



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

# CH-1

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July 17, 2007

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HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and: declare the ordinance amending Chapter 18.18 of the Long Beach Municipal Code read the first time and laid over to the next regular meeting of the City Council for final reading; and adopt resolution increasing the Park and Recreation Facilities Fees to \$4,221 for single family residential development, \$3,260 for multi-family residential development, \$2,397 for manufactured housing, and \$1,630 for artist loft/live work studios. (Citywide)

## DISCUSSION

On February 7, 1989, the City Council adopted Ordinance C-6567, establishing Park Impact Fees as Section 18.18 of the Long Beach Municipal Code. The fee is intended to pay for the cost of constructing the same level of service in parkland availability and recreational facilities for new residents of the city, as well as current residents.

From 1989 to September 30, 2006, a total of \$12,362,150 in fees has been collected. The fees have purchased 15.23 acres of new or expanded parks, built 3,825 square feet of community recreation center buildings, developed a one-third acre nature reserve, and provided the equivalent of one new soccer field through lighting night play.

The park impact fees were originally set at \$2,680 for single family residential development; \$2,070 for multi-family development; \$1,522 for manufactured housing; and \$1,015 for an accessory residential unit, such as an artist studio or caretaker's unit. The implementation of the fee has been successful, but the purchasing power of the fee has significantly eroded over time. The California Construction Cost Index has climbed more than 65 percent since the fee was established in 1989. The current fee is no longer adequate to develop new parks and recreational facilities equal to those enjoyed by existing residents. Thus, staff is recommending that the fee be adjusted to maintain its value with inflation.

Under the State law governing the use of impact fees, a new study of the relationship of the fee to the impact it is supposed to mitigate is required. This is called a Nexus Study (Attachment A).

As stated in the Nexus Study, new residential development increases the population of a city by providing more places to live. The increased population adversely impacts parks and recreational resources through crowding and overuse, lowering the quality of life for existing and new residents. Only by providing additional parkland and recreational facilities can we mitigate this negative impact of residential growth. It should be noted that the Nexus Study is based on maintaining the current level of service, not on goals developed to improve the amount of parkland and recreational facilities available to residents. The Nexus Study is to ensure that the fees proposed do not exceed the cost to the City of providing additional parks and recreational facilities necessary to maintain the current level of service to the additional population. The Nexus Study concludes that the proposed fees are less than the full cost of providing additional parks and facilities.

As mentioned above, the implementation of the fee has generally been successful. However, one aspect of the procedure does require review. The issue is the method for calculating the number of units to apply the fee to. Currently, the fee is applied to all units that are being constructed under a building permit. There is no deduction for dwelling units that have previously existed on the site of the new construction, except for an exemption applied to a single family dwelling when it is replacing a single family dwelling.

The City Attorney's office has advised staff that recent court cases decided under the State law governing the use of impact fees indicates that a deduction for previously existing dwelling units should be included in the procedures. Thus, staff recommends that the ordinance be amended to deduct all dwelling units removed from the site within one year before proposed new construction.

A study of the fee burden on development of all existing and proposed City fees, including these park impact fees, was conducted by MuniFinancial in January 2007. The study indicated that the total fees on residential development, including this increase, will not discourage new development. This study was presented to City Council on March 20, 2007, with the Public Safety Impact Fee, and is attached (Attachment B).

This study also compared Long Beach to Anaheim, Irvine, Los Angeles, Huntington Beach, San Diego, and San Jose. The proposed fees only slightly change the relative position of Long Beach to the other six cities, as being in the middle of the range when indexed to the value of the construction.

Two public outreach meetings were held on March 29, 2007 and July 11, 2007, in which development impact fees, including police and fire facilities impact fees and park impact fees, were discussed. A summary of the discussion during the July 11 meeting is attached (Attachment C). Notice of the recommended changes were posted in the Press Telegram from June 8-18, 2007, and mailed to all persons of interest identified by the City Clerk and the Planning and Building Department.

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Deputy City Attorney Gary J. Anderson reviewed this matter and prepared the attached resolution and ordinance on June 7, 2007, and Budget and Performance Management Bureau Manager David Wodynski reviewed this matter on June 4, 2007.

TIMING CONSIDERATIONS

City Council action is requested to adjust the fee to maintain its value with inflation.

FISCAL IMPACT

Approximately \$1,000,000 is expected to be collected in park impact fees during Fiscal Year 2007 (FY 07). If the current fee schedule were to remain in effect, approximately the same amount would be expected to be collected during Fiscal Year 2008 (FY 08). If the recommendation is approved, an increase of approximately \$580,000 would be collected in FY 08, for a total of approximately \$1,580,000. Park impact fees are deposited into the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine.

SUGGESTED ACTION:

Approve recommendations.

Respectfully submitted,



PHIL T. HESTER  
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:DLE:SG:jca

Attachments

APPROVED:

  
for ANTHONY W. BATTS  
CITY MANAGER

## NEXUS STUDY

### Relationship Between Residential Construction and Park Impact Fees

#### Intent of the Park Impact Fee

New residential development increases the population of the City by providing more places to live. The increased population resulting from the additional places to live adversely impacts parks and recreational resources through crowding and overuse. Such impacts include:

- Worn turf due to too many field sports games to allow the turf to recover,
- To the inability to register for a class or sports facility because all available times are full, or
- To the inability to enjoy a sense of nature and open space because of the crowds attempting the same enjoyment.

