

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Development Impact Fee Update Program
DATE: July 7, 2009

Needs: For the City Council to confirm a process for reconsideration of public facility needs and development impact fees.

Facts:

1. The General Plan and Council goals establish public facility objectives and standards to support build-out through 2025.
2. New development benefits from, and impacts, public facilities.
3. Impacts may be offset through the payment of development impact fees that fund a proportionate share of the costs to provide public facilities.
4. A pre-requisite to updating development impact fees is confirmation of needed public facilities (based upon the General Plan and council goals). Once a facility Needs List is established, facility cost estimates are prepared. Then, new development's proportionate share is determined and fees calculated.
5. The current public facility Needs List includes the following categories:
 - Police
 - Library
 - Drainage
 - Transportation
 - Emergency Services
 - Parks and Recreation
 - Bike & Pedestrian Facilities
 - General Government Facilities
6. Transportation facility needs will be evaluated through the Circulation Element update (estimate completion in 2010).
7. On February 17, 2009, the Council authorized a contract with David Taussig and Associates to update the AB 1600 Fee Justification Study (needs list, cost estimates, development share, and fees) incorporating new transportation facilities in the Circulation Element update.
8. On June 2, 2009, the Council requested an opportunity to reconsider non-transportation projects on the Needs List. The discussion included suggestions that some projects may no longer be essential.

9. Elimination of projects from the Needs List may occur at any time. In addition, development impact fees associated with an amended facility category can be modified. *NOTE: If projects are deleted and fees reduced, repayment of previously paid fees is not required provided the facility category account balance is less than the amount needed to fund remaining projects.*

Analysis &

Conclusion:

The public facilities needs list may be modified at any time, although modifications are typically considered as part of a comprehensive review of General Plan policies, Council goals, and development impacts. A significant component of the Needs List is future streets, intersections, and interchanges. The Circulation Element update will aid in establishing these transportation facility needs.

The Council has requested early reconsideration of certain non-transportation facility needs. Certainly, a public discussion date can be set for this purpose. Alternatively, the Council could form an ad hoc committee to review the facility Needs List and associated policies including:

- Purpose of, and need for, projects on the government facilities list
- General Plan provisions regarding open space and park sites.
- Commercial and industrial development impact fee policy
- The storm drain master plan
- The bikeway master plan
- Transit services and park/ride facilities
- Facility maintenance and depreciation costs
- Transportation projects from updated circulation element

Policy

Reference: 2003 General Plan.

Fiscal

Impact: Development impact fees are designed to offset the impacts of new development.

- Options:**
- a. Form an ad hoc committee to evaluate the AB 1600 facility Needs List and related policies.
 - b. Schedule public reconsideration of the Government Facilities portion of the Needs List.
 - c. That the City Council amend, modify or reject the above option.