

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal
Dept: City Manager
Subject: ANNUAL REPORT OF DEVELOPMENT
IMPACT FEES REQUIRED BY GOV.
CODE SECTION 66006 (b).

From: Keith G. Jones
Dept: Public Works
Date: March 10, 2009

OBJECTIVE

For City Council to receive and file the annual report on development impact fees activity as required by Government Code Section 66006 (b).

BACKGROUND

The City is required to annually report on disposition of collected development fees and provide information related to the use of these fees when funding capital improvements. The information will be made available to the public and the City Council is required to review this information at a public meeting. The attached annual report summarizes the activity in several funds, which collect development impact fees. The report is for the fiscal year 2007/08, which ended on June 30, 2008.

Fees that have been on deposit with the City for more than five years must be identified and additionally analyzed as required in Government Code Section 66001 (d)(1). At this time the City does not have any funds that were originally deposited in, or previous to, June 30, 2003. This determination asserts that the first money received is the first used.

DISCUSSION

In general, the City collects development impact fees to offset the cost of new construction in the City. These costs are usually associated with increased demand placed on City facilities due the additional usage of the facility. For example, the City collects a drainage fee to improve drainage facilities. As development occurs, more of the City's natural surfaces are replaced with paved surfaces. Paved surfaces do not absorb storm water, so the runoff goes into the public streets.

ANNUAL REPORT OF DEVELOPMENT IMPACT FEES REQUIRED BY GOV. CODE
SECTION 66006 (b).

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If drainage facilities are not improved, the streets will experience significant flooding that could damage vehicles and buildings.

The City collects nine (9) Development Impact Fees that are reportable under Government Code Section 66006 (b). A detailed list of the revenue, interest earned and project usage is provided in the attached Development Impact Fees Annual Report.

FINANCIAL IMPACT

There is no impact to the General Fund.

COMMUNITY VISION IMPLEMENTATION

This project is consistent with many of the community visions for maintaining and improving the public infrastructure to ensure its safe and efficient use.

RECOMMENDATION

It is recommended that the City Council:

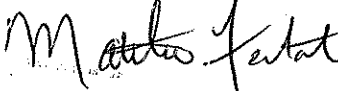
- Receive and file the annual report on development impact fees activity as required by Government Code Section 66006 (b).


KEITH G. JONES
Public Works Director


By: William E. Murray Jr., P.E.
City Engineer

Attachment

Recommended for Approval


Matthew Fertal
City Manager

The City of Garden Grove Development Impact Fee Annual Report Fiscal Year 2007-2008

The following is a report prepared in compliance with California Government Code Section 66006. The Section requires an annual disclosure review of development impact fees collected and disbursements made. This review is prepared in compliance with the requirements of the code as a coordinated effort with the Department of Public Works, the Finance Department and the City Attorney.

The disclosure portion of Section 6606(b) requires that within 180 days after the last day of the fiscal year the City shall make available the following information for the previous fiscal year:

- A. A brief description of the type of fee in the account or fund;
Included under Section 1.0.
- B. The amount of the fee;
Included under Section 2.0.
- C. The beginning and ending balances of the fund and fees collected and the interest earned;
Included under Section 3.0.
- D. An identification of each public improvement on which the fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees;
Included under Section 4.0.
- E. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete;
Included under Section 5.0.
- F. A description of each interfund transfer or loan made from the account or fund including the public improvement on which the transferred or loaned fees will be expended, and the rate of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
No transfers or loans were required or made.
- G. The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.
No refunds were required or made.

Section 1.0. A brief description of the type of fee in the account or fund

Drainage Fee.

As City lands are developed, hard surface area (concrete, paving) increases and directly increases flooding Citywide. A drainage fee is charged to fund local drainage improvements that are required to reduce the cumulative impact of increased runoff in the City.

Traffic Impact Fee.

Development increases the motoring population Citywide and the cumulative increase requires constant improvements to meet the demands of the public. The Traffic Impact Fee is charged to fund projects that relieve traffic congestion either in a specific location of need or Citywide.

Water Assessment Fees.

The fees reflect the cumulative impact of development on the water infrastructure. Water assessment fees are charged per (1) frontage and (2) acreage. The reasoning is that a property with a large frontage will benefit from additional street exposure, including landscaping and will place a greater burden on the water system as opposed to a similar sized parcel with a smaller sized frontage. The fee for acreage is to account for the increased demand placed on the water system by larger properties in general. Together, these fees fund capital projects that are required in order to meet the water needs of an increased population and to upgrade an aging infrastructure. As a result, we will meet the ever-increasing water quality and fire flow regulations.

Parkway Tree Fee.

City Parkway Trees are located throughout the City. The maintenance and care of the city's urban forest is an ongoing task that involves trimming, planting, removal, sucker removal, installation of root barriers, staking, etc. Additionally, hardscape items, such as curb, gutter and sidewalk need removal and replacement due to tree root damage. New development often removes mature trees as part of their project. This fee is collected to pay for the capital improvement costs associated with maintaining the City's parkway trees and adjacent hardscape. In this manner the City's urban forest is maintained at a service level that is consistent with the public's expectations.

In Lieu Park Fee.

The in lieu park fee is charged to offset City requirements to provide onsite park space or improvements. The City uses these fees to pay for current capital replacement and improvements on current parks as well as future park space.

Art in Public Places.

The City has collected Art fees to construct various public art pieces and memorials. The City has suspended collection of this fee until such time a suitable capital project has been identified.

General Plan and Cultural Arts Fee.

The City is required to update its General Plan every ten years to reflect current development trends and City needs. This fee pays for the General Plan update. The Cultural Arts fee is collected in lieu to offset requirements that new developments contribute onsite facilities for the Arts. The fee is used for capital improvements to the City's existing Theatre.

In Lieu Undergrounding Fee.

The City has collected a fee in lieu of required utility undergrounding at the request of the developer. The fee will be used to underground overhead utility lines in conjunction with the City's rule 20A program funded through Southern California Edison. This will maximize the City's resources and deliver a more cost effective project.

Section 2.0. Fee Amounts

Drainage Fee.

Cost is determined per district. A map is provided as Exhibit A.

District A =	\$0 per acre
District B =	\$200 per acre
District C =	\$550 per acre
District D =	\$700 per acre
District E =	\$500 per acre
District F =	\$550 per acre

Traffic Impact Fee.

Cost is determined by Land use.

Land Use--Fee Per Unit	
Single Family (Includes Condominiums, town homes).....	\$423.00
Apartment.	\$381.00
Hotel/Motel	\$363.00

Land Use--Fee Per SFGFA*	
General Office.	\$0.94
Industrial	\$0.31
Retail (PB).	\$1.80
Church.	\$0.44
Hospital.	\$0.86
Child Care (PB).	\$2.46

Note: For specific land uses not listed, the fee will be determined by the City Engineer using the trip rates from the "Institute of Transportation Engineers (ITE) Trip Generation" manual, Fifth Edition.

* SFGFA = Square Feet of Gross Floor Area PB = Passby Traffic

Water Assessment Fees.

Cost is determined by adding the acreage and frontage charges:

Acreage charge; \$950 per acre.

Frontage charge; \$8 per linear foot for an arterial street or \$4.50 per linear foot for a residential street

Parkway Tree Fee.

Cost = \$2.50 per linear foot of frontage.

Section 2.0. Fee Amounts, Cont.

In Lieu Park Fee.

These fees are in lieu of dedication of park land for residential development only.

Type of Residential Subdivision or Development Fee per Dwelling Unit	
Single family dwelling.....	\$5,500.00
Town House, Condominium or Planned Unit Development Units	\$5,500.00
Two, Three or Multiple Family Dwellings.....	\$5,500.00
Mobile Home Parks.....	\$2,750.00

Art in Public Places.

This fee applies to all office, commercial, and industrial developments within the City of Garden Grove.

<i>Total Valuation</i>	<i>Fee</i>
Up to \$499,999.00.....	No fee
\$500,000.00 to \$1,000,000.00.	1/4 of 1% of total valuation
Over \$1,000,000.00.....	\$2,500.00 plus \$500.00/each whole one million dollars thereafter.

General Plan and Cultural Arts Fee.

\$2.00 plus \$1.75/\$1,000.00 or fraction thereof of valuation as determined by the Building Official.

In Lieu Undergrounding Fee.

This fee is equal to the Southern California Edison cost estimate to underground the required poles for the project.

