

STAFF REPORT**CITY OF OCEANSIDE**

DATE: May 3, 2006

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT: ANNUAL UPDATE OF CITY'S DEVELOPMENT IMPACT FEES

SYNOPSIS

Staff recommends that the City Council adopt a resolution updating the City's development impact fees by 6.87 percent based on the Construction Cost Index increase.

BACKGROUND

The City has a number of development impact fees which are used to fund the City's Capital Improvements Program (CIP). The various projects in the CIP must be consistent with the City's General Plan and Program Master Plans. These plans identify project and community needs to support the City's development.

The development impact fees need to be adjusted to ensure that development pays its fair share for improvements needed to support new development. Until 2005, the City had not adjusted the development impact fees for a number of years. In 2005, the fees were adjusted approximately 45 percent. At the time the fees were adjusted in 2005, the City Council directed that the fees be adjusted more frequently and at a lower rate.

ANALYSIS

In order to keep pace with construction costs, the Development Impact Fees need to be adjusted. The annual increase can be based on either the Consumer Price Index or the Construction Cost Index. Since the development impact fees are used to construct City projects, and with the costs of construction increasing significantly, staff is recommending that the Construction Cost Index be used to adjust the fees.

The Consumer Price Index increase for 2006 is 3.67 percent and the Construction Cost Index increase for 2006 is 6.87 percent. The following table represents the current fee and the proposed fee with both increases.

TABLE 1:

| Fee Type | Current Fee | Consumer Price Index | Construction Cost Index |
|--------------------|--------------------|-----------------------------|--------------------------------|
| Drainage | \$ 2,987 | \$ 3,097 | \$ 3,192 |
| Community Facility | \$ 1,939 | \$ 2,010 | \$ 2,072 |
| Park | \$ 3,278 | \$ 3,398 | \$ 3,503 |
| Thoroughfare | \$ 2,390 | \$ 2,478 | \$ 2,554 |
| Traffic Signal | \$ 147 | \$ 152 | \$ 157 |
| Totals: | \$10,741 | \$11,135 | \$11,478 |

FISCAL IMPACT

The adjustments to the Development Impact Fees will provide additional revenues to implement the City's General Plan and Master Plan projects.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution updating the City's Development Impact Fees by 6.87 percent based on the Construction Cost Index increase.

PREPARED BY:

SUBMITTED BY:



Peter Weiss
Public Works Director



Steven R. Jepsen
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager



1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE ESTABLISHING REVISED MAJOR
4 THOROUGHFARE, PARKS, TRAFFIC SIGNAL, COMMUNITY
5 FACILITIES AND DRAINAGE IMPACT FEES

6 WHEREAS, on October 19, 2005, the City Council of the City of Oceanside did conduct
7 a duly noticed public hearing for the purposes of considering a revision to the Major
8 Thoroughfare, Parks, Traffic Signal, Community Facilities and Drainage Impact fees;

9 WHEREAS, the City Council did hear all persons desiring to speak either in favor of, or
10 in opposition to the revision of such fees;

11 WHEREAS, the City Council finds that the proposed action is exempt from the
12 California Environmental Quality Act; and

13 WHEREAS, the purpose of the Major Thoroughfare, Parks, Traffic Signal, Community
14 Facilities and Drainage Impact fees is to provide a fair mechanism for defraying public costs
15 associated with the estimated or actual costs of constructing public improvements.

16 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

17 SECTION 1. The Community Facilities Fee shall be as follows:

- 18 a) For all new residential dwelling development - \$2,072 per unit
- 19 b) For all new non-residential units \$713 per 1000 square feet of building.

20 SECTION 2. The Parks Fee shall be \$3,503 per dwelling unit (\$1,138 per dwelling unit
21 park land dedication fee plus \$2,365 per dwelling unit park development fee).

22 SECTION 3. The base fee to be used in calculating the Major Thoroughfare Fee for any
23 type of development shall be \$255.

24 SECTION 4. The Traffic Signal Fee is adjusted and reestablished from a rate of \$14.70
25 per vehicle trip to \$15.71 per vehicle trip.

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SECTION 5. The Master Plan of Drainage Fees shall be as follows:

| Drainage Zone District | Major Watercourse Component | Per Gross Area Subdivided or Developed Local Facility Component | Total |
|------------------------|-----------------------------|---|----------|
| Zone I-a | \$3,842 | \$7,500 | \$11,342 |
| Zone I-b | \$3,842 | \$3,842 | \$7,684 |
| Zone I-c | \$3,842 | -0- | \$3,842 |
| Zone I-d | \$3,842 | \$4,870 | \$8,712 |
| Zone II-a | \$8,611 | \$7,353 | \$15,964 |
| Zone II-b | \$8,611 | \$4,766 | \$13,377 |
| Zone III-a | \$1,459 | \$2,460 | \$3,919 |
| Zone IV | -0- | \$5,988 | \$5,988 |
| Zone V | -0- | \$2,843 | \$2,843 |

SECTION 6. Any fees set forth in Resolution No. 0-R0628-1 or any other resolution setting impact fees for the above-listed items, which are inconsistent with the provisions of this Resolution will be superseded at the time this resolution takes effect.

SECTION 7. This resolution shall take effect June 3, 2006.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____ day of _____, 2006, by the following vote:

AYES:

NAYS:

ABSENT:

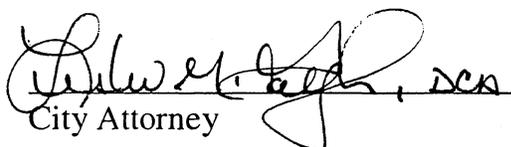
ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

City Clerk


City Attorney