Overuse and overcrowding of parks, recreational facilities and open spaces lowers the quality of life for all existing and new residents. Only providing additional parkland and additional recreational facilities can mitigate the negative impacts of residential growth.

To fully mitigate the impacts of residential growth, a fee on new development must maintain the current level of service. Thus, it must be based on the current inventory of parkland and facilities. The current level is documented in the 2002 Open Space and Recreation Element of the General Plan and the Department of Parks, Recreation and Marine Strategic Plan of 2003 and the annual implementation reports for those documents.

The fee is calculated on the existing ratios of parkland and facilities to the population, not goals developed to improve the existing quality of life. Overall improvements to the level of parkland and recreational facilities must come from other funding sources such as grants, the General Purpose Fund or other additional fees or taxes. Also, the ratios are calculated on the existing "parkland," not on all recreational open space. This is because the recreational open space outside of "parks," such as the beach or Alamitos Bay, are unique and cannot be replicated to service additional population.

#### Methodology

Current Fee. The current park impact fee was based on a specific ten-year plan. The population growth for that ten-year period was estimated, and then park acquisitions and recreation facility developments to meet the demands of those new residents were sized and priced. The prices of all the improvements were then divided into the number of new units, and the fee established.

Drawbacks to Current Approach. The current approach has worked, but has had several practical problems. First, the park impact fees are not the only source of funds that are applied to park and recreational facility development. The funding for any new park or facility is usually a mix of General Fund monies from the Capital Improvement

Program (CIP) Budget, and grant funds from county, state and federal sources, plus park impact fees. Occasionally, even private donations are also included. The reality of multiple funding sources for a project throws off the plan based on a single source, resulting in the need to constantly revise the spending plan.

Second, opportunities arise that provide a good reason to revise the spending plan. These may be grant funds requiring a match that are geared to a land acquisition or a facility not on the current list, or the availability of a piece of property for sale that was not anticipated. A set plan does not provide the ability to adjust to such opportunities.

Finally, population growth rate projections are notably unreliable. As evidenced by the substantial under achievement of the funds anticipated to be received based on the dramatic reduction in residential construction in the early 1990's. Thus, staff believes a fee based on a prorated share of the cost of full service community and neighborhood parks is the appropriate approach from which to apply the fee.

### **Calculating the Fee**

The critical relationship in establishing the nexus between the park impact fee and impact of new housing development is that the additional population in the city will degrade the quality of the park experience by additional crowding or impair the accessibility of park facilities by competition for limited opportunities to use park facilities. Thus, the fee must be based on the existing availability of park space and recreation facilities, and not the goals of improved park and recreational facility availability.

Fortunately, the City of Long Beach conducted extensive inventories of park space and recreational facilities for two recent plans, the 2002 Open Space and Recreation Element of the General Plan (OSRE) and the 2003 Parks, Recreation and Marine Departmental Strategic Plan (PRMSP). The data to calculate the fees is mostly derived from those two plans.

Parkland - How much land? The existing service level for park space is 2.9 acres per 1,000 residents. This is higher than the level in 1989, which was then 2.7 acres per 1,000 residents. The increase in park space is the result of the City of Long Beach aggressively seeking to expand the amount of park space in the city, and was made possible through four park bond issues, two by Los Angeles County in 1992 and 1996, and two by the State of California in 2000 and 2002. The calculation of the existing level of service is derived from the 1,425 parkland acres in the OSRE, plus four additional acres from Jack Dunster Marine Biological Reserve, Peace Park, Fellowship Park and Tanaka Mini-park that have been completed since the OSRE was completed. The total acreage was then divided by the 2004 California Department of Finance population estimate for Long Beach of 487,100.

In 1989, because of the high cost of land in fully developed Long Beach, the fee was based on one-half of the then existing level of service. Staff was directed to develop a plan to use existing park space more intensively, and to increase joint use opportunities with the Long Beach Unified School District to achieve the same level of service with a decreasing ratio of land to population.

Parkland – How much does it cost? Two different calculations of the fees have been carried out for the study. The first is based on vacant land which the City has recently had appraised for a potential purchase for a park site. The value was \$14 per square foot or \$609,840 per acre.

The second cost utilized is based on a market basket of land values from recent appraisals from mid-2003 to present in the western half of the city where the OSRE targets all new parkland acquisitions. The land value estimates that were used covered 25 acres of mixed-use properties in north Long Beach, central Long Beach and the edges of downtown Long Beach. The values from the three areas were weighted evenly. They reflect single-family residential use in north Long Beach; multiple housing styles with moderate overall density and mixed commercial and industrial use in central Long Beach; and mixed housing styles with high overall density and some commercial use near downtown Long Beach. The average value was \$54.63 per square foot, or \$2,379,828 per acre. Although it is quite high, it is based on the acquisition of primarily developed land, so the value of the improvement, the cost of relocating the tenant or business, real estate and escrow fees, and the removal of the building are all included in the cost.

Step 1. To calculate the fee, the current standard of 2.9 acres of park space per 1,000 residents is multiplied by the cost per acre.

Cost per acres X 2.9 acres.

This equals \$1,768,536 for the vacant land and \$6,901,501 for the mixed-use market basket.

Step 2. Next the land cost must be pro-rate back to the cost per unit. This is done by dividing the 1,000 resident standard by the number of residents per unit for each housing type to convert the land cost per 1,000 residents.

