

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Development Impact Facility Needs List Review/Update
DATE: October 6, 2009

Needs: For the City Council to consider modifications to the development impact facility Needs List.

Facts:

1. The City Council formed an ad hoc committee to review development impact facility needs.
2. The council ad hoc committee met July 30 to review the need for identified facilities.
3. The committee identified three projects; the performing arts center, Salinas River land acquisition and the aquatic facility to determine if they should remain on the needs list.

4. In 2006, cost estimates were developed and portions allocated to new development as follows:

<u>Project</u>	<u>Cost</u>	<u>New Development's Share</u>	
Performing Arts Center	\$32,500,000	38.96%	\$12,661,063
Salinas Corridor Land Acquisition (71 acres)	\$ 9,700,000	80.78%	\$ 7,835,660
Aquatic Facility	\$12,000,000	80.78%	\$ 9,516,414

5. Development impact fees were established to assess the new developments their share of the costs associated with these projects.

- The park development fee was established by Ordinance No. 411 in 1978.
- An aquatic facility fee was adopted in 2003. The scope and cost estimate of the facility was significantly expanded in 2006.
- The Performing Arts Center was added in 2006.

6. The performing arts center and the aquatic facility appear to be discretionary, i.e., they are not explicit mitigations of new development impacts.

7. Discretionary projects may be removed from the Needs List at the City Council's discretion and development impact fees can be adjusted accordingly to account for the facility need modifications.

**Analysis &
Conclusion:**

The Facility Needs List includes projects that mitigate the impacts of new development and/or are of benefit to the community. Those projects that are not explicit environmental mitigations may be modified at the City Council's discretion.

Note: Typically, modifications are considered as part of a comprehensive review of General Plan policies, Council goals, and development impacts. Modifications usually affect development impact fees.

The Salinas River open space land acquisition (71 acres at \$137,000 per acre) was placed on the Needs List in response to Parks and Recreation Element of the General Plan policy of "a 7-acres per 1,000 population parkland standard". The acquisition of parkland was/is the essence of the park development fee (originally established by Council in 1978). This facility need is established in the General Plan and therefore appropriate for inclusion in the Parks and Recreation facility needs list.

However, the two other facilities of interest are recommended for removal from the Needs List or reduction in scope:

- Performing Arts Center is a discretionary project added in 2006 as being of benefit to the entire community. It includes a 300-seat performance auditorium, a 125-seat experimental theatre, 15,000 sf conference center and 5,000 sf office. Acquisition of three acres of land is anticipated. The estimated cost of the entire project, with land, is \$32,500,000.
- Aquatic Facility is a discretionary project, which was significantly expanded in scope in 2006 as being of benefit to the entire community. It includes a "seven-acre complex with 50 meter pool, bleachers, shade, lights and support buildings at an estimate of \$12,000,000 (includes land acquisition). This project could be reduced in scope to that contemplated in the 2003 Nexus Study, which was for a pool and pool utility building expansion at a then-estimated cost of approximately \$1.1 million.

Removal or reduction of these discretionary projects will result in reductions of certain impact fees.

Policy

Reference: 2003 General Plan; 2006 Council Goals; AB 1600.

Fiscal

Impact: Development impact fees are a means to offset the cumulative impacts of development. The Needs List is established to inventory those projects required to mitigate the impacts of new development. The Needs List may also include projects that reflect council goals. Projects that reflect Council goals may be deleted from the Needs List and fees reduced (so long as the facility category account balance is less than the amount needed to fund the projects remaining on the list).

Account balances in Government Facilities and Parks and Recreation Facilities are such that the performing arts center and the aquatics facility may be removed.

In accordance with the 2003 impact fee resolution, the aquatics facility has its own dedicated account with a balance of \$367,000. A facility may be constructed in accordance with its original scope or the money returned.

- Options:**
- a. Adopt Resolution No. 09-xxx to amend the Public Facilities Needs List by removing the performing arts center from the government facilities list and revising the estimate of cost for aquatics facility on the parks and recreation facilities list; and to amend the summary of development impact fees accordingly.
 - b. Amend, modify or reject the above option.

Attachments: (1)

Resolution amending the Public Facilities Needs List and development impact fee summary

RESOLUTION NO. 09-xxx

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF PASO ROBLES AMENDING THE PUBLIC FACILITIES
NEEDS LIST AND ESTABLISHING REVISED DEVELOPMENT IMPACT FEES

WHEREAS, at its meeting of October 3, 2006, the City Council adopted Resolution No. 06-188 adopting a development impact fee Justification Study, a Public Facilities Needs List and revised development impact fees, and

WHEREAS, at its meeting of July 30, 2009, the City Council ad hoc committee for development impact fees directed staff to provide background on certain projects on the Public Facilities Needs List; and

WHEREAS, the General Government Facilities portion of the Needs List established in 2006 includes a performing arts center with an estimated cost of \$32,500,000. Of that cost, \$12,661,063 was allocated to new development and the government facilities impact fee was calculated accordingly; and

WHEREAS, the Parks and Recreation portion of the Needs List includes an aquatic facility with an estimated cost of \$12,000,000. Of that cost, \$9,516,414 was allocated to new development and the parks and recreation impact fee was calculated accordingly; and

WHEREAS, the inclusion of the performing arts center and the aquatic center on the Needs List were included as discretionary City Council goals; and

WHEREAS, the scope of the aquatics facility can be reduced in scope to that initially described in the previous 2003 Nexus Study, which the facility had a then-estimated cost of \$1.1 million; and

WHEREAS, the City Council desires to reduce development impact fees based on eliminating the performing arts center from the general government facilities list and reducing the scope of the aquatics facility on the parks and recreation facilities list; 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 reductions in development impact fees at its regular meeting on October 6, 2009, to solicit public input on the proposed increases to 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 amended Justification Study and Public Facilities Needs List complies with California Government Code section 66001, and as to each of the fees to be imposed on new development:

- (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 Nexus Study.

