound.

9. Projects involving State routes are included in the Needs List where cost estimates have been prepared and shares of City participation have been identified. These projects include the Highway 101-46E dual left turn intersection improvement (also includes the 16th Street on and off ramps) and the Highway 46W-101 interchange. Examples of projects not included in the AB 1600 fee program are; Highway 101-46E interchange, Highway 46E interchanges at Buena Vista Drive, Golden Hill Road, Airport Road and Dry Creek Road, and the widening of Highway 46E to six lanes.

**Analysis
and**

Conclusion: The Needs List is a compilation of projects that meet the goals of the General Plan adopted in 2003. The Needs List is the basic underlying document from which Development Impact Fees are calculated. The Needs List is organized by departments with projects listed under transportation, drainage, bike and pedestrian paths, public safety facilities (police and fire), general government facilities, parks and recreation facilities, and library facilities.

The Development Fee Justification Study prepared by Taussig and Associates determines the level of participation of new development in the funding of the projects on the Needs List. In accordance with the provisions of Section 66000 of the Government Code there must be a nexus between the fees imposed, the use of the fees and the development projects on which the fees are imposed. Furthermore, there must be a relationship between the amount of the fee and the cost of the improvements.

Based on geographic areas and growth patterns, different parts of the City have different infrastructure needs. For example, infill development of the west side of the City can be easily accommodated by the west side grid street pattern. The majority of new development will, however, occur on the east side, where road systems are not adequate to handle projected growth. Reversed circumstances apply to storm drain facilities; development on the east side has been able to design and construct storm drain improvements needed to mitigate their impacts, whereas the west side has outdated and inadequate storm drainage infrastructure to support infill development. Hence, the nexus varies between the east and west sides of the City.

Table 1 is a spread sheet that provides a comparison of the City's current development impact fees with those proposed as needed to mitigate the cumulative effects of future land development. (See attachment 1)

Table 2 is the Needs List. Identification of the facilities to be financed is a critical component of any development impact fee program. The Needs List includes a cost section consisting of columns for the total cost of the facility; off-setting revenues; net cost to the City and portion of costs allocated to new development. (See attachment 2)

Table 3 provides a comparison of development impact fees currently in place in other Cities in our area. The Cities of Atascadero and Santa Maria have comprehensive development impact fee programs which are readily comparable to ours. Other agencies assess fees on an individual basis making it difficult to verify that all fees have been provided and accounted for. (See attachment 3)

Transportation

The Transportation element of the Needs List includes facilities necessary to provide safe and efficient vehicular access throughout the City. In order to meet the transportation demand of new development through build-out, the city identified the need for bridge and interchange construction; traffic signals and intersection improvements (which could include roundabouts); and road improvements including road widening projects.

Drainage Facilities

The City has traditionally imposed detention basin standards and other requirements designed to mitigate the impacts of increased storm run-off generated by development projects on the east side of the City. The City will continue to require storm runoff mitigation with development on the east side.

West side projects, however, tend to be infill development with little opportunity for on-site mitigation of increased run-off. These projects increase the impact of storms on outdated storm drain infrastructure downtown, and along the Spring Street corridor. Therefore, storm drain fees will be implemented on west side projects.

General Government Facilities

The General Government Facilities element of the Needs List includes facilities necessary to provide services to the public including a new city hall, a conference/performing arts center and a parking structure. All of these facilities relate directly to the goals and priorities set by the City Council.

History of Fee Increases

The median price of an existing home in 1994 in the City of Paso Robles was \$140,000 (California Association of Realtors). As of March, 2006, the median price of an existing home has risen to \$495,000. Home values have risen by 355% since 1994.

The total city-wide development impact fees imposed on a single family residence in 1994 was \$4,479. The proposed development impact fee of \$20,946 for a single family residence on the east side of Paso Robles represents an increase of 468% since 1994. Fees on the west side would increase by 409%.

Community Comment

It has been the goal of the Community Development Department to notify participants in the building industry of the Council's intent to update development impact fees. Community outreach is accomplished primarily by communication with the Home Builders Association (HBA).

On December 15, 2005, a letter was sent to the HBA requesting comment on the proposed fee structure. The letter was accompanied by a draft Justification Study prepared by Taussig. Comments were received from the HBA via a letter dated March 7, 2006. An updated letter including a response to those comments and a second draft Study were sent to the HBA on June 14. All correspondence with the HBA is attached here.

Since June 14, the HBA has submitted considerable comment from their consultants and legal counsel. Responses to these comments will be provided by David Taussig and the City attorney.

In addition to correspondence with the HBA, on June 20, 2006, a letter was sent to individuals with permits in progress in the City. It is assumed that these individuals would be the most likely future permit applicants.

Determination of Fees for Various Commercial and Industrial Uses

The proposed development impact fees are outlined on Exhibit A to the attached Resolution. The fees are listed in four basic categories, including single family residential, multi-family residential, commercial and industrial. There are a number of uses that can be allowed in commercial zones that generate impacts more similar to industrial uses. These uses are outlined at the bottom of Exhibit A for clarification upon implementation of the fees. The Community Development Director will have the authority to determine the appropriate fee where a proposed use does not clearly fit any of the categories provided.

Time of Collection of Fees

In accordance with Council policy, development impact fees are collected upon certificate of occupancy. Currently, the amount of the fees is based upon the rates in effect at the time that the initial permit application is submitted. This policy is not consistent with policy applied to sewer and water connection fees, which are determined and paid at the time of permit issuance.

Discrepancy in assessment and collection policies, between utility impact fees and other infrastructure impact fees, results in confusion for applicants and administrative inefficiencies associated with issuing permits. Further, the discrepancy between the date of assessment and collection creates a financial disconnect between the mitigation and the community-wide impacts of a project.

The longer the time period between permit application and collection of the impact fee, the more pronounced the issues become.

With the update of development impact fees, the Council has the option of reviewing and updating the assessment and collection policies associated with development impact fees. Options provided for consideration include; a) assessment and payment of fees in effect at the time of permit issuance, or b) assessment and payment of fees in effect at the time of occupancy.

Policy

Reference: City General Plan; Government Code Sections 66000-66009; Resolution No. 04-234.

Fiscal

Impact: Adoption of the Development Impact Fees in the Study would generate an estimated \$184 million for infrastructure needed to serve new development over the time frame of the General Plan adopted in December, 2003.

- Options:**
- a. Adopt Resolution No. 06-xxx implementing new non-utility development impact fees with collection of fees upon issuance of a building permit in the amount in effect at that time. All permit applications submitted prior to August 1, 2006 shall be assessed fees in effect on August 1, 2006.
 - b. Adopt Resolution No. 06-xxx implementing new non-utility development fees with collection of fees upon certificate of occupancy in the amount in effect at that time. All permit applications submitted prior to August 1, 2006 shall be assessed fees in effect on August 1, 2006.
 - c. Amend, modify or reject the above options.

Attachments: (10)

1. Table 1
2. Table 2
3. Table 3
4. Cover Letter to HBA 12-15-05
5. HBA Response 3-7-06
6. Cover Letter to HBA 6-14-06
7. Letter to Permit Applicants 6-20-06
8. Proof of Publication of Notice of Public
9. Resolution Option A
10. Resolution Option B

TABLE 1
Proposed Development Impact Fee Summary - 2006

	Streets, Traffic Signals and Bridges	A Transportation Facilities		Storm Drainage Facilities	B Drainage Facilities West of Salinas River	C Bike and Pedestrian Path Facilities	Law Enforcement Facilities	Fire Protection Facilities	D Public Safety Facilities		General Governmental Facilities	Public Meeting Facilities	E General Governmental Service Facilities	Aquatics Facilities	Parkland & Open Space Acquisition	F Park and Recreation Facilities	Library Expansion Facilities	G Library Facilities	Total		Total East of West of Salinas River		Per
		East of Salinas River	West of Salinas River						Total	Per									East of Salinas River	West of Salinas River			
Single Family	\$4,872	\$8,153	\$4,076	\$694	\$1,660	\$863	\$20	\$785	\$66	\$768	\$467	\$453	\$4,637	\$322	\$2,895	\$4,943	\$694	\$906	\$11,202	unit	\$20,336	\$17,919	unit
Estate (1 acre or more)	\$4,872	\$8,153	\$4,076	\$883	\$1,660	\$863	\$20	\$785	\$66	\$768	\$467	\$453	\$4,637	\$322	\$2,895	\$4,943	\$694	\$906	\$11,391	unit	\$20,336	\$17,919	unit
Multiple Family	\$3,206	\$6,522	\$3,261	\$228	\$830	\$767	\$38	\$645	\$78	\$683	\$467	\$392	\$4,121	\$279	\$2,505	\$4,394	\$601	\$805	\$8,361	unit	\$17,370	\$14,939	unit
Condominium/Duplex	\$2,994			\$377			\$19	\$226			\$467	\$353		\$250	\$2,250		\$539		\$7,475	unit			unit
Mobile Homes	\$2,457			\$607			\$22	\$1,237			\$467	\$284		\$203	\$1,815		\$434		\$7,526	unit			unit
Assisted Living Units	\$933	\$1,820	\$990	\$309	\$830	No Fee	\$36	\$10,749	\$78	\$10,451	\$467	No Fee	\$4,121	No Fee	No Fee	No Fee	No Fee	No Fee	\$12,494	unit	\$16,470	\$16,470	unit
Commercial Lodging Motel/Hotel	\$2,510	\$2,815	\$1,985	\$138	\$830	No Fee	\$12	\$256	\$78	\$342	\$73	No Fee	\$71	No Fee	No Fee	No Fee	No Fee	No Fee	\$2,989	unit	\$3,306	\$3,306	unit
RV Parks & Campgrounds	\$1,578	\$1,770	\$940	No Fee	\$830	No Fee	No Fee	No Fee	\$78	\$342	No Fee	No Fee	\$71	No Fee	No Fee	No Fee	No Fee	No Fee	\$1,578	unit	\$2,261	\$2,261	unit
Commercial per sq. ft.	\$6.09	\$6.83	\$5.71	\$0.22	\$1.12	NA	\$0.05	\$0.47	\$0.05	\$0.45	\$0.10	No Fee	\$0.35	No Fee	No Fee	NA	No Fee	NA	\$6.93	sq ft.	\$7.68	\$7.68	sq ft
Industrial per sq. ft.	\$2.88	\$3.43	\$2.68	\$0.26	\$0.75	NA	\$0.00	\$0.02	\$0.02	\$0.05	\$0.10	No Fee	\$0.10	No Fee	No Fee	NA	No Fee	NA	\$3.26	sq ft.	\$3.60	\$3.60	sq ft