#### 1,000 Residents

Residence per unit = Units responsible for 2.9 acres of parkland.

For single-family residential buildings there are 3.09 residents per unit. Thus, for each 324 new residential units, a new development needs to provide a prorated share of 2.9 acres of park space.

Step 3. To find the cost per unit the cost for 2.9 acres is divided by the number of units responsible for each housing type.

Cost for 2.9 acres

Number of Units Responsible = Cost per unit

The vacant land cost of 2.9 acres of \$1,768,536 divided by 324 units is \$5,458 per unit and of \$6,901,501 is \$21,300 for the single-family housing type.

For multi-family residential, the occupancy is 2.49 person per unit, so 402 units are responsible for 1,000 new residents. That calculates to a fee of \$4,399 for vacant land and \$17,169 for the mixed-use market basket.

Finally, for mobile homes the occupancy is 2.33 persons, so 429 units would be necessary to bring in 1,000 new residents. Thus, that fee would be \$4,122 for vacant land and \$16,087 for the mixed-use market basket.

Work/live studios are not reported as a separate housing type in the Census, but by the convention established for such units they are assumed to have one-half the residents of the multi-family units, so half of the multifamily fee is \$2,200 and \$8,584.

These land price fees are substantially higher than the fees in many other jurisdictions and are above the level indicated below as supportable by new development. Further, the price of land varies widely by the area of the city and by the current improvements on that piece of land. Thus, an alternate approach to setting the fee was developed from the changes in the Consumer Price Index.

Affordability of the Fee. One criticism of impact fees is that they will take the profit out of building new housing, so the result will be that no new housing will get built. To investigate that concern, David Rosen and Associates (DRA) was commissioned to calculate how much of a fee could be applied to new residential development before the burden of the extra cost eroded the potential profits. They did this by calculating what is known as the residual land value. This basically calculates the cost of constructing housing and compares it to the sales or rental value. After adding normal profit and land value, what is left, the residual, is how much higher than normal profit is left for either the land seller or the developer. Alternately, it is how much higher total development costs could be before the incentive to develop is removed.

The residual land value calculation was done for six different proto typical housing projects varying in style, density and tenure. These included townhouse and stacked flat rental housing types, and small lot single family, town house, stacked flat and high-rise ownership housing types. The proto-types were developed from actual sales and construction values.

Unfortunately, a single equilibrium point cannot be determined at which all proto-typical projects could afford no higher fee. This is because the profitability of a project is highly variable based on the cost of the land and the type of development that is proposed. DRA concluded that an increase in the fee of up to \$3,000 per unit would not undermine the incentive to build housing.

#### Parkland Development and Recreational Facilities

To maintain the existing level of recreational opportunities that current residents enjoy, the new parkland must be developed. The prorated share of improving parks allocated to each unit follows the procedures established for prorating the responsibility for parkland. The cost calculations are based on the ratio whereby all types of recreational facilities currently occur in the city. The rates are based on the current level of facilities as documented in the Parks, Recreation and Marine Strategic Plan (Strategic Plan). These existing service levels are listed in the attached table. This approach generalizes the cost of developing parks across the entire city so that one development is not required to pay for more expensive facilities than another. One-of-a kind, or geographically unique facilities, such as the marinas, restored habitats, regional parks or Blair Field were not included.

As an example, the following illustrates how the cost of a playground was allocated. First, the Strategic Plan found that there was one playground in a city park for each 6,673 residents. For multi-family residential development, there were on average 2.49 residents in each dwelling unit. Thus, there is currently one playground for each 2,680 multifamily dwelling unit.

The cost of the typical playground in 2004 is \$150,000. This includes a set of playground apparatus scaled to each a pre-school sized child and an elementary school sized child. It also includes a swing set with swings sized for both age groups, rubberized wheelchair accessible surface material covering at least half of the playground, a sand surface in the remainder, and a firm boundary material anchoring the rubberized surface.

The number of units that support the playground, 2,680, is then divided by the cost of the playground for a conclusion that each new dwelling unit would need to pay \$56 to maintain the current ratio of playgrounds to the population.

This calculation is then carried out for each type of facility in the city's recreational system except the unique facilities noted above, and the fees totaled. Two types of improvements require some special calculations. One is the open space improvement cost, indicated in the table as "grounds." To do this calculation, the amount of land outside all the other facilities needs to be calculated. From the basic 2.9 acres, 1.59 acres are necessary to accommodate all the other facilities at the ratio they use of the total parkland. The remaining 1.31 acres is outside of the basic facilities. It is improved

only with grading, irrigation and landscaping only. The costs for those activities were then totaled and prorated per unit as in the other calculations.

The second exception is parking. The parking is not based on the existing parking ratio to the population because new Zoning standards require more parking than has been required in the past. Based on current zoning requirements and the mix of facilities included in all parks, a total of 13 parking spaces per acre is the typical parking requirement for the typically improved park acre. This was then expanded to 38 spaces for each 2.9 acres and prorated in the typical fashion.

The cost per unit for each of the types of facilities is then totaled to obtain a park facility and development cost. The full calculation results in improvement costs of \$2,541 per unit for single-family residential; \$2,049 per multi-family unit; \$1,923 for a mobile home and \$1,025 for a work/live studio.

