

AGENDA ITEM NO.

COUNCIL MEETING June 12, 2007

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

**FROM:** JON RUIZ, Director  
Public Works Director

**BY:** Michael Kirn, City Engineer/Assistant Director 

**SUBJECT:** ORDINANCE FOR ADOPTION AMENDING THE FRESNO MUNICIPAL CODE RELATING TO IMPACT FEES FOR STREET FACILITIES.

**KEY RESULT AREA:**

Fiscal Management

**RECOMMENDATION**

Staff recommends that Council adopt the Proposed Street Facilities Impact Fee Ordinance for imposition of the Citywide Regional Street Impact Fee and the New Growth Area Major Street Impact Fee.

**EXECUTIVE SUMMARY**

On June 5, 2007 the Council adopted for introduction the recommended ordinance. The proposed Ordinance is intended to allow the City to impose the recently adopted Citywide Regional Street Impact Fee and the New Growth Area Major Street Impact Fee, which are expected to be effective July 12, 2007. As previously represented to Council, staff continues to work with stakeholders in the development of the recommended Ordinance, as well as policies for implementation and on-going administration of the new street fee program. The recommended Ordinance contains a provision that that Council adopt administrative policies by resolution. Importantly, the Proposed Ordinance will not be effective until those policies are adopted by Council.

The Proposed Ordinance does the following:

- (1) Add a new Article to Chapter 12 that imposes street facilities fees. This Article does the following:
  - Provides that there are two fees, the Citywide Fee and the New Growth Area Fee which have been adopted by Council.
  - The Citywide Fee shall be paid by every development entitlement in the City.
  - The New Growth Area Fee shall be paid by development in the New Growth Area (by map kept by Public Works).
  - This article has no effect until the Council adopts by resolution implementation and administrative guidelines - there are no substantive requirements in ordinance that aren't conditioned on guidelines being adopted which include: how the fees are calculated; reimbursements and credits given; and when and where developers are required to construct street improvement.
  - Once the Ordinance is in place and administrative guidelines have been fully adopted, the old UGM ordinance on street fees and bridges (11-226) and the ordinance on street frontage and dedication requirements (11-208) no longer have effect on development entitlements that are subject to the new street impact fees.

## Street Impact Fee Ordinance

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- (2) Clarifies the Fresno Municipal Code (FMC) to allow for above ordinance by doing the following:
- Removes Traffic Signal Charge from 11-226 (old UGM street/bridge facility ordinance)
  - Puts new Street Fee and old Traffic Signal Charge fee into new articles in Chapter 12 (4.10 and 4.11) where the new parks, police and fire impact fees were placed
  - Makes no substantive changes to traffic signal charge provisions – just moves them to the new article

### KEY OBJECTIVE BALANCE

The recommended ordinance emphasizes Fiscal Management in that it establishes the legislative authority to impose the recently adopted Citywide and New Growth Area Street Impact Fees on new development entitlements. Customer satisfaction is improved by creating a financing mechanism for construction of street improvements to enhance traffic circulation. Employee satisfaction is improved through the consolidation of historical UGM major street areas which provides administrative efficiencies.

### DISCUSSION

On April 24, 2007 the Council adopted new street impact fees that establish a citywide regional and new growth area street impact fees. The adopted fees will be phased in over a three year period and are per acre based on various land uses. The fees provide a financing mechanism for construction of the travel lanes necessary to build-out the circulation element of the 2025 General Plan.

As part of our on-going collaboration efforts we have met regularly with the stakeholders in the development of the recommended ordinance. The stakeholders have had the opportunity to review and provide suggested changes, which when appropriate have been incorporated.

During these discussions the stakeholders have requested that there be developed, and adopted by Council resolution, a set policies on how the new street fees will be implemented and administered. The purpose and intent of the administrative policies is to establish written procedures and guidelines from a go-forward basis. These guidelines will establish consistency in program administration and will clearly spell out what is expected from developers with respect to construction of street improvements, fee obligations and reimbursement for work constructed above their fee obligation. It is envisioned that these guidelines will presented to Council for action on or before the effective date of the ordinance which is estimated to be July 12, 2007. Importantly, if the guidelines and associated resolution are not adopted by Council on or before July 12, 2007, the Ordinance will not allow the fees to be collected.

### FISCAL IMPACT

There will be an overall positive impact on the street infrastructure once the new impact fee revenue is collected. It is noted that the street impact fee nexus analysis identified approximately \$32 million in street construction that the City will be responsible to construct using non-impact fee revenue. It is anticipated that flexible Measure C, gas tax and/or grants will cover these construction costs.

MIW/JVM/CGP/DHC/ems  
June 7, 2007, 2007

Attachment:  
Ordinance