**TABLE 2
DEVELOPMENT IMPACT FEE PROGRAM
CITY OF PASO ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH BUILDOUT**

Facility Name	{1} Total Cost for Facility	{2} Off-setting Revenues	{3} Net Cost to City	{4} Percent of cost allocated to new development	{5} Cost allocated to new development
A. TRANSPORTATION					
CITY-WIDE FACILITIES					
1 Vine Street - 1st Street to Highway 46W	\$1,000,000	\$0	\$1,000,000		
2 4th Street Underpass	\$12,000,000	\$0	\$12,000,000		
3 24th Street over Railroad	\$16,000,000	\$0	\$16,000,000		
4 Highway 46West - Highway 101	\$50,000,000	\$0	\$50,000,000		
5 Highway 101/46East-Dual Left- 16th Street Ramps	\$9,000,000	\$0	\$9,000,000		
6 Highway 46East - Golden Hill Road	\$2,500,000	\$0	\$2,500,000		
7 Airport Road - Highway 46 to Airport Entrance	\$9,700,000	\$0	\$9,700,000		
8 Dry Creek Road - Airport Rd to Aero Tech Way	\$8,000,000	\$0	\$8,000,000		
9 Dry Creek Road over Huer Huero	\$14,000,000	\$0	\$14,000,000		
TOTAL - CITY WIDE FACILITIES	\$122,200,000	\$0	\$122,200,000	39.41%	\$48,161,526
EAST OF SALINAS RIVER FACILITIES					
1. Intersection Improvements					
1 Niblick Road	\$720,000	\$0	\$720,000		
2 Creston Road	\$300,000	\$0	\$300,000		
3 Union Road	\$1,500,000	\$0	\$1,500,000		
4 Creston Road	\$1,000,000	\$0	\$1,000,000		
5 Charolais Road	\$1,000,000	\$0	\$1,000,000		
6 Charolais Road	\$300,000	\$0	\$300,000		
7 Creston Road	\$1,500,000	\$0	\$1,500,000		
8 Golden Hill Road	\$1,000,000	\$0	\$1,000,000		
9 Golden Hill Road	\$1,000,000	\$0	\$1,000,000		
10 LED crosswalks at various locations	\$500,000	\$0	\$500,000		
Subtotal East of Salinas River Intersection Improvements	\$8,820,000	\$0	\$8,820,000	45.15%	\$3,982,125
2. Road Improvements/Widenings					
1 Southern Salinas River Crossing	\$41,000,000	\$0	\$41,000,000		
2 North River Road - Navajo Ave to Creston Road	\$4,100,000	\$0	\$4,100,000		
3 Creston Road - River Road to Lana Street	\$25,000,000	\$0	\$25,000,000		
4 Union Road - Golden Hill Road to East City Limits	\$2,600,000	\$0	\$2,600,000		
5 Union Road - Kleck Road to Golden Hill Road	\$5,500,000	\$0	\$5,500,000		
6 Golden Hill Road - Gilead Lane to Union Road	\$1,000,000	\$0	\$1,000,000		
7 City-wide Traffic Calming Master Plan	\$500,000	\$0	\$500,000		
Subtotal Road Improvements/Widenings	\$79,700,000	\$0	\$79,700,000	45.15%	\$35,983,597
TOTAL EAST OF SALINAS RIVER FACILITIES	\$88,520,000	\$0	\$88,520,000	45.15%	\$39,965,721
WEST OF SALINAS RIVER FACILITIES					
1. Intersection Improvements					
1 Spring Street	\$300,000	\$0	\$300,000		
2 Spring Street	\$300,000	\$0	\$300,000		
3 Riverside Avenue	\$300,000	\$0	\$300,000		
4 Spring Street	\$300,000	\$0	\$300,000		
5 24th Street	\$1,000,000	\$0	\$1,000,000		
6 10th Street	\$100,000	\$0	\$100,000		
Subtotal Intersection Improvements	\$2,300,000	\$0	\$2,300,000	30.12%	\$692,732
2. Road Improvements/Widenings					

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Facility Name	{1} Total Cost for Facility	{2} Off-setting Revenues	{3} Net Cost to City	{4} Percent of cost allocated to new development	{5} Cost allocated to new development
1 Vine Street - 32nd Street to 36th Street	\$700,000	\$0	\$700,000		
2 24th Street - Vine Street to West City Limits	\$1,000,000	\$0	\$1,000,000		
Subtotal Improvements/Widenings	\$1,700,000	\$0	\$1,700,000	30.12%	\$512,019
TOTAL WEST OF SALINAS RIVER	\$4,000,000	\$0	\$4,000,000	30.12%	\$1,204,751
TOTAL TRANSPORTATION	\$214,720,000	\$0	\$214,720,000	41.60%	\$89,331,999
B. DRAINAGE FACILITIES					
1 4th Street - Spring Street Crossing	\$500,000	\$0	\$500,000		
2 Downtown SD System Improvements (new drain inlets and pipelines)	\$2,000,000	\$0	\$2,000,000		
3 Pacific Ave. SD Improvements	\$500,000	\$0	\$500,000		
4 Mountain Springs Road SD Improvements	\$600,000	\$0	\$600,000		
5 17th Street and Locust SD Improvements	\$500,000	\$0	\$500,000		
6 21st Street/Villa SD Improvements	\$500,000	\$0	\$500,000		
7 7th Street, Spring Street / Southern	\$600,000	\$0	\$600,000		
8 7th Street, Olive Street/Spring Street	\$500,000	\$0	\$500,000		
9 S/o 13th Street, Southern Pacific	\$800,000	\$0	\$800,000		
10 S/o 13th Street, Spring & 12th/Southern	\$900,000	\$0	\$900,000		
11 S/o 13th Street, 12th - from Chestnut/Spring	\$800,000	\$0	\$800,000		
12 N/o 13th St., along 15th St. - Spring/Salinas River	\$900,000	\$0	\$900,000		
13 N/o 13th St., along 14th - Vine/Spring, Spring -15th	\$500,000	\$0	\$500,000		
14 Along 21st St., Spring to the Salinas River	\$3,000,000	\$0	\$3,000,000		
15 Vine Street/Spring Street, 23rd, Oak and 22nd	\$1,000,000	\$0	\$1,000,000		
16 Spring Street, 32nd Street/36th Street	\$800,000	\$0	\$800,000		
17 Spring Street, 28th Street/32nd Street	\$600,000	\$0	\$600,000		
18 Storm Drainage Master Plan	\$350,000	\$0	\$350,000		
TOTAL DRAINAGE FACILITIES	\$15,350,000	\$0	\$15,350,000	36.66%	\$5,626,950
C. BIKE AND PEDESTRIAN PATH FACILITIES					
1 Creston Road from Lana Street to Charolais Road	\$100,000	\$0	\$100,000		
2 Charolais Road from South River Road to 300' East of South	\$23,400	\$0	\$23,400		
3 St. Ann Drive from North along Creek to Toward Snead Street	\$2,000	\$0	\$2,000		
4 Vine Street from 1st Street to 4th Street	\$52,800	\$0	\$52,800		
5 16th Street from Riverside Avenue to Vine Street	\$30,000	\$0	\$30,000		
6 10th Street from Riverside Avenue to Vine Street	\$10,000	\$0	\$10,000		
7 Connection between Creekside Bike Path and Tract 1771	\$82,400	\$0	\$82,400		
8 Southeast Corner of Snead Street and Rambouillet Road	\$41,200	\$0	\$41,200		
9 South Vine Street from Hwy 46 West to 1st Street	\$475,200	\$0	\$475,200		
10 Airport Road from Linne Road to Meadowlark Road	\$132,000	\$0	\$132,000		
11 Airport Road from Tower Road to Hwy 46 East	\$375,000	\$0	\$375,000		
12 Dry Creek Road from Airport Road to Aerotch Center Way	\$145,000	\$0	\$145,000		
13 Tower Road from Airport Road to Jardine Road	\$280,500	\$0	\$280,500		
14 Union/46 Specific Plan	\$535,400	\$0	\$535,400		
15 Dallons Drive from Buena Vista Road to Golden Hill Road	\$617,800	\$0	\$617,800		
16 City-wide Stripping and Signing along Bike Routes	\$20,000	\$0	\$20,000		
17 Golden Hill Road from Dallons Drive to HWY 46 East	\$52,800	\$0	\$52,800		
18 Fairgrounds Perimeter 24th Street Riverside Avenue	\$400,000	\$0	\$400,000		
19 South River Road Creston Road to Niblick Road	\$2,000,000	\$0	\$2,000,000		
TOTAL BIKE AND PEDESTRIAN PATH FACILITIES	\$5,375,500	\$0	\$5,375,500	100.00%	\$5,375,500

