ITEM NO. 15

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:

Peter Weiss
Public Works Director

SUBMITTED BY:

Steven R. Jepsen
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager _____

RESOLUTION NO.

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

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

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

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

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

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

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

a) For all new residential dwelling development - $2,072 per unit

b) For all new non-residential units $713 per 1000 square feet of building.

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

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

SECTION 4. The Traffic Signal Fee is adjusted and reestablished from a rate of $14.70 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:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney