

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Development Impact Fees
DATE: April 19, 2011

Needs: For the City Council to receive a report of the ad hoc committee formed to review capital facility needs in relation to the AB 1600 development impact fee program.

Facts:

1. The General Plan and Council goals establish public facility standards, objectives, and requirements to offset the impacts of, and serve, development.
2. The development impact fee program is intended to help pay for public facilities needed to serve the community. The facilities Needs List is based upon General Plan standards, infrastructure master plans, environmental analysis, and Council goals. It also projects costs for those facilities.
3. Development's impacts may be offset by payment of impact fees that fund a proportionate share of the costs for needed public facilities.
4. A comprehensive update of the development impact fee program is underway. On December 7, 2010, the Council formed an AB 1600 ad hoc committee to study policies associated with the program, facility needs, and identify possible modifications.
5. The ad hoc committee met on February 18 and March 9, 2011, and discussed needs related to government facilities, parks-recreation and library. The following is a report of those discussions.

**Analysis &
Conclusion:**

Government Facilities

At its meeting of February 18, 2011, the ad hoc committee discussed needs related to government facilities. Specifically, four projects were discussed; city hall, public meeting facility, downtown parking and a consolidated corporate yard.

City hall currently resides in a building dedicated for future library space. Estimated costs for a new city hall have ranged from \$14 million in 2002 to \$27 million in 2006. The ad hoc committee suggests we look at alternatives to new construction such as leasing or buying existing building space. Staff will investigate potential costs with a goal of determining the most efficient avenue to obtain office space for the future relocation/consolidation of City Hall.

The public meeting facility appears on the 2003 Impact Fee Needs List as a sole fee category and therefore has its own distinct account. Public meeting space is defined as *"available to community groups for meetings and functions"* in the 2002 Development

Impact Fee Nexus Report. The Centennial Park Gym and Community Center are cited as samples. Staff will provide the ad hoc committee options for a specific project for which this fund may be dedicated.

The ad hoc committee recommends that the parking structure be redefined more generally as "downtown parking" and that its potential costs be spread more evenly over the community. Potential expenditures could include angled street parking, land acquisition, surface parking, meter facilities, and/or a parking structure. Downtown parking plans and funding studies will be reviewed for guidance.

The concept of consolidating public works facilities into one corporate yard remains a desirable goal. City properties currently consumed by these uses are populated with obsolete facilities and could be redeveloped with higher uses that would contribute to neighborhood commercial revitalization. More research will be applied towards opportunities and cost estimates.

Parks and Recreation

At its meeting of March 9, 2010, the ad hoc committee discussed needs related to parks-recreation and library facilities. Needs recommended for further review and consideration include;

Centennial Park Amphitheatre
Sherwood Park Master Planned Improvements
Salinas River Property Acquisitions
Salinas River Park Improvements
Montebello Park Acquisition and Improvements
Aquatics Center
Uptown Park

All of the improvements on the list must be re-considered individually with regard to cost and their benefit to existing community versus new development; and in the case of the Uptown Park, its neighborhood benefit versus City-wide.

Library

The need to expand library space upstairs contributes to the need for new City Hall space. Costs for the library expansion will be re-evaluated. The study center has been relocated to the County Office of Education property at 36th and Oak, however, its status as temporary remains. New building costs, to include a branch library, will be considered.

Policy

Reference:

2003 General Plan (G.P.); 2006 Economic Strategy (E.S.); and 2009 City Council Goals (C.G.); Government Code section 66000 *et seq.*

- *"Strive to ensure that City services and facilities are maintained at current levels and/or in accordance with adopted standards". (G. P.-Goal 4)*
- *". . . should be evaluated on . . . long-term benefits and impact on the whole community, not on short-term job or revenue increases. Public investment should be*

equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises instead of individual firms.” (Economic Strategy)

- *“Requiring new development to mitigate a fair share of the impact created by the development.” (G.P.-Policy CE-1Aj)*
- *“Use development impact fees to fund any needed improvements. (G.P.-Action Item No. 9)*
- *“Establish stable long-term funding for infrastructure.” (Economic Strategy)*
- *“Maintain fiscal neutrality and stability” (Council Goals)*
- *“Live within our means” (Council Goals)*

Fiscal

Impact:

Development impact fees aid in offsetting the infrastructure impacts of new development.

Options:

- a. Receive and file report. The ad hoc committee will continue with review of public safety and transportation needs and will report back to council in September.
- b. Amend, modify or reject the above option.