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D. PUBLIC SAFETY FACILITIES

1. Police Facilities

1 Patrol/Detective/Specialty Vehicles	\$420,900	\$0	\$420,900		
2 Assigned (Additional) Officer Equipment	\$100,200	\$0	\$100,200		
3 Computers and Communication Equipment	\$225,000	\$0	\$225,000		
4 Multi-channel Portable Radios	\$36,000	\$0	\$36,000		
<i>subtotal</i>	\$782,100		\$782,100		

2. Fire Facilities

1 Station (3,200 SF Apparatus Bay/3,460 SF Living Quarters)	\$4,422,500	\$0	\$4,422,500		
2 Fire Training Facility - Project No. FD-04	\$5,069,700	\$0	\$5,069,700		
3 Fire Fighter Equipment	\$159,500	\$0	\$159,500		
4 Fire Engine	\$375,000	\$0	\$375,000		
<i>subtotal</i>	\$10,026,700	\$0	\$10,026,700		

TOTAL PUBLIC SAFETY FACILITIES	\$10,808,800	\$0	\$10,808,800	68.63%	\$7,554,581
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E. GENERAL GOVERNMENT FACILITIES

1 City Hall - Project No. GF-01	\$27,430,500	\$0	\$27,430,500		
2 Public Use Facility - Project No. CC-01	\$3,085,000	\$0	\$3,085,000		
3 Performing Arts Center	\$32,500,000	\$0	\$32,500,000		
4 300 Space Parking Structure -1000 Spring St.	\$11,044,400	\$0	\$11,044,400		
5 Replace City Yard - Project No. GF-03	\$4,634,200	\$0	\$4,634,200		

TOTAL GENERAL GOVERNMENT FACILITIES	\$78,694,100	\$0	\$78,694,100	51.95%	\$40,878,978
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F. PARK AND RECREATION FACILITIES

1 Centennial Park Improvements	\$1,000,000	\$0	\$1,000,000		
2 Sherwood Park Land Improvements	\$10,000,000	\$0	\$10,000,000		
3 Salinas Corridor Open Space Land Acquisition 71 ac	\$9,700,000	\$0	\$9,700,000		
4 Salinas Corridor Open Space Land Improvements 15 ac	\$497,400	\$0	\$497,400		
5 Montebello Park Land Acquisition 3 ac	\$750,000	\$0	\$750,000		
6 Montebello Park Land Improvements 10 ac	\$4,250,000	\$0	\$4,250,000		
7 Aquatic Facility	\$12,000,000	\$0	\$12,000,000		

TOTAL PARKS AND RECREATION FACILITIES	\$38,197,400	\$0	\$38,197,400	80.65%	\$30,804,481
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G. LIBRARY FACILITIES

1 Remodel Existing Library Upstairs	\$4,200,000	\$0	\$4,200,000		
2 Library Books	\$1,196,000	\$0	\$1,196,000		
3 Library Study Center	\$250,000	\$0	\$250,000		

TOTAL LIBRARY FACILITIES	\$5,646,000	\$0	\$5,646,000	100.00%	\$5,646,000
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Facility Name	(1) Total Cost for Facility	(2) Off-setting Revenues	(3) Net Cost to City	(4) Percent of cost allocated to new development	(5) Cost allocated to new development
Total all Facilities	\$368,791,800	\$0	\$368,791,800	50.22%	\$185,218,488

Residential Single-Family

Single-Family Prototype - 2000 sq. ft. single family detached dwelling unit, 600 sq. ft. garage, 3/4" Water Meter, Type VN Construction - Building Code Type R3									
	Paso Robles	Templeton	Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Pismo Beach	San Luis Obispo	Santa Maria
Valuation*	\$193,382	\$193,382	\$201,240	\$199,380	\$199,380		\$220,144	\$224,710	\$195,480
Permit Issuance Fees									
Plan Check	\$900	\$988	\$1,017	\$1,165	\$1,161		\$1,909	\$2,740	Inc in Bldg fees
Building Permit	\$2,612	\$2,195	\$1,565	\$1,554	\$1,554		\$1,845	\$1,992	\$3,444
MPE Permits		\$250	\$317	\$466	\$577		\$814	\$796	
Energy		\$152		\$155			\$39	\$279	
Seismic (SMIP)	\$19	\$19	\$20	\$20	\$20		\$24	\$22	\$20
Issuance Fee				\$24					
Planning Review				\$70					
Fire Sprinkler Plan Check				\$780					
Grading Plan Check				\$475					
Development Fees									
Water Connection	\$8,605	\$13,453	\$4,921	\$14,170	\$4,760		\$8,220	\$15,077	\$3,794
Sewer Connection	\$4,756	\$5,441	\$2,871	\$1,783	\$3,487		\$2,976	\$3,607	\$3,015
Transportation	\$8,153	\$8,260	\$2,123	\$5,597	\$1,465		\$800	\$3,018	\$6,940
Drainage/Flood	\$0	\$182		\$777	\$613		\$0	\$369	
Police	\$66	\$267	\$97	\$574	\$96		\$687		\$1,003
Fire	\$768	\$1,404	\$1,548	\$954	\$213		\$826	\$922	\$1,013
Gov Facilities	\$4,637	\$509	\$115	\$1,036	\$119		Included w/Police		\$357
Library	\$906	\$434		\$532			\$0		\$1,119
Parks & Recreation	\$4,943	\$2,351	\$5,379	\$6,435	\$3,563		\$2,372		\$6,398
Bike & Pedestrian Trails	\$863			\$0			\$0		
Sprinkler				\$0			\$2.87 Per Sq. Ft.		
Inclusionary Housing							5% of Bldg Valuation	\$11,235	
Other**				\$1,084	\$127		\$29.81 per pg of plan	\$2,497	\$844
					\$1,936				
					\$112				
Totals	\$37,228	\$35,905	\$19,973	\$37,651	\$19,803	\$0	\$20,512	\$42,554	\$27,947
*Valuation based on city's determination of prototype representative.									
**Public Meeting Facilities									

Residential Multi-Family

Residential Multi-Family									
Multi-Family Prototype - 60 units (800 sq. ft.), 5 acres (12 units/acre), surface parking, (2) 2" water meters used (1 domestic, 1 landscape).									
Type VN Construction - Building Code Type R1									
	Paso Robles	Templeton	Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Pismo Beach	San Luis Obispo	Santa Maria
Valuation*	\$3,817,920	\$3,817,920	\$3,936,000	\$4,257,600	\$3,475,200		\$4,692,960	\$4,132,800	\$3,859,200
Permit Issuance Fees									
Plan Check	\$7,800	\$10,331	\$9,657	\$14,875	\$9,897		\$21,846	\$22,279	INC IN BP FEES
Building Permit	\$3,033	\$16,973	\$14,857	\$17,500	\$13,240		\$19,888	\$17,886	\$38,693
MPE Permits		\$4,368	\$6,414	\$5,250	\$6,222		\$9,194	\$7,152	
Energy		\$1,589					\$168	\$2,504	
Seismic (SMIP)	\$382	\$382	\$394	\$426	\$348		\$543	\$413	\$386
Issuance Fee				\$24					
Planning Review				\$315					
Fire Sprinkler Plan Check				\$12,300					
Grading Plan Check				\$3,330					
Development Fees									
Water Connection	\$402,156	\$807,180	\$107,906	\$525,000	\$22,141		\$378,772	\$717,928	\$81,259
Sewer Connection	\$258,960	\$326,460	\$158,700	\$31,980	\$135,856		\$131,160	\$173,136	\$28,703
Transportation	\$391,320	\$307,272	\$89,173	\$221,040	\$53,971		\$28,800	\$160,680	\$229,010
Drainage/Flood	\$0	\$5,450		\$20,040			\$0	\$3,313	
Police	\$4,680	\$12,179	\$10,232	\$20,040	\$7,098		\$32,340		\$37,620
Fire	\$40,980	\$25,920	\$8,360	\$45,480	\$6,347		\$38,820	\$8,282	\$30,420
Gov Facilities	\$247,260	\$23,256	\$5,092	\$62,160	\$5,862		included in police		\$10,740
Library	\$48,300	\$19,768		\$21,960			\$0		\$33,540
Parks & Recreation	\$263,640	\$130,920	\$291,982	\$266,100	\$176,223		\$111,300		\$309,540
Bike & Pedestrian Trails	\$46,020			\$0			\$0		
Sprinkler		\$1,200					\$3 per sq ft.		
Inclusionary Housing							5% of bldg valuation	\$206,640	
Other**				\$44,820	\$1,004		\$29.81 per pg of plan	\$69,295	\$844
					\$116,160				
					\$2,600				
Totals	\$1,714,531	\$1,693,248	\$702,767	\$1,312,640	\$556,968	\$0	\$772,830	\$1,389,508	\$800,755
*Valuation based on city's determination of prototype representative.									
**Public Meeting Facilities									
**Comm Dev Fee & Public Art Fee (San Luis Obispo)									