Section 3.0. Fund Balances, Interest earned and Fees collected

Beginning Balance is on June 30, 2007 / Ending Balance is on June 30, 2008 – Fees and interest were collected between those dates.

Drainage Fee.

Beginning Balance:	\$ 761,258.10	Ending Balance:	\$ 890,082.60
Fees Collected:	\$ 89,773.38	Interest Earned:	\$ 39,051.12

Traffic Impact Fee.

Beginning Balance:	\$ 571,456.78	Ending Balance:	\$ 741,418.52
Fees Collected:	\$ 129,243.00	Interest Earned:	\$ 40,718.74

Water Assessment Fees.

Acreage

Beginning Balance:	\$ 0	Ending Balance:	\$ 0
Fees Collected:	\$ 13,106.22	Interest Earned:	\$ 0

Frontage

Beginning Balance:	\$ 0	Ending Balance:	\$ 0
Fees Collected:	\$ 22,944.94	Interest Earned:	\$ 0

Parkway Tree Fee.

Beginning Balance:	\$ 0	Ending Balance:	\$ 0
Fees Collected:	\$ 26,810.00	Interest Earned:	\$ 0

In Lieu Park Fee.

Beginning Balance:	\$ 838,097.71	Ending Balance:	\$ 1,134,351.80
Fees Collected:	\$ 240,000.00	Interest Earned:	\$ 56,254.09

Art in Public Places.

Beginning Balance:	\$ 0	Ending Balance:	\$ 0
Fees Collected:	\$ 0	Interest Earned:	\$ 0

General Plan and Cultural Arts Fee.

Beginning Balance:	\$ 255,746.82	Ending Balance:	\$ 299,964.15
Fees Collected:	\$ 29,634.88	Interest Earned:	\$ 14,582.45

In Lieu Undergrounding Fee.

Beginning Balance:	\$ 175,000	Ending Balance:	\$ 199,172.16
Fees Collected:	\$ 0	Interest Earned:	\$ 8,777.21

Section 4.0. List of Public Improvements funded by each fee.

An identification of each public improvement on which the fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Drainage Fee.

Project: Line B-5 Storm Drain, Phase I
Fees: \$ 750,000

Total Cost: \$ 1,500,000
Percentage of project funded by fees: 50%

Traffic Impact Fee.

Project: Traffic Center Upgrades and Fiber Installation
Fees: \$ 750,000

Total Cost: \$ 2,500,000
Percentage of project funded by fees: 30%

Water Assessment Fees.

Project: Capital Replacement; lines, meters, and valves
Fees: \$ 36,051.16

Total Cost: \$ 1,792,000
Percentage of project funded by fees: 0.2%

Parkway Tree Fee.

Project: Tree Related Capital Improvements
Fees: \$ 26,810.00

Total Cost: \$ 1,057,541
Percentage of project funded by fees: 0.25%

In Lieu Park Fee.

Project: Restroom Construction
Fees: \$ 600,000

Total Cost: \$ 600,000
Percentage of project funded by fees: 100%

Art in Public Places.

N/A. No fees collected.

General Plan and Cultural Arts Fee.

Project: Updating the General Plan
Fees: \$ 300,000

Total Cost: \$ 350,000
Percentage of project funded by fees: 86%

In Lieu Undergrounding Fee.

Project: Underground utility lines
Fees: \$ 1,000,000 needed
(only \$200,000 has been collected)

Total Cost: \$ 1,000,000
Percentage of project funded by fees: 100%

Section 5.0. List of Approximate Construction Dates for Public Improvements

An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

Drainage Fee.

Project: Line B-5 Storm Drain, Phase I
Estimated Start Date: June 2009

Traffic Impact Fee.

Project: Traffic Center Upgrades and Fiber Installation
Estimated Start Date: June 2010

Water Assessment Fees.

Project: Citywide Capital Replacement; includes lines, meters, and valves
Estimated Start Date: On-going

Parkway Tree Fee.

Project: Tree Related Capital Improvements
Estimated Start Date: On-going

In Lieu Park Fee.

Project: Restroom Rehabilitation
Estimated Start Date: May 2009

Art in Public Places.