However, that is not the end of the calculation. The costs of constructing facilities are purely that, direct construction costs from actual 2004 construction bids or price quotes. It does not include the cost of designing the park, or the cost of managing the project construction. Each adds on average 12 percent to the cost of park construction. Then there is a contingency factor, a hedge against the abnormal and the unanticipated, which is prudently budgeted at 15 percent. These are based on the construction costs only, excluding the land cost. Then, there is administrative overhead, which is budgeted at four percent for capital total costs. This covers such services as accounting, City Attorney's support, and general City management. Finally, there is a one percent service charge for the Planning and Building Department to calculate, collect and account for the fees.

## CITY OF LONG BEACH

### A COMPARATIVE SURVEY OF FEES CHARGED TO NEW DEVELOPMENT



**JANUARY 19, 2007**



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## EXECUTIVE SUMMARY

To assist the City of Long Beach as it considers multiple proposals to adjust and update fees charged to new development, MuniFinancial has conducted an analysis of the overall fee burden on development in the City of Long Beach and six comparable cities in California. Specifically, this involves analyzing the aggregate impact of plan check fees, permit fees, and development impact fees on several typical types of development.

While a comparative analysis should not be used as a tool to determine fee amounts, it does provide a reference point indicating how the fees charged in a given City compare to those in neighboring or similar communities. Although the fees charged to new development are not typically large enough to have a tangible affect on real estate markets, substantial differences in the fee burden between two otherwise similar cities could potentially impact the location patterns of development over time.

## SUMMARY OF RESULTS

Table E.1 below summarizes the results of the survey in terms of fee burden as a percentage of market value. Overall the burden ranges from a high of 4.70% for a 1,200 square residence in San Jose to a low of 0.28% for a retail development in San Diego.

**Table E.1: Fee Burden Comparison Survey Results (Fee Burden as a Percentage of Total Market Value)**

	New Single Family (large) 2100 sf living 400 sf garage	Rebuilt Single Family (large) 2100 sf living 400 sf garage	New Single Family (small) 1200 sf living 400 sf garage	Rebuilt Single Family (small) 1200 sf living 400 sf garage	Multi-Family Residence (8 unit condo) 12,144	Office Development 7,671	Retail Development 6,600
Long Beach (existing)	2.08%	1.54%	2.71%	1.77%	2.18%	1.44%	1.42%
Long Beach (proposed)	2.25%	1.54%	3.01%	1.77%	2.35%	1.44%	1.42%
Anaheim	2.69%	1.38%	4.10%	1.97%	2.28%	1.88%	2.51%
Irvine	1.81%	1.35%	2.46%	1.66%	1.25%	1.46%	1.50%
Los Angeles	1.44%	1.40%	1.90%	1.68%	1.07%	0.56%	0.36%
Huntington Beach	1.23%	0.87%	1.47%	1.02%	0.93%	0.38%	0.35%
San Diego	0.92%	0.63%	1.46%	0.95%	0.76%	0.27%	0.28%
San Jose	3.26%	2.04%	4.70%	2.56%	2.52%	0.89%	0.73%

# 1. INTRODUCTION AND APPROACH

This study presents an analysis of the overall burden of fees charged to new development in the City of Long Beach and six comparable cities in California. Specifically, this involves analyzing the aggregate impact of plan check fees, permit fees, and development impact fees on several typical types of development. The combined fees yield a total fee burden to new development, which is typically expressed in terms of total fees as a percentage of market value.

## METHODOLOGY AND APPROACH

The first component of this study was the identification of typical development types for new single-family, multi-family, office, and retail developments within the City. Because rebuilding (and potential expansion) of single-family dwelling units on existing residential lots is also a common development type in largely built-out cities like Long Beach, we have also considered the fee burden on demolition/reconstruction projects.

The typical projects used in this analysis are shown in **Table 1.1**. Note that these development scenarios constitute hypothetical rather than actual projects. These projects were determined based on market research and input from City of Long Beach staff. A key objective of the project selection was to provide a diverse range of development types that vary across land use, building size, and market value. Because this study is based on a variety of development types, it is possible to apply the conclusions of the study to most types of development likely to occur within the City.

The market values shown in the table below are for the City of Long Beach only. Alternative market values for the target cities are shown in Chapter 3.

**Table 1.1: Typical Developments by Type**

	Large Single Family Dwelling Unit <sup>1</sup>	Small Single Family Dwelling Unit <sup>2</sup>	Multi-Family Dwelling Unit	Office Development	Retail Development
Average Size (square feet)	2,100	1,200	1,518	7,671	6,600
Market Value per Square Foot	\$ 441	\$ 441	\$ 441	\$ 420	\$ 420
Total Market Value	\$ 926,100	\$ 529,200	\$ 669,438	\$ 3,221,820	\$ 2,772,000

<sup>1</sup> Includes 2,100 square feet of living space and a 400 square foot garage.

<sup>2</sup> Includes 1,200 square feet of living space and a 400 square foot garage.

Sources: SoCal MLS Database; City of Long Beach; MuniFinancial.

Each of these scenarios was submitted to the planning and/or building department of each target City to measure the fees charged to that development type. Where cities were unable to provide data on some or all of the fees charged, MuniFinancial used available fee schedules, ordinances, and resolutions to estimate the fee burden.

## 2. FEES CHARGED TO DEVELOPMENT IN THE CITY OF LONG BEACH

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This chapter presents the full range of fees charged to new development in the City of Long Beach for each of the development scenarios outlined in the introduction. The complete fee burden is shown both by fee category and as a percentage of market value.