Commercial Retail

Commercial Retail	Retail Prototype - 50,000 sq. ft., 12 restrooms/units, 5 acres, (1) 1-1/2" water meter, Type VN construction, Building Code Type M								
	Paso Robles	Templeton	Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Pismo Beach	San Luis Obispo	Santa Maria
Valuation*	\$2,313,500	\$2,313,000	\$2,385,000	\$2,385,000	\$2,385,000		\$2,756,500	\$2,972,500	\$2,340,000
Permit Issuance Fees									
Plan Check	\$5,200	\$6,761	\$6,482	\$9,064	\$7,385		\$14,127	\$17,442	INCL IN BP FEES
Building Permit	\$2,917	\$11,330	\$9,972	\$10,664	\$9,880		\$12,860	\$13,710	\$21,533
MPE Permits		\$2,798	\$6,680	\$3,199	\$1,700		\$5,945	\$5,482	
Energy		\$1,040					\$168	\$1,919	
Seismic (SMIP)	\$485	\$463	\$501	\$501	\$501		\$669	\$624	\$491
Issuance Fee				\$24					
Planning Review				\$315					
Fire Sprinkler Plan Check				\$1,465					
Grading Plan Check				\$4,500					
Development Fees									
Water Connection	\$28,508	Not Available	\$23,612	\$64,820	\$7,435		\$226,715	\$60,590	\$20,919
Sewer Connection	\$57,072	Not Available	\$15,357	\$1,230	\$15,955		\$78,900	\$16,516	\$16,688
Transportation	\$341,500	\$450,938	\$543,848	\$468,550	\$272,031		\$160,000	\$261,800	\$290,400
Drainage/Flood	\$0	\$5,450		\$18,750	\$53,383		\$0	\$2,539	
Police	\$2,500	\$10,812	\$25,232	\$26,150	\$14,928		\$38,850		\$15,500
Fire	\$22,500	\$27,000	\$7,044	\$39,250	\$1,466		\$46,800	\$6,349	\$3,500
Gov Facilities	\$17,500	\$20,604		\$4,000	\$13,890		included with police		\$9,000
Library	NA	\$6,834		\$13,100			\$0		\$6,500
Parks & Recreation	NA	Not Available		\$9,450			\$0		\$1,000
Bike & Pedestrian Trails	NA						\$0		
Sprinkler		\$1,250					\$3 per sq ft		
Inclusionary Housing							2% of bldg valuation over 5,000 sq ft	\$148,625	
Other**					\$752		\$29.81 per pg of plan	\$29,152	\$424
					\$112				
Totals	\$478,182	\$545,280	\$638,728	\$675,032	\$399,416	\$0	\$585,033	\$564,748	\$385,955
*Valuation based on city's determination of prototype representative.									
**Comm Dev Fee & Public Art Fee (San Luis Obispo)								\$14,790	
								\$14,362	

Commercial Industrial

Commerical Industrial	Prototype Industrial - 50,000 sq. ft., 12 restrooms, 5 acres, (1) 1-1/2" water meter, Type VN Construction, Building Code Type S2								
	Paso Robles	Templeton	Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Pismo Beach	San Luis Obispo	Santa Maria
Valuation*	\$1,823,500	\$1,823,500	\$1,880,000	\$1,880,000	\$1,880,000		\$1,739,500	\$2,422,500	\$1,940,000
Permit Issuance Fees									
Plan Check	\$5,200	\$5,600	\$5,448	\$7,498	\$6,222		\$10,071	\$14,795	INC IN BP FEES
Building Permit	\$2,937	\$9,545	\$8,381	\$8,821	\$8,324		\$9,168	\$11,729	\$16,348
MPE Permits		\$1,548	\$6,680	\$2,646	\$1,700		\$4,239	\$4,692	
Energy		\$862					\$168	\$1,642	
Seismic (SMIP)	\$383	\$365	\$395	\$395	\$395		\$422	\$509	\$407
Issuance Fee				\$24					
Planning Review				\$315					
Fire Sprinkler Plan Check				\$1,465					
Grading Plan Check				\$4,500					
Development Fees									
Water Connection	\$28,508	Not Available	\$88,423	\$64,820	\$7,435		\$226,715	\$60,590	\$20,919
Sewer Connection	\$4,427	Not Available	\$15,357	\$2,050	\$15,955		\$78,900	\$16,516	\$16,688
Transportation	\$171,500	\$181,300	\$84,926	\$124,850	\$71,091		\$160,000	\$72,050	\$126,550
Drainage/Flood	\$0	\$5,450		\$8,900	\$53,383		\$0	\$2,172	
Police	\$1,000	\$7,752	\$293	\$11,050	\$1,885		\$38,850		\$15,500
Fire	\$2,500	\$2,700	\$5,186	\$2,150	\$1,466		\$46,800	\$5,430	\$3,500
Gov Facilities	\$5,000	\$14,739		\$4,000	\$4,674		included in police		\$9,000
Library	NA	\$4,896		\$7,650			\$0		\$6,500
Parks & Recreation	NA	Not Available		\$5,500			\$0		\$1,000
Bike & Pedestrian Trails	NA						\$0		
Sprinkler		\$1,250					\$3 per sq ft		
Inclusionary Housing							2% of bldg valuation over 5,000 sq ft.	\$148,625	
Other					\$635		\$29.81 per pg of plan	\$24,266	\$424
					\$112				
Totals	\$221,455	\$236,007	\$215,089	\$256,634	\$173,277	\$0	\$575,333	\$363,016	\$216,836
*Valuation based on city's determination of prototype representative.									
**Comm Dev Fee & Public Art Fee (San Luis Obispo)									

TO: Home Builders Association
FROM: John Falkenstien, City Engineer
SUBJECT: Proposed Update of Development Impact Fees
DATE: December 15, 2005

Needs: That the Home Builders Association and local builders provide review and comment regarding the following proposed update of the City's Development Impact Fee program.

Facts:

1. Development Impact Fees are referenced in the General Plan as a tool to assure that new development mitigates its impacts. The General Plan anticipates:
 - The City population will grow to 44,000
 - Development of 6,548 new housing units
 - Development of approximately 4,305,000 square feet of industrial and commercial space
 - Approximately 6,980 new employees

The new residents and employees create an additional demand for transportation, drainage, bike and pedestrian paths, public safety vehicles and equipment, general government facilities, parks and recreation facilities and library facilities that cannot be accommodated without off-setting revenues.

2. Assembly Bill 1600, adopted by the State in 1988, authorized the establishment of fees to offset the impact of new development upon public infrastructure. The City has prepared a Development Impact Fee Study to determine the relationship between the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.
3. The current fee schedule was adopted March, 2003, prior to the update of the City's General Plan.
4. On October 19, 2004, the Council adopted Resolution No. 04-234 approving a list of City infrastructure needs pursuant to the new General Plan. The list includes projects and building improvements in transportation, drainage, bike and pedestrian paths, public safety (police and fire), general government facilities, park and recreation facilities and library facilities.
5. Transportation projects have been segregated into three categories; east side, west side and regional to assess fees more equitably throughout the City, with east side development appropriately supporting east side transportation projects.

6. Projects involving State routes are included in the Needs List where cost estimates have been prepared and shares of City participation have been identified. These projects include the Highway 101-46E intersection improvement (which includes the 16th Street on and off ramps) and planning studies for the Highway 46E-Airport Road intersection and Highway 46W-101 Environmental Documentation (the next phase of planning efforts). Projects not included in the current Needs List are; Highway 101-46W interchange, Highway 101-46E interchange, Highway 46E interchanges at Buena Vista Drive, Golden Hill Road, Airport Road and Dry Creek Road, and the widening of Highway 46E to six lanes.
7. Development Impact Fees in the report result from the nexus between the impacts of new development and the cost of the needed improvements. For example, **\$64,747,838** out of \$195,625,000 in transportation facility costs would be covered by impact fees on new development. Similar portions of other facility costs (fire, government facilities, recreation, et al) are to be covered by impact fees on new development.

**Analysis
and**

Conclusion:

The Needs List is a compilation of projects identified in the General Plan or identified by staff as meeting the goals of the General Plan adopted in 2003. The List is the basic underlying document from which Development Impact Fees are calculated. It is organized by departments with projects listed under transportation, drainage, bike and pedestrian paths, public safety facilities (police and fire), general government facilities, parks and recreation facilities, and library facilities.

The Development Fee Study, prepared by David Taussig and Associates, determines the level of participation by new development in the funding of the projects on the Needs List. In accordance with the provisions of Section 66000 of the Government Code there must be a nexus between the fees imposed, the use of the fees and the development projects on which the fees are imposed. Furthermore, there must be a relationship between the amount of the fee and the cost of the improvements.

Based on characteristics of geographic areas and growth patterns, different parts of the City have different infrastructure needs. For example, infill development of the west side of the City can be accommodated by the established west side grid street pattern. The majority of new development will, however, occur on the east side, where road systems may not be adequate to handle projected growth. Reversed circumstances apply to storm drain facilities; development on the east side has been able to design and construct needed storm drain improvements to mitigate their impacts, whereas the west side has outdated and inadequate storm drainage infrastructure to support infill development. Hence, the nexus varies east to west.