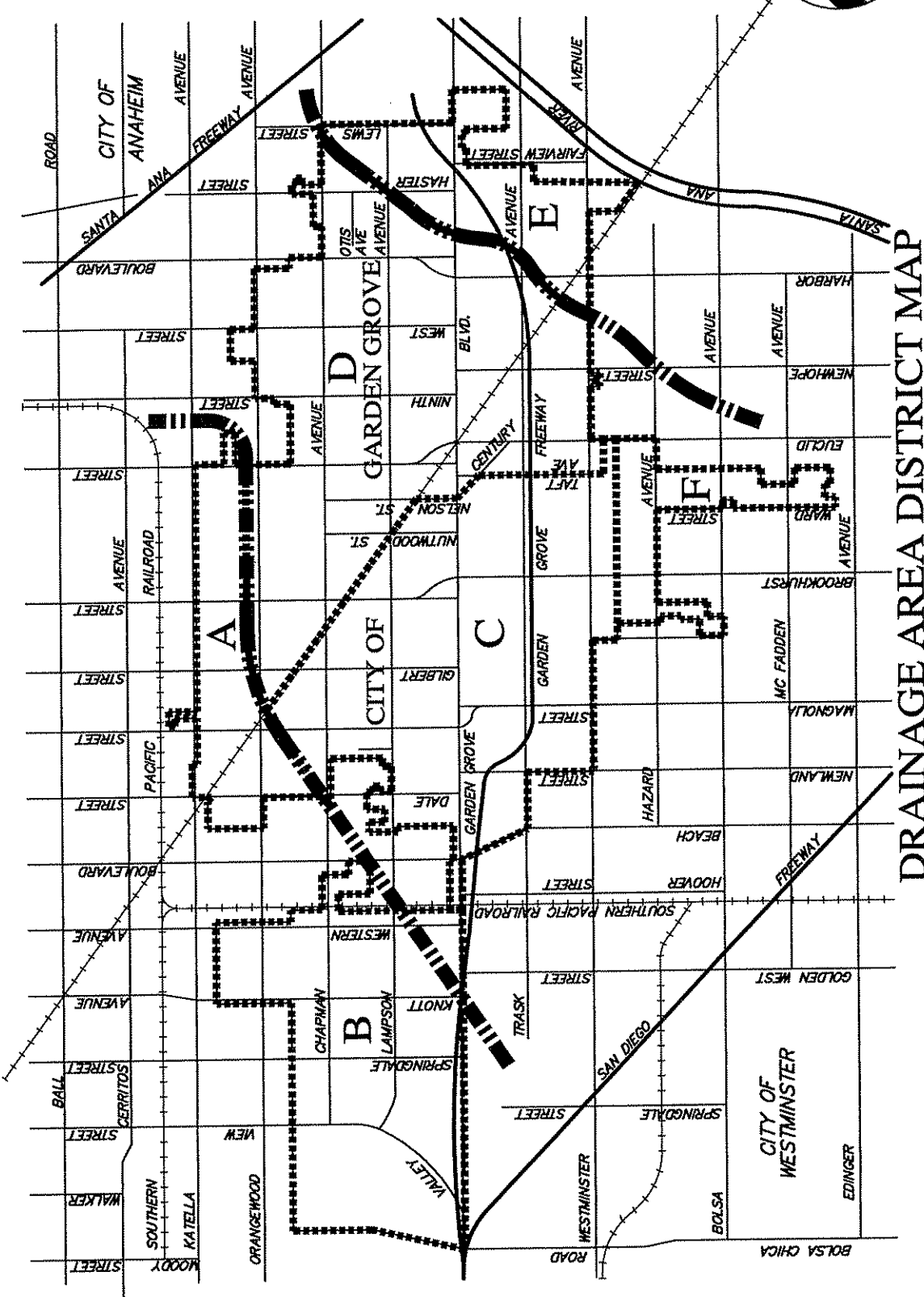
N/A. No fees collected.

General Plan and Cultural Arts Fee.

Project: Updating the General Plan
Estimated Start Date: Completed

In Lieu Undergrounding Fee.

Project: Undergrounding Utilities
Estimated Start Date: To be determined once a sufficient fee amount has been collected.



DRAINAGE AREA DISTRICT MAP



City Of Garden Grove
Department Of Public Works

CHECKED BY: WM
 PREPARED BY: M.B.
 DRAWN BY: M.B.

SCALE: AS SHOWN

PROJECT NO. : _____

DWG NO. : _____

DRAINAGE AREA DISTRICT MAP