### LONG BEACH MARKET VALUES

The market value for residential properties in Long Beach is based on a survey of residential property sales, by zip code, from November and December of 2006. This data is used to derive an average citywide residential market value per square foot of building space. A review of recent property sales suggests that this value is reasonable for both single family and condominium developments.

**Table 2.1: Residential Market Values in the City of Long Beach**

Zip Code	No. of Sales	Median Home Price/Sq. Ft.	Citywide Value/Sq. Ft.
<i>Long Beach</i>			
90802	2	\$ 526	
90803	8	526	
90804	13	510	
90805	61	407	
90806	13	494	
90807	31	432	
90808	42	433	
90810	21	420	
90813	6	548	
90814	13	538	
90815	28	400	
Citywide Value per Square Foot			<b>\$ 441</b>

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The commercial market value per building square foot used in this study is based on a 2006 survey of commercial properties on the market in the City of Long Beach. The properties surveyed as well as the value used in the report are shown in **Table 2.2** below.

**Table 2.2: Sample Property Market Prices**

Land Use	Sq. ft.	Price	Cost/Sq. Ft
<u>Nonresidential</u>			
Commercial Property 1	\$ 519	\$ 350,000	\$ 674
Commercial Property 2	1,520	400,000	263
Commercial Property 3	1,597	440,000	276
Commercial Property 4	2,399	930,000	388
Commercial Property 5	2,500	1,300,000	520
Commercial Property 6	5,000	1,350,000	270
Commercial Property 7	4,600	1,500,000	326
Average	2,278	\$ 856,113	\$ 420

Sources: SoCal MLS Database

## FEE BURDEN ANALYSIS FOR LONG BEACH

To gauge the aggregate impact of fees on new development, MuniFinancial submitted the hypothetical developments shown in Table 1.1 to the Long Beach Planning and Building Department. The full range fees that would be charged to these developments are shown in **Tables 2.3 through 2.7**.

Both the large and small single-family residential projects are shown separately for rebuilds and new construction because rebuilding projects are exempted from some development impact fees. The typical project for multi-family development is an eight-unit condominium project. Fees were assessed to the entire project and divided by eight to yield per-unit fee amounts.

Additionally, the fees for new single and multi-family residential construction are shown with and without a proposed increase to the City's development impact fee for park facilities. This increase is not shown for residential rebuilds and commercial development because these projects are not subject to the parks fee.

Because the Long Beach Unified School District is considering increasing the school fees charged to residential development in the City, estimates of school fees by development are based on a charge of \$4.00 per square foot, rather than the existing rate of \$2.24 per square foot. This amount is the midpoint of the proposed range from \$3.00 to \$5.00. Nonresidential school fees are unchanged at \$0.42 because no increase is proposed.

Tables 2.3 through 2.7 also show the aggregate fee burden for each development type as a percentage of market value. Generally fee burdens in Long Beach are between 1% to 3% of market value. The 1,200 square foot residential scenario has the highest relative fee burden. This is because a number of fees are charged per dwelling unit rather than per square foot.

**Table 2.3: Fee Summary for 2,100 sq. ft. Single Family Residence**

Fee Category	New Construction		Rebuild Fees
	Fees	Fees with Proposed Park Increase	
<u>Plan Check Fees</u>			
Building Review	\$ 1,188	\$ 1,188	\$ 1,188
Storm Water Review	285	285	285
Planning Plan Check	358	358	358
Surcharges	175	175	175
Energy Plan Check	53	53	53
Subtotal, Plan Check Fees	\$ 2,058	\$ 2,058	\$ 2,058
<u>Permit Fees</u>			
Combination Permit	\$ 2,071	\$ 2,071	\$ 2,071
Stormwater Permit	335	335	335
Surcharge	224	224	224
S.M.I.P. Tax	20	20	20
Subtotal, Permit Fees	\$ 2,650	\$ 2,650	\$ 2,650
<u>Development Impact Fees</u>			
School Fee	\$ 8,400	\$ 8,400	\$ 8,400
Sewer Capacity Fee	1,165	1,165	1,165
Traffic Fee	1,125	1,125	Exempt
Parks and Recreation Fee	2,680	4,221	Exempt
Fire Facilities Fire	496	496	Exempt
Police Facilities Fee	696	696	Exempt
Subtotal, Development Fees	\$ 14,562	\$ 16,103	\$ 9,565
Total, All Fees	\$ 19,270	\$ 20,811	\$ 14,273
Average Development Market Value	\$ 926,100	\$ 926,100	\$ 926,100
Fees as a % of Market Value	2.08%	2.25%	1.54%

Sources: City of Long Beach; MuniFinancial.