Table 1 lists facilities to be financed including a cost section consisting of columns for the total cost of the facility; off-setting revenues; net cost to the City and portion of costs allocated to new development.

Table 2 provides the schedule of proposed development impact fees and compares those amounts to the City's current impact fees.

Transportation

The Transportation element of the Needs List includes facilities necessary to provide safe and efficient vehicular access throughout the City. In order to meet the transportation demand of new development through build-out, the city identified the need for bridge and interchange construction; traffic signals and intersection improvements (which could include roundabouts); and road improvements including road widening projects.

Tables 3 and 4 provide a revenue projection from the fees for transportation facilities over the life of the General Plan, divided into land use categories, and compares that revenue with the total revenue needed to finance the infrastructure projects listed on Table 1.

General Government Facilities

The General Government Facilities element of the Needs List includes facilities necessary to provide services to the public including a new city hall, a performing arts center and a parking structure. All of these facilities relate directly to the goals and priorities set by the City Council. **Table 5** provides revenue projections, similar to Tables 3 and 4 for general government facilities.



Tuesday, March 07, 2006

City Engineer John Falkenstien
City Engineer
1000 Spring St.
Paso Robles, CA

Dear Mr. Falkenstien:

The Home Builders Association of the Central Coast thanks the city for providing us with the staff memo and consultant David Taussig's Development Impact Fee Justification Study on proposed development impact fees increases. We appreciate having had the time necessary to examine the proposal, see where we have questions, and seek additional information. Before the city makes any final decisions on proposed fee increases, we would appreciate having had sufficient time to review both the materials we are requesting in this letter and the city's answers to the questions and concerns we discuss below.

The association supports having development pay its fair share to fund the infrastructure needed to provide public services to new residential and commercial construction. That is the intention of Assembly Bill 1600. We reviewed the city's proposed fee increases and explanations in Taussig's report. We believe they contain several unsupported assumptions, rely on documents we have not seen, and raise the following questions and concerns:

The city's list should include only needs, not desires

The city is misinterpreting the intention of AB 1600. The city seems to be using the impact fees to fund a wish list -- things its wants or desires -- rather than the infrastructure it needs;

The city's proposal should include a full 100% financing plan

Since the city's approach for the AB 1600 fees is to look at the costs through General Plan buildout, we believe the city should provide a plan that shows how it anticipates funding 100 % of the improvements. The current approach only looks at new development's portion. We recommend the city provide current and future city residents with the clearest possible picture of where all the projects' funding will come from -- not only for new development but also for the \$170 million that existing and prospective residents will likely have to pay some portion thereof. This would be a more easily understood and more useful financial framework for city residents, home builders and home buyers.

The basic assumption of offsetting revenues seemingly ignores future revenues

Taussig's assumptions appear to result in an unwarranted increase in costs to new development. On Page 2, the report states that offsetting revenues are "any funds on hand that are allocated for a given facility." He continues, "This column does not include expected funds". Projected sources of offsetting funds should include estimates of all potential future revenue streams such as state and federal grants, sales tax income, and special district financing. Applying these future revenues should lower the costs to new development and should be factored into the current funding scenario, reducing the impact fees being charged. The report doesn't account for that.

It is unclear what existing offsetting funds have been applied to the cost calculations. In the few areas where offsetting existing funds are reflected, it is not clear where the existing offsetting funds came from. Do they, for example, include the existing impact fee revenue that new construction has already paid toward these projects?

The city financing plan needs a reimbursement program and assurances of no double charges

The funding plan should include a reimbursement method to repay home builders and home buyers to reflect what will happen when the city receives offsetting revenue that has not been accounted for in the improvement projects revenue projections. This program is necessary in order for new home buyers and builders to be sure they aren't being charged twice for the same improvement project -- once as an impact fee and again in whatever citywide financing methods Paso Robles pursues. For example, some impact fee improvements also seem to be included in the anticipated fees for the Chandler Ranch Specific Plan, such as work on Airport Road and Highway 46.

Some proposed fee hikes have no nexus to impacts caused by new development

We see no nexus between building homes and charging new homeowners \$12.66 million for a \$32 million performing arts center. We recognize the value of cultural amenities and understand your desire to have such an added attraction, but it shouldn't be on the city's "needs list" or considered a development impact.

- On Page 1 of his memo, City Engineer John Falkenstein noted that AB 1600 authorizes "the establishment of fees to offset the impact of new development upon public infrastructure." On Page 2, he noted that the city's "Needs List" used the 2003 General Plan as "the basic underlying document from which Development Impact Fees are calculated."
- On Page 2 of Taussig's report, he said, "In the broadest sense, the purpose of impact fees is to protect the public health, safety and general welfare by providing adequate public facilities."
- A development impact fee for a performing arts center isn't offsetting any impact new development might have on public facilities. Simply making something a General Plan goal doesn't make it necessary or make new development responsible to fund it. Something doesn't become a need just because it is desirable. The city doesn't need a performing arts center to protect the public health, safety or general welfare.
 1. The performing arts center in southern San Luis Obispo County was almost entirely paid for by the community raising the funds on its own rather than making people pay more for housing.
 2. How will the city fund the construction costs allocated to existing residents?
- We see no infrastructure nexus or need between building homes and charging new homeowners \$4.6 million for a \$12 million public swimming pool. A swimming pool is desirable, but unnecessary.
 1. Assembly Bill 1600 was intended to fund street construction, drainage facilities, water and sewer improvements, and public safety facilities. It was not intended to add unnecessarily to the cost of housing. It is already extremely difficult to build moderately priced housing because of land costs, lengthy processing time, and opposition to higher density housing.
 2. How would the pool's remaining \$7.4 million be funded?

Taussig has not included enough information on how improvement costs were divided

What facts and studies did Taussig use to assign new construction all \$11 million to build a 300-space parking garage downtown, all \$5.4 million for new bicycle and pedestrian facilities, and all \$9.7 million in Salinas River land acquisition costs?

- The garage's projected cost is \$36,815 per space. That seems very high. They typically cost \$15,000 per space. How were these costs determined?
- Is it legal to fund a parking structure through AB 1600 fees? Doesn't the law require creating a parking district -- run by a parking authority -- to fund and run a parking garage? Parking structures are normally funded through a parking district and revenue bonds paid by assessments on properties that benefit from the public parking garage, such as downtown area businesses and not new homeowners.
- How will new homeowners on the edge of town create the full need for a downtown parking garage?
- Why are a new city hall and new corporation yard necessary? What is the nexus with new development?

Some project-specific infrastructure improvements and upgrades of existing facilities are assigned citywide development impact fees, such as road improvements on Airport Road, Dry Creek Road and Vine Street, several proposed drainage system improvements, and park work.

- What method did Taussig use to assign some costs citywide and others to specific projects? We request a more detailed explanation of how costs were divided between proposed individual projects and general impact fees.
- What will the \$400,000 upgrade of the Melody Basin buy? Is that deferred maintenance? What is the impact new development will have on the basin?
- What improvements are planned for the existing Centennial Park? How were the costs determined? Are there offsetting revenues available? Why are they assigned to new residential development?

Commercial and industrial development should participate in the park fee program

New commercial and industrial development should bear their fair share of new parkland acquisition and development. Visitors to the city's restaurants, wineries, and hotels and people who work in town but don't live there are as likely as full-time residents to use parks for personal or company picnics, recreation or lunch. The city should divide the parkland impact fee fairly between all types of new construction.

Inconsistent information

We are concerned that numeric inconsistencies between and within the reports will lead to inaccurate fees levied against new development. The reports should be factually consistent before the city approves any fee increases.

There appear to be inconsistencies between the Taussig report and Falkenstien's memo. On Page 2 of the latter, he wrote that new development would pay \$64.7 million of \$195.6 million in transportation improvements; but Table 2 of Taussig's report shows new development responsible for \$89.3 million of the transportation total.

Taussig's report appears to have gaps and numeric inconsistencies we would like clarified.

- Table 2 does not show how much the city has already collected in impact fees for individual projects.
- Table 4 shows new improvement costs east of 101 as \$182 million. Table 2 shows them as \$165 million.
- Table 4 shows impact fees paying \$83.86 million for transportation east of 101. Table 2's summary shows \$76 million.
- Table 5 shows \$5.47 million for transportation improvements west of 101 funded by new development while the summary table shows \$2.23 million allocated to new development.
- Table 5 shows \$13.3 million as the total cost. The summary table shows the total as \$5.1 million.

Assumptions and backup information

There is neither enough background information nor enough detailed explanation in Taussig's reports to show either how he arrived at many conclusions or how the city plans to pay for the improvement costs that are not being charged against new development. New home buyers should know that the fees they are paying will go toward improvements that will actually be built.

Many of the cost estimates seem very high for public buildings and improvements. We request a more detailed explanation of how those costs were determined on a per foot basis.

- Fire stations typically costs \$200 to \$300 per square foot. Why does Paso propose charging \$676 per square foot?
- The 13th Street Bridge to Albertson's seems very high, almost \$400 per linear foot.

It appears that Taussig determined the park fee based on a dedication ratio of seven acres per 1,000 people. State law allows three acres per 1,000, but lets a city that already has more than that to could charge up to a maximum of five acres per 1,000.

- What is Paso Robles current parks-to-population ratio?
- Why did Taussig decide to use the seven-acre ratio?
- The Quimby Act requires cities to credit builders with projects that include park improvements, offsetting the dedication or in-lieu fees for park land acquisition. We question whether the city can legally impose a park improvement fee without giving a credit toward the land acquisition.

We request the following documents:

- The latest traffic study and related documentation used to decide what transportation improvements are currently needed to offset impacts from new development, including changes since they were approved.
- The staff survey Taussig refers to on Page 3 of his report "to determine what facilities would be needed to meet increased demand resulting from new development" and an explanation of the methodology the staff used to determine what facilities were needed.
- Since the police and fire safety charges appear to be based on land use, we would like the study the city used to measure how many of its emergency responses are in industrial, commercial, and residential areas.
- The employment densities appear lower than industry standards, shifting an unjust burden of the impact costs toward residential. What was the source Taussig used to develop these numbers?

We hope the city can answer our concerns and questions and provide the information requested before holding a public hearing and increasing any fees. Thank you for taking time to consider and answer our questions.

Sincerely yours,

Jerry Bunin
Government Affairs Director
(805) 546-0418 Ext. 22
(805) 459-2807
jbunin@hbacc.org



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

June 14, 2006

Jennifer Phillip
Jerry Bunin
Home Builders Association of the Central Coast
811 El Capitan Way, Suite 120
San Luis Obispo, CA 93401

Subject: Updated AB 1600 Fees

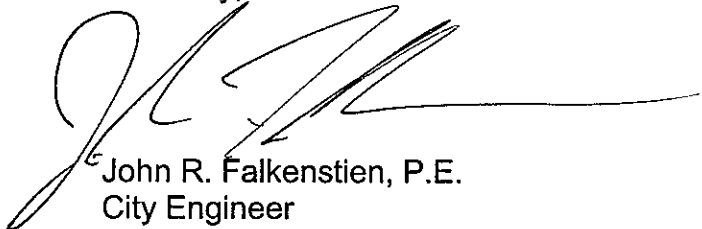
Dear Association Members:

Attached is a proposed schedule of updated AB 1600 fees. In support of this fee schedule we have attached the Development Impact Fee Justification Study and a response to your March 7 comment letter, both prepared by David Taussig and Associates.

It is our intent to bring these proposed fees to the City Council for their consideration at their meeting of July 18, 2006. If adopted by Council, the fees will go into effect 60 days after the hearing. Beginning Monday, September 18, 2006, all building permits pulled will be subject to the new fee schedule, with the exception of those projects where permits were accepted for processing prior to the date of the Council hearing (*e.g., submitted prior to July 18, 2006*).

We welcome your input and appreciate any additional comments you may have. Comments may be submitted to my attention by email at jfalkenstien@prcity.com or by regular mail.

Sincerely,



John R. Falkenstien, P.E.
City Engineer

cc: Jim App, City Manager
Travis Fuentes, Centex Homes
Dick Willhoit, Estrella Associates
Dennis Moresco, Midland Pacific Bldg. Corp.
Mike Harrod, Harrod Inc.



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

June 20, 2006

Permit Applicant

Subject: Updated AB 1600 Fees

Dear Permit Applicant:

Please be advised that the City Council, at their meeting of July 18, 2006, will consider updating the City's Development Impact Fee program in accordance with the attached outline. Adoption of this program will result in increases of fees associated with building permits applied for after the hearing date.

Please note that the proposed increase in fees will not be applicable to permits currently in progress, or those submitted prior to the hearing date (July 18, 2006).

It is our intent to bring these proposed fees to the City Council for their consideration at their meeting of July 18, 2006. If adopted by Council, the fees will go into effect 60 days after the hearing. Beginning Monday, September 18, 2006, all building permits issued will be subject to the new fee schedule, with the exception of those projects where permit applications were accepted for processing prior to the date of the Council hearing (July 18, 2006).

Public notice will be made of the hearing date. We welcome your input and appreciate any comments you may have. Comments may be submitted via email to me at JFalkenstien@prcity.com or by regular mail to 1000 Spring Street, Paso Robles, CA 93446.

Sincerely,

John R. Falkenstien, P.E.
City Engineer

Proposed Development Impact Fee Summary

	Streets, Traffic Signals and Bridges	A Transportation Facilities		Storm Drainage Facilities	B Drainage Facilities		C Bike and Pedestrian Path Facilities	Law Enforcement Facilities	Fire Protection Facilities	D Public Safety Facilities	
		East of Salinas River	West of Salinas River		West of Salinas River	Police				Fire	
Single Family	\$4,737	\$8,564	\$4,313	\$675	\$1,631	\$863	\$19	\$763	\$66	\$967	
Estate (1 acre or more)	\$4,737			\$859			\$19	\$763			

Multiple Family	\$3,117	\$6,851	\$3,450	\$222	\$816	\$767	\$37	\$627	\$78	\$831
Condominium/Duplex	\$2,911			\$367			\$18	\$220		
Mobile Homes	\$2,389			\$590			\$21	\$1,203		
Assisted Living Units	\$907	\$1,820	\$1,004	\$300		No Fee	\$35	\$10,451		\$10,451
Commercial Lodging Motel/Hotel	\$2,440	\$2,815	\$1,999	\$134			\$12	\$249		\$831
RV Parks & Campgrounds	\$1,534	\$1,770	\$954	No Fee			No Fee	No Fee		

Commercial per sq. ft.	\$5.92	\$6.83	\$2.63	\$0.22	\$1.12	NA	\$0.05	\$0.45	\$0.05	\$0.45
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Industrial per sq. ft.	\$2.80	\$3.05	\$1.75	\$0.25	\$0.75	NA	\$0.00	\$0.02	\$0.00	\$0.02
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	General Governmental Facilities	Public Meeting Facilities	E General Governmental Service Facilities		Aquatics Facilities	Parkland & Open Space Acquisition	F Park and Recreation Facilities		Library Expansion Facilities	G Library Facilities		Current Fees*		Proposed Fees**		
			General Governmental Service Facilities	General Governmental Service Facilities			Park and Recreation Facilities	Park and Recreation Facilities		Library Facilities	Library Facilities	Total	Per	Total	East of Salinas River	West of Salinas River
Single Family	\$454	\$440	\$4,637	\$4,637	\$313	\$2,815	\$4,943	\$4,943	\$675	\$906	\$10,891	unit	\$20,946	\$18,326	unit	
Estate (1 acre or more)	\$454	\$440			\$313	\$2,815			\$675		\$11,075	unit				

Multiple Family	\$454	\$381	\$4,121	\$4,121	\$271	\$2,436	\$4,394	\$4,394	\$584	\$805	\$8,129	unit	\$17,847	\$15,262	unit
Condominium/Duplex	\$454	\$343			\$243	\$2,188			\$524		\$7,268	unit			
Mobile Homes	\$454	\$276			\$197	\$1,765			\$422		\$7,317	unit			
Assisted Living Units	\$454	No Fee			No Fee	No Fee			No Fee		\$12,147	unit	\$16,470	\$16,470	
Commercial Lodging Motel/Hotel	\$71	No Fee	\$71	\$71	No Fee	No Fee			No Fee		\$2,906	unit	\$3,795	\$3,795	
RV Parks & Campgrounds	No Fee	No Fee			No Fee	No Fee			No Fee		\$1,534	unit	\$2,750	\$2,750	

Commercial per sq. ft.	\$0.10	No Fee	\$0.35	\$0.35	No Fee	No Fee	NA	NA	No Fee	NA	\$6.74	sq. ft.	\$7.68	\$4.60	sq. ft.
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Industrial per sq. ft.	\$0.10		\$0.10	\$0.10							\$3.17	sq. ft.	\$3.17	\$2.62	sq. ft.
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*Current Fees in Light Type in effect July 1, 2005 until June 30, 2006

**Proposed Fees in Bold Type

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

CITY COUNCIL
PROJECT NOTICING

Newspaper: The Tribune

Date of Publication: July 19, 2006

Meeting Date: August 1, 2006
City Council

Project: Notice of Hearing for Future
Updating Development Impact Fees

I, Sharie A. Scott, employee of the
Community Development Department, Engineering
Division, of the City of El Paso de Robles, do hereby
certify that this notice is a true copy of a published
legal newspaper notice for the above named project.

Signed: *Sharie A. Scott*
Sharie A. Scott

WEDNESDAY, JULY 19, 2006

CITY OF PASO ROBLES

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing on Tuesday, August 1, 2006, at 7:30 p.m. in the Conference Center/ City Council Chambers (First Floor) at the Paso Robles Library/City Hall, 1000 Spring Street, Paso Robles, California. The City Council will consider updating and adjusting Development Impact Fees associated with State Assembly Bill 1600.

Development Impact Fees are referenced in the General Plan as a tool to implement the policies associated with the concept of fiscal neutrality and are used to offset the additional demand on infrastructure needs including but not limited to projects and building improvements in transportation, drainage, bike and pedestrian paths, public safety (police and fire), general government facilities, park and recreation facilities and library facilities.

All interested parties may appear and be heard at this hearing. Written comments on the Staff Report may be mailed to the Community Development Department, City Hall, 1000 Spring Street, Paso Robles, CA 93446, provided that comments are received prior to the time of public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this project, please contact John Falkensten, City Engineer at (805) 237-3860.