The City Council hereby determines that the fees imposed, pursuant to this resolution shall be used solely to finance the public facilities described or identified in the Justification Study.

SECTION 3. Approval of Items in Justification Study.

The City Council has considered the specific public facilities and cost estimates identified in the Justification Study and hereby approves such public facilities and cost estimates and further finds that the cost estimates serve as a reasonable basis for calculating and imposing the development impact fees for such public facilities.

SECTION 4. Consistency with General Plan.

The City Council finds that the public facilities and fee methodology identified in the Justification Study are consistent with the City's General Plan and, in particular, those policies that require new development to mitigate its share of the impacts to City infrastructure and to be fiscally neutral.

SECTION 5. 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 amount of each development impact fee by type of facility. The development impact fees set forth in *Exhibit A* are consistent with the Justification Study. 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 6. Prior Resolutions and Ordinances.

The development impact fees approved and adopted by this resolution shall take effect in sixty (60) days and, upon the effective date, shall supersede previously adopted resolutions that set the amounts of development impact fees. This resolution shall affect the fee amounts only and all provisions of Resolution 06-188 regarding timing of fees, use of fees, and determination of type of uses shall remain in effect.

SECTION 7. Severability.

If any action, subsection, sentence, clause or phrase of this resolution, the Justification Study, or other attachments hereto, 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 8. Effective Date.

Pursuant to 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 6th day of October, 2009 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk

Attachment:

A: Development Impact Fee Summary

Exhibit "A" - Resolution 09-xxx Development Impact Fees Summary

Construction Type	Transportation	Westside Drainage	Bike and Pedestrian Path	Police	Fire	General Governmental	Park and Recreation	Library	Total	Fee Per
Single Family - East Side of Salinas River	\$9,332	No Fee	\$539	\$70	\$835	\$3,945	\$3,998	\$1,090	\$19,809	unit
Single Family - West Side of Salinas River	\$4,645	\$1,908	\$539	\$70	\$835	\$3,945	\$3,998	\$1,090	\$17,030	unit
Multiple Family - East Side of Salinas	\$7,465	No Fee	\$480	\$83	\$742	\$3,507	\$3,554	\$971	\$16,802	unit
Multiple Family - West Side of Salinas	\$3,717	\$954	\$480	\$83	\$742	\$3,507	\$3,554	\$971	\$14,008	unit
Assisted Living Units - East Side of Salinas	\$2,091	No Fee	No Fee	\$83	\$12,012	\$3,507	No Fee	No Fee	\$17,693	unit
Assisted Living Units - West Side of Salinas River	\$1,137	\$954	No Fee	\$83	\$12,012	\$3,507	No Fee	No Fee	\$17,693	unit
Commercial Lodging Motel/Hotel - East Side of Salinas	\$2,439	No Fee	No Fee	\$83	\$393	\$82	No Fee	No Fee	\$2,997	unit
Commercial Lodging Motel/Hotel - West Side of Salinas River	\$2,439	No Fee	No Fee	\$83	\$393	\$82	No Fee	No Fee	\$2,997	unit
Parks & Campgrounds - East Side of Salinas	\$2,034	No Fee	No Fee	\$83	\$393	\$82	No Fee	No Fee	\$2,592	unit
RV Parks & Campgrounds - West Side of Salinas River	\$2,034	No Fee	No Fee	\$83	\$393	\$82	No Fee	No Fee	\$2,592	unit
Commercial per sq. ft. - East Side of Salinas	\$7.85	No Fee	NA	\$0.05	\$0.52	\$0.40	NA	NA	\$8.82	sq. ft.
Commercial per sq. ft. - West Side of Salinas River	\$6.55	\$1.30	NA	\$0.05	\$0.52	\$0.40	NA	NA	\$8.82	sq. ft.
Industrial per sq. ft. - East Side of Salinas	\$3.94	No Fee	NA	\$0.02	\$0.05	\$0.12	NA	NA	\$4.13	sq. ft.
Industrial per sq. ft. - West Side of Salinas River	\$3.08	\$0.86	NA	\$0.02	\$0.05	\$0.12	NA	NA	\$4.13	sq. ft.

NOTES:

Multiple Family includes Condominium, Duplex, and Mobile Homes

The following uses are allowed in commercial zones under Conditional Use Permits.

Buildings constructed for these uses shall be considered Industrial for the purposes of Development Impact Fees.

- Recycling
- Wholesale and Storage
- Mini-Storage
- Warehousing
- Manufacturing and Processing, including:
 - Apparel, Chemical Products, Electrical Equipment, Food and Kindred Products, Furniture and Fixtures,
 - Glass Products, Cabinet Shops, Prefabricated Walls and Tusses, Machinery, Metal Fabrication, Mobile Home Manufacturing
 - Paper Products, Plastics, Fiberglass, Rubber, Jewelry, Stone, Structural Clay and Pottery, Testing Laboratories