**Table 2.4: Fee Summary for 1,200 sq. ft. Single Family Residence**

Fee Category	New Construction		Rebuild Fees
	Fees	Fees with Proposed Park Increase	
<u>Plan Check Fees</u>			
Building Review	\$ 884	\$ 884	\$ 884
Storm Water Review	168	168	168
Planning Plan Check	264	264	264
Surcharges	127	127	127
Energy Plan Check	30	30	30
Records Management	20	20	20
Subtotal, Plan Check Fees	\$ 1,494	\$ 1,494	\$ 1,494
<u>Permit Fees</u>			
Combination Permit	\$ 1,536	\$ 1,536	\$ 1,536
Stormwater Permit	198	198	198
Surcharge	161	161	161
S.M.I.P. Tax	12	12	12
Subtotal, Permit Fees	\$ 1,907	\$ 1,907	\$ 1,907
<u>Development Impact Fees</u>			
School Fee	\$ 4,800	\$ 4,800	\$ 4,800
Sewer Capacity Fee	1,165	1,165	1,165
Traffic Fee	1,125	1,125	Exempt
Parks and Recreation Fee	2,680	4,221	Exempt
Fire Facilities Fire	496	496	Exempt
Police Facilities Fee	696	696	Exempt
Subtotal, Development Fees	\$ 10,962	\$ 12,503	\$ 5,965
Total, All Fees	\$ 14,363	\$ 15,904	\$ 9,365
Average Development Market Value	\$ 529,200	\$ 529,200	\$ 529,200
Fees as a % of Market Value	2.71%	3.01%	1.77%

Sources: City of Long Beach; MuniFinancial.

**Table 2.5: Fee Summary for Multi-Family Residence Development (8-unit condo)**

Fee Category	w/ Existing Park Fee		w/ Proposed Park Fee	
	Fees for Total Project	Fees per Dwelling Unit	Fees for Total Project	Fees per Dwelling Unit
<u>Plan Check Fees</u>				
Building Review	\$ 3,541	\$ 443	\$ 3,541	\$ 443
Storm Water Review	1,188	148	1,188	148
Planning Plan Check	1,088	136	1,088	136
Fire Plan Check	3,509	439	3,509	439
Surcharges	943	118	943	118
Energy Plan Check	239	30	239	30
Elect., PLBG, and Mech. Plan Check	1,478	185	1,478	185
Building Check for Title 24 Accessibility	351	44	351	44
Subtotal, Plan Check Fees	\$ 12,337	\$ 1,542	\$ 12,337	\$ 1,542
<u>Permit Fees</u>				
Combination Permit	\$ 4,161	\$ 520	\$ 4,161	\$ 520
Stormwater Permit	1,398	175	1,398	175
Elect., PLBG, and Mech. Permits	2,608	326	2,608	326
Surcharge	852	107	852	107
S.M.I.P. Tax	85	11	85	11
Deputy Inspection	400	50	400	50
Structural Observation Form	100	13	100	13
Building Permit for Title 24 Accessibility	413	52	413	52
Records Mgt. And Retention Fee	83	10	83	10
Subtotal, Permit Fees	\$ 10,098	\$ 1,262	\$ 10,098	\$ 1,262
<u>Development Impact Fees</u>				
School Fee	\$ 48,576	\$ 6,072	\$ 48,576	\$ 6,072
Sewer Capacity Fee	12,735	1,592	12,735	1,592
Traffic Fee	9,000	1,125	9,000	1,125
Parks and Recreation Fee	16,560	2,070	26,080	3,260
Fire Facilities Fee	3,024	378	3,024	378
Police Facilities Fee	4,256	532	4,256	532
Subtotal, Development Fees	\$ 94,151	\$ 11,769	\$ 103,671	\$ 12,959
Total, All Fees	\$ 116,586	\$ 14,573	\$ 126,106	\$ 15,763
Average Development Market Value	\$ 5,355,504	\$ 669,438	\$ 5,355,504	\$ 669,438
Fees as a % of Market Value	2.18%	2.18%	2.35%	2.35%

Sources: City of Long Beach; MuniFinancial.

**Table 2.6: Fee Summary for Office**

<b>Fee Category</b>	<b>7,671 sf Office Development</b>
<u><i>Plan Check Fees</i></u>	
Building Review	\$ 3,023
Storm Water Review	993
Planning Plan Check	927
Fire Plan Check	2,990
Surcharges	776
Elect., PLBG, and Mech. Plan Check	1,107
Building Check for Title 24 Accessibility	299
Subtotal, Plan Check Fees	\$ 10,114
<u><i>Permit Fees</i></u>	
Building Permit <sup>1</sup>	\$ 3,550
Stormwater Permit	1,168
Elect., PLBG, and Mech. Permits	1,643
Surcharge	850
Deputy Inspection	700
Structural Observation Form	-
Building Permit for Title 24 Accessibility	352
Records Mgt. And Retention Fee	70
S.M.I.P. Tax	149
Subtotal, Permit Fees	\$ 8,482
<u><i>Development Impact Fees</i></u>	
School Fee	\$ 2,762
Sewer Capacity Fee	2,562
Traffic Fee	15,886
Fire Facilities Fee	2,493
Police Facilities Fee	4,081
Subtotal, Development Fees	\$ 27,784
Total, All Fees	\$ 46,380
Average Development Market Value	\$ 3,221,820
Fees as a % of Market Value	1.44%

Sources: City of Long Beach; MuniFinancial.