If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public meeting described herein.

John Falkensten,
City Engineer
July 14, 19, 2006

6418958

RESOLUTION NO. 06-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ADOPTING THE *DEVELOPMENT IMPACT FEE CALCULATION AND
DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY FOR THE CITY OF PASO ROBLES,
CALIFORNIA* AND SUBSEQUENT DOCUMENTATION ACCOMPANYING SUCH REPORT
AND ESTABLISHING DEVELOPMENT IMPACT FEES FOR ALL DEVELOPMENT WITHIN
THE CITY OF EL PASO DE ROBLES

WHEREAS, the Land Use Element of the City's General Plan has as a policy the requirement that new development mitigate its share of the impacts to the natural and built environment and to be fiscally neutral and not result in a net loss for the City; and

WHEREAS, in accordance with policies established in the 2003 General Plan update, the City Council has directed staff to conduct a comprehensive review of the City's development impact fees to determine whether those fees are adequate to defray the cost of public facilities related to the development project; and

WHEREAS, the City contracted with David Taussig & Associates, Inc to provide a comprehensive evaluation of the City's existing development impact fees; and

WHEREAS, David Taussig & Associates, Inc. prepared a report, entitled *Development Impact Fee Justification Study for the City of Paso Robles, California*, in June of 2006, that recommends an increase to the City's development impact fees and explains the nexus between the imposition of the fee and the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the *Development Impact Fee Justification Study for the City of Paso Robles, California*, has been available for public review and comment; and

WHEREAS, the *Development Impact Fee Justification Study for the City of Paso Robles, California* substantiates the need for an increase in development impact fees amongst seven different categories of services and facilities provided by the City; and

WHEREAS, the City has imposed development impact fees, including fees for transportation, park development, storm drainage, public safety, public facilities, and library since the adoption of Resolution 03-031; and

WHEREAS, the City Council desires to adopt new development impact fees, in accordance with the nexus calculations and recommendations in the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. in June, 2006; and

WHEREAS, in compliance with the Mitigation Fee Act (Government Code section 66000 *et seq.*), the City Council held a noticed public hearing on the proposed development input fees on August 1, 2006, to solicit public input on the proposed development impact fees;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Findings pursuant to Government Code section 66001.

The City Council finds and determines that the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. and dated June, 2006, complies with California Government Code section 66001 by establishing the basis for the imposition of fees on new development. This finding is based on the fact that the *Study*:

- (a) Identifies the purpose of the fee;
- (b) Identifies the use to which the fee will be put;
- (c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
- (d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and
- (e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

SECTION 2. Fees for Uses Consistent with the *Study*.

The City Council hereby determines that the fees collected pursuant to this resolution shall be used to finance the public facilities described or identified in the *Development Impact Fee Justification Study*, the Master Facilities Plan or other such facility master plans as may from time to time be adopted by the City Council.

SECTION 3. Approval of Items in *Development Impact Fee Justification Study*.

The City Council has considered the specific project descriptions and cost estimates identified in the *Development Impact Fee Justification Study* and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing certain development impact fees.

SECTION 4. Consistency with General Plan.

The City Council finds that the projects and fee methodology identified in the *Development Impact Fee Justification Study* are consistent with the City's General Plan which calls for development to mitigate its share of the impacts to City infrastructure and to be fiscally neutral.

SECTION 5. Differentiation Among Fees.

The City Council finds that the fees recommended in the *Development Impact Fee Justification Study* are separate and different from other fees the City may impose through the implementation of a Specific Plan or as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing ordinances, as may be amended from time to time. Specific Plan fees or fees imposed pursuant to the Subdivision Map Act and/or the Quimby Act and as determined by the environmental impacts of any given land development entitlement shall be credited for the deposit of Development Impact Fees as specified in Appendix A to the extent that the fees imposed are specifically identified to be used to fund the same project or facility as listed in Table 2 of the *Development Impact Fee Justification Study*.

In addition, this resolution shall not be deemed to affect the imposition or collection of the water and sewer connection fees authorized by section 14.04.020 and 14.16.020 of the Municipal Code.

SECTION 6. CEQA Finding.

The adoption of the *Development Impact Fee Justification Study* and the development impact fees are categorically exempt from environmental review pursuant to section 15061(b)(3) of the California Environmental Quality Act Guidelines. The intent of the *Study* and development impact fee is to provide one way to fund projects and services that have been identified in environmental analyses of other planning efforts, including the General Plan EIR, and various City master plans, among others.

SECTION 7. Adoption of Report.

The *Development Impact Fee Justification Study for the City of Paso Robles, California*, including the subsequently added Appendix C, is hereby adopted.

SECTION 8. Timing of Fee.

A development impact fee shall be imposed and paid upon the issuance of a building permit, or at such earlier time as permitted by law, as set forth in Government Code section 66007. A “development permit” means any permit or approval from the City including, but not limited to, subdivision map, revised final planned development, building permit or other permit for construction or reconstruction.

- (a) All building permit applications that were received by the City Building Division on or before August 1, 2006, and based upon the submissions made by that date have been deemed by the City to be accepted for review to determine their compliance with City requirements, shall be processed on a first-come, first-served basis, in accordance with the City’s standard policies and practices shall be subject to the development impact fees that applied pursuant to Resolution 03-031, prior to adoption of this resolution;
- (b) Except as provided in subparagraph (a) above, the fees adopted by this resolution shall take effect on October 3, 2006.

SECTION 9. Amount of Fee.

The City Council hereby approves and adopts the development impact fees as set forth in Appendix A to this resolution, attached hereto and incorporated herein. Appendix A sets forth the aggregate amount imposed as a development impact fee for both residential and non-residential land uses and also sets forth the breakdown of each development impact fee by type of facility or service. The development impact fees set forth in Appendix A are consistent with the Report. The amount of the development impact fees shall be modified annually each July 1 based on the change in the Engineering News Record's construction cost index as reported for the twelve month period ending in April of each year.

SECTION 10. Use of fee.

The development impact fees shall be solely used for (1) the purposes described in the *Development Impact Fee Justification Study*; (2) reimbursing the city for the development’s fair share of those capital improvements already constructed by the City; or (3) reimbursing developers who have already constructed public facilities described in the *Development Impact Fee Justification Study* or the Master Facilities Plan or other facility master plans adopted from time to time by the City Council, where those facilities exceed mitigation of the impacts of the developers’ project or projects.

A developer that has been required by the City to construct any facilities or improvements (or a portion thereof) described in Table 2 of the *Development Impact Fee Justification Study* as a condition of approval of a development entitlement may request an in-lieu credit from the Development Impact Fee fund. This credit may only be for the portion of the specific development impact fees attributable to the specific improvement project described in the *Study* and constructed in conjunction with the subject development. Upon request, an in-lieu credit of fees shall be granted for that portion of the facilities or improvements that exceed the mitigation of the need that is attributable to and reasonably related to the development as determined by the Community Development Director.

When an applicant is required, as a condition of approval of a development entitlement, to construct any facility or improvement listed in Table 2 of the Development Impact Fee Justification Study; which improvement is determined by the Community Development Director to exceed the need and mitigation of the development entitlement, the applicant may request in writing that a reimbursement agreement with the City be presented to the City Council for consideration. The amount reimbursed shall be that portion of the estimated cost of the improvement or facility that exceeds the need or mitigation attributable to the development.

Fees collected pursuant to Resolution 03-31 for Aquatic Facilities and for Public Meeting Facilities shall be used exclusively for those purposes and accounts for these fees shall remain in effect and shall be maintained by the Director of Administrative Services.

Fees collected under any of the seven categories listed A through G in Table 2 of the *Development Impact Fee Justification Study* may be used to finance the construction or implementation of any project listed in those categories to the extent that use of the fees may not exceed the percentage allocated to new development of all of the projects listed in the category, or sub-category as shown on Table 2.

SECTION 11. Fee Determination by Type of Use.

A. Residential Development.

Development impact fees for residential development shall be based upon the type of unit constructed. The development impact fee categories as shown in Appendix A generally correspond to the City's land use designations in the land use element of the City's general plan.

B. Nonresidential Land Uses.

Development impact fees for nonresidential land uses shall be based upon the square footage of the building. The development impact fee categories as shown in Appendix A generally correspond to the City's land use designations in the land use element of the City's general plan.

C. Uses Not Specified.

In the event that there are land uses not specified in Appendix A, the development impact fee for such use shall be determined by the City's Community Development Director or his or her designee who shall determine such fee based on an analysis of the public service impacts of the proposed use in relation to other uses shown in Appendix A.

SECTION 12. Prior Resolutions and Ordinances Superseded.

The development impact fees approved and adopted by this resolution shall take effect in sixty (60) days and shall supersede previously adopted resolutions that set the amounts of development impact fees, including Resolution 03-31.

SECTION 13. Severability.

If any action, subsection, sentence, clause or phrase of this resolution or the imposition of a development impact fee for any project described in the Report or the application thereof to any person or circumstance shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this resolution or other fees levied by this resolution that can be given effect without the invalid provisions or application of fees.

SECTION 14. Effective Date.