**Table 2.7: Fee Summary for Retail**

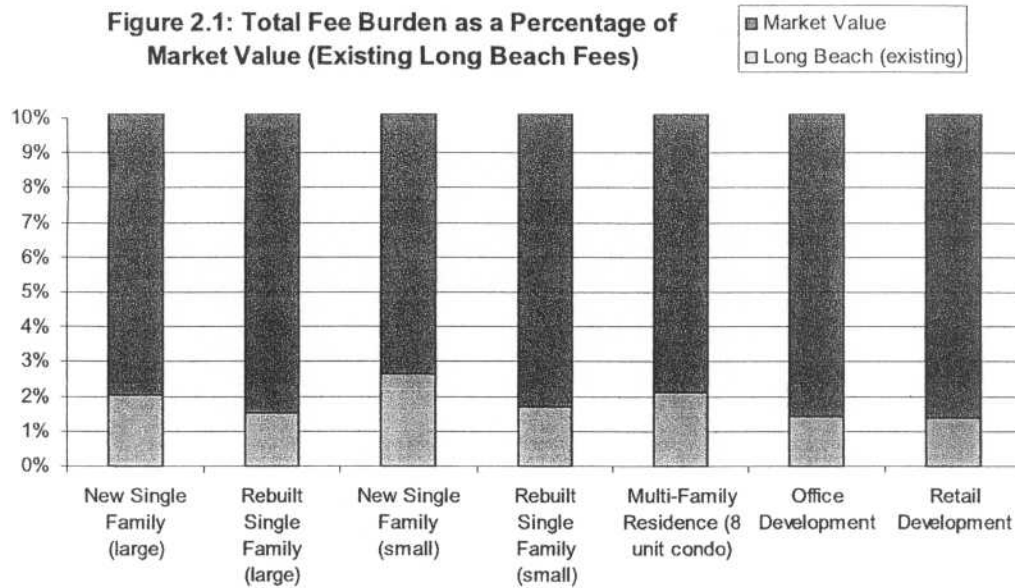
<b>Fee Category</b>	<b>6,600 sf Retail Development</b>
<b><u>Plan Check Fees</u></b>	
Building Review	\$ 1,597
Storm Water Review	442
Planning Plan Check	485
Fire Plan Check	1,564
Surcharges	418
Elect., PLBG, and Mech. Plan Check	740
Building Check for Title 24 Accessibility	156
Subtotal, Plan Check Fees	\$ 5,402
<b><u>Permit Fees</u></b>	
Building Permit <sup>1</sup>	\$ 1,873
Stormwater Permit	520
Elect., PLBG, and Mech. Permits	1,325
Surcharge	441
Deputy Inspection	139
Structural Observation Form	700
Building Permit for Title 24 Accessibility	100
Records Mgt. And Retention Fee	187
S.M.I.P. Tax	37
Subtotal, Permit Fees	\$ 5,321
<b><u>Development Impact Fees</u></b>	
School Fee	\$ 2,376
Sewer Capacity Fee	1,902
Traffic Fee	19,800
Fire Facilities Fire	1,762
Police Facilities Fee	2,891
Subtotal, Development Fees	\$ 28,731
Total, All Fees	\$ 39,454
Average Development Market Value	\$ 2,772,000
Fees as a % of Market Value	1.42%

Sources: City of Long Beach; MuniFinancial.

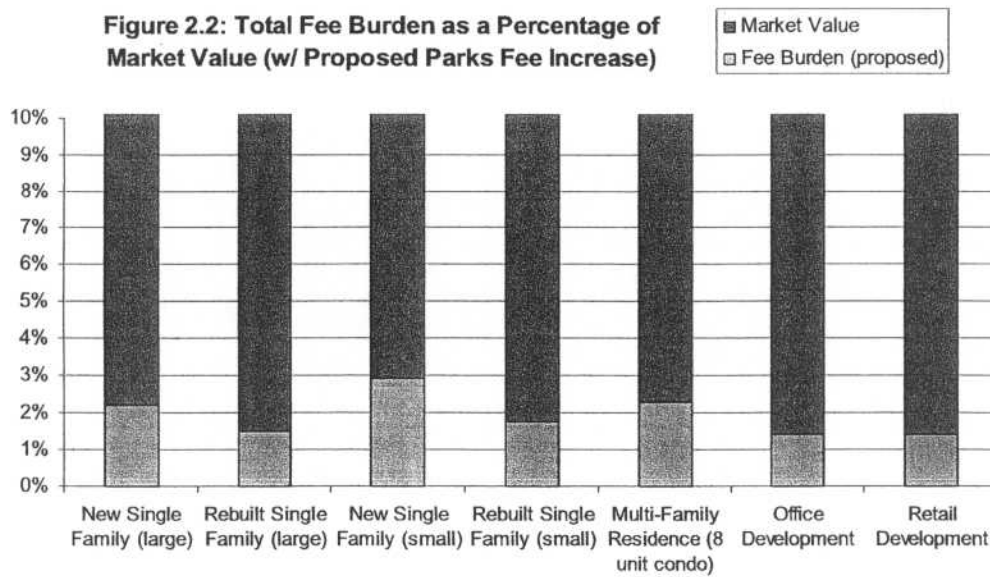
Figures 2.1 and 2.2 below show the aggregate burden of fees charged to new development in Long Beach with and without the proposed parks fee increase. As noted above, the fee increase only impacts residential development. The fee burden ranges from 1.42% of market value for a retail development and 3.01% of market value for a 1,200 square foot residence.

Note that the charts below show the burden on a scale from 0% to 10%, rather than 100% to better present the differences in fee burden by development type.