Consistent with California Government Code section 66017(a), the fees as identified in attached Exhibit "A" adopted by this resolution shall take effect sixty (60) days following the adoption of this resolution by the City Council.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of August 2006 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk

Attachment:

A: Development Impact Fee Justification Study

RESOLUTION NO. 06-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ADOPTING THE DEVELOPMENT IMPACT FEE CALCULATION AND THE
*DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY FOR THE CITY OF PASO ROBLES,
CALIFORNIA* AND SUBSEQUENT DOCUMENTATION ACCOMPANYING SUCH REPORT
AND ESTABLISHING DEVELOPMENT IMPACT FEES FOR ALL DEVELOPMENT WITHIN
THE CITY OF EL PASO DE ROBLES

WHEREAS, the Land Use Element of the City's General Plan has as a policy the requirement that new development mitigate its share of the impacts to the natural and built environment and to be fiscally neutral and not result in a net loss for the City; and

WHEREAS, in accordance with policies established in the 2003 General Plan update, the City Council has directed staff to conduct a comprehensive review of the City's development impact fees to determine whether those fees are adequate to defray the cost of public facilities related to the development project; and

WHEREAS, the City contracted with David Taussig & Associates, Inc to provide a comprehensive evaluation of the City's existing development impact fees; and

WHEREAS, David Taussig & Associates, Inc. prepared a report, entitled *Development Impact Fee Justification Study for the City of Paso Robles, California*, in June of 2006, that recommends an increase to the City's development impact fees and explains the nexus between the imposition of the fee and the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the *Development Impact Fee Justification Study for the City of Paso Robles, California*, has been available for public review and comment; and

WHEREAS, the *Development Impact Fee Justification Study for the City of Paso Robles, California* substantiates the need for an increase in development impact fees amongst seven different categories of services and facilities provided by the City; and

WHEREAS, the City has imposed development impact fees, including fees for transportation, park development, storm drainage, public safety, public facilities, and library since the adoption of Resolution 03-031; and

WHEREAS, the City Council desires to adopt new development impact fees, in accordance with the nexus calculations and recommendations in the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. in June, 2006; and

WHEREAS, in compliance with the Mitigation Fee Act (Government Code section 66000 *et seq.*), the City Council held a noticed public hearing on the proposed development input fees on August 1, 2006, to solicit public input on the proposed development impact fees;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Findings pursuant to Government Code section 66001.

The City Council finds and determines that the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. and dated June, 2006, complies with California Government Code section 66001 by establishing the basis for the imposition of fees on new development. This finding is based on the fact that the *Study*:

- (a) Identifies the purpose of the fee;
- (b) Identifies the use to which the fee will be put;
- (c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
- (d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and
- (e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

SECTION 2. Fees for Uses Consistent with the *Study*.

The City Council hereby determines that the fees collected pursuant to this resolution shall be used to finance the public facilities described or identified in the *Development Impact Fee Justification Study*, the Master Facilities Plan or other such facility master plans as may from time to time be adopted by the City Council.

SECTION 3. Approval of Items in *Development Impact Fee Justification Study*.

The City Council has considered the specific project descriptions and cost estimates identified in the *Development Impact Fee Justification Study* and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing certain development impact fees.

SECTION 4. Consistency with General Plan.

The City Council finds that the projects and fee methodology identified in the *Development Impact Fee Justification Study* are consistent with the City's General Plan which calls for development to mitigate its share of the impacts to City infrastructure and to be fiscally neutral.

SECTION 5. Differentiation Among Fees.

The City Council finds that the fees recommended in the *Development Impact Fee Justification Study* are separate and different from other fees the City may impose through the implementation of a Specific Plan or as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing ordinances, as may be amended from time to time. Specific Plan fees or fees imposed pursuant to the Subdivision Map Act and/or the Quimby Act and as determined by the environmental impacts of any given land development entitlement shall be credited for the deposit of Development Impact Fees as specified in Appendix A to the extent that the fees imposed are specifically identified to be used to fund the same project or facility as listed in Table 2 of the *Development Impact Fee Justification Study*.

In addition, this resolution shall not be deemed to affect the imposition or collection of the water and sewer connection fees authorized by section 14.04.020 and 14.16.020 of the Municipal Code.

SECTION 6. CEQA Finding.

The adoption of the *Development Impact Fee Justification Study* and the development impact fees are categorically exempt from environmental review pursuant to section 15061(b)(3) of the California Environmental Quality Act Guidelines. The intent of the *Study* and development impact fee is to provide one way to fund projects and services that have been identified in environmental analyses of other planning efforts, including the General Plan EIR, and various City master plans, among others.

SECTION 7. Adoption of Report.

The *Development Impact Fee Justification Study for the City of Paso Robles, California*, including the subsequently added Appendix C, is hereby adopted.

SECTION 8. Timing of Fee.

A development impact fee shall be imposed and paid upon the issuance of any certificate of occupancy for the project, or at such earlier time as permitted by law, as set forth in Government Code section 66007. A "development permit" means any permit or approval from the City including, but not limited to, subdivision map, revised final planned development, building permit or other permit for construction or reconstruction.

- (a) All building permit applications that were received by the City Building Division on or before August 1, 2006, and based upon the submissions made by that date have been deemed by the City to be accepted for review to determine their compliance with City requirements, shall be processed on a first-come, first-served basis, in accordance with the City's standard policies and practices, and those permits that are issued on or before October 2, 2006, shall be subject to the development impact fees that applied pursuant to Resolution 03-031, prior to adoption of this resolution;
- (b) Except as provided in subparagraph (a) above, the fees adopted by this resolution shall take effect on October 3, 2006.

SECTION 9. Amount of Fee.

The City Council hereby approves and adopts the development impact fees as set forth in Appendix A to this resolution, attached hereto and incorporated herein. Appendix A sets forth the aggregate amount imposed as a development impact fee for both residential and non-residential land uses and also sets forth the breakdown of each development impact fee by type of facility or service. The development impact fees set forth in Appendix A are consistent with the Report. The amount of the development impact fees shall be modified annually each July 1 based on the change in the Engineering News Record's construction cost index as reported for the twelve month period ending in April of each year.

SECTION 10. Use of fee.

The development impact fees shall be solely used for (1) the purposes described in the *Development Impact Fee Justification Study*; (2) reimbursing the city for the development's fair share of those capital improvements already constructed by the City; or (3) reimbursing developers who have already constructed public facilities described in the *Development Impact Fee Justification Study* or the Master Facilities

Plan or other facility master plans adopted from time to time by the City Council, where those facilities exceed mitigation of the impacts of the developers' project or projects.

A developer that has been required by the City to construct any facilities or improvements (or a portion thereof) described in Table 2 of the *Development Impact Fee Justification Study* as a condition of approval of a development entitlement may request an in-lieu credit from the Development Impact Fee fund. This credit may only be for the portion of the specific development impact fees attributable to the specific improvement project described in the *Study* and constructed in conjunction with the subject development. Upon request, an in-lieu credit of fees shall be granted for that portion of the facilities or improvements that exceed the mitigation of the need that is attributable to and reasonably related to the development as determined by the Community Development Director.

When an applicant is required, as a condition of approval of a development entitlement, to construct any facility or improvement listed in Table 2 of the Development Impact Fee Justification Study; which improvement is determined by the Community Development Director to exceed the need and mitigation of the development entitlement, the applicant may request in writing that a reimbursement agreement with the City be presented to the City Council for consideration. The amount reimbursed shall be that portion of the estimated cost of the improvement or facility that exceeds the need or mitigation attributable to the development.

Fees collected pursuant to Resolution 03-31 for Aquatic Facilities and for Public Meeting Facilities shall be used exclusively for those purposes and accounts for these fees shall remain in effect and shall be maintained by the Director of Administrative Services.

Fees collected under any of the seven categories listed A through G in Table 2 of the *Development Impact Fee Justification Study* may be used to finance the construction or implementation of any project listed in those categories to the extent that use of the fees may not exceed the percentage allocated to new development of all of the projects listed in the category, or sub-category as shown on Table 2.

SECTION 11. Fee Determination by Type of Use.

A. Residential Development.

Development impact fees for residential development shall be based upon the type of unit constructed. The development impact fee categories as shown in Appendix A generally correspond to the City's land use designations in the land use element of the City's general plan.

B. Nonresidential Land Uses.

Development impact fees for nonresidential land uses shall be based upon the square footage of the building. The development impact fee categories as shown in Appendix A generally correspond to the City's land use designations in the land use element of the City's general plan.

C. Uses Not Specified.

In the event that there are land uses not specified in Appendix A, the development impact fee for such use shall be determined by the City's Community Development Director or his or her designee who shall determine such fee based on an analysis of the public service impacts of the proposed use in relation to other uses shown in Appendix A.

SECTION 12. Prior Resolutions and Ordinances Superseded.

The development impact fees approved and adopted by this resolution shall take effect in sixty (60) days and shall supersede previously adopted resolutions that set the amounts of development impact fees, including Resolution 03-31.

SECTION 13. Severability.

If any action, subsection, sentence, clause or phrase of this resolution or the imposition of a development impact fee for any project described in the Report or the application thereof to any person or circumstance shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this resolution or other fees levied by this resolution that can be given effect without the invalid provisions or application of fees.

SECTION 14. Effective Date.

Consistent with California Government Code section 66017(a), the fees as identified in attached Exhibit "A" adopted by this resolution shall take effect sixty (60) days following the adoption of this resolution by the City Council.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of August 2006 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk

Attachment:

A: Development Impact Fee Justification Study