**Figure 2.1: Total Fee Burden as a Percentage of Market Value (Existing Long Beach Fees)**



**Figure 2.2: Total Fee Burden as a Percentage of Market Value (w/ Proposed Parks Fee Increase)**



### 3. COMPARATIVE SURVEY OF FEES

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This chapter outlines the full range of fees charged to new development in each of the following cities:

- ♦ Anaheim
- ♦ Irvine
- ♦ Los Angeles
- ♦ Huntington Beach
- ♦ San Diego; and
- ♦ San Jose

#### APPROACH

This comparative analysis of fee burden across several cities will allow the City of Long Beach to better understand how the City's existing and proposed fees compare to other cities. Long Beach staff chose the cities selected for this survey because they share similar characteristics in terms of size, location, or development patterns.

The fee data collected for each city is based on the same development scenarios outlined in Chapter 1. To facilitate a reasonable cross-city comparison, we did not attempt to adjust the development scenarios to buildings types most common in the target cities.

Each of these scenarios was submitted to each target City to calculate the fees charged to that development type. Where cities were unable to provide data on some or all of the fees charged, MuniFinancial used available fee schedules, ordinances, and resolutions to estimate the fee burden. Because the range of fees charged to development varies considerably by jurisdiction, the format of the data received from the cities differs as well. Depending on the methods used to calculate the fees, it was not always possible to segment each fee into all of its core components.

In some cases, fees charged will also vary by geography within a City. In these cases, MuniFinancial used fee amounts that represent the most typical type or location of development for a given City.

#### PROPERTY VALUE ANALYSIS

Table 3.1 shows residential property values for each City included in this analysis. Because this analysis considers hypothetical rather than actual developments, the values employed are citywide averages. For all cities, property values are likely to vary substantially by geography within the city. Because fees are not calculated based on market value, the fee burden will generally be higher, as a percentage of market value, for the least valuable properties.

For most cities the values were derived in the same fashion as the Long Beach value shown in Table 2.1. Because sales data by zip code for the City of San Diego is not

available for the most recent period, the value for San Diego was derived from the Long Beach value by applying the relative difference in median home sales between the Los Angeles/Long Beach and San Diego Metropolitan Statistical Areas.

The nonresidential market values were estimated using a comparison of average rents for Class-A office space across the targeted metropolitan areas. In essence, the difference in lease rates across cities is used as a proxy for the relative differences between nonresidential market values. Nonresidential market values per building square foot are shown in **Table 3.2**.

Table 3.1: Comparative Residential Market Values

Zip Code	No. of Sales	Median Home Price/Sq. Ft.	Citywide Value/Sq. Ft.	Zip Code	No. of Sales	Median Home Price/Sq. Ft.	Citywide Value/Sq. Ft.
<b>Anaheim</b>				<b>San Diego</b>			
92801	26	\$ 453		Sales data by zip code not available.			
92802	15	428		Median Sales Price in Los Angeles/Long Beach MSA <sup>1</sup>			
92804	37	464		Median Sales Price in San Diego MSA <sup>1</sup>			
92805	25	452		Relative Difference			
92806	17	355		Long Beach Value per Sq. Ft.			
Citywide Value per Square Foot			\$ 439	San Diego Value per Sq. Ft.			
<b>Irvine</b>				<b>San Jose</b>			
92603	6	416		95110	25	\$ 490	
92604	5	489		95111	58	421	
92606	7	382		95112	61	471	
92612	9	388		95116	51	477	
92614	6	424		95117	10	421	
92620	17	368		95118	44	447	
Citywide Value per Square Foot			\$ 398	95119	8	626	
<b>Los Angeles</b>				95120	48	441	
90003	38	\$ 478		95121	52	453	
90004	11	624		95122	48	448	
90006	6	318		95123	80	431	
90011	23	336		95124	41	486	
90016	17	438		95125	77	463	
90018	9	364		95126	32	444	
90019	18	517		95127	79	504	
90020	1	585		95128	30	507	
90023	10	414		95129	35	516	
90027	12	568		95130	13	555	
90029	3	526		95131	32	409	
90034	14	576		95132	36	411	
90035	10	638		95133	29	402	
90036	7	619		95134	12	452	
90037	20	407		95135	29	417	
90039	19	539		95136	42	390	
90047	37	342		95138	45	425	
90062	15	349		95139	8	381	
90063	9	439		95148	48	428	
Citywide Value per Square Foot			\$ 455	Citywide Value per Square Foot			\$ 453
<b>Huntington Beach</b>							
92646	26	\$ 401					
92647	22	491					
92648	26	531					
92649	15	536					
Citywide Value per Square Foot			\$ 484				

<sup>1</sup> Based on sales data from 3rd Quarter, 2006.

**Table 3.2: Comparative Nonresidential Market Values**

	Ave. Class A Rental Rate (\$/sf/month)	% Difference from Long Beach	Value per Sq. Ft. (Relative to Long Beach)
<u>Los Angeles South</u>			
Long Beach	2.16	N/A	420
<u>Los Angeles Central</u>			
City of Los Angeles	2.50	15.74%	486
<u>Orange County</u>			
Irvine (Greater Airport Area)	2.79	29.17%	543
Anaheim (North County)	2.25	4.17%	438
Huntington (West County)	2.27	5.09%	441
<u>San Diego</u>			
	3.07	42.13%	597
<u>Silicon Valley</u>			
San Jose	1.99	-7.92%	387

Source: Cushman & Wakefield Market Statistics, 3rd Quarter, 2006.

## FEE SCHEDULES

Tables 3.3 through 3.8 show the full range of fees charged to new development in each of the target cities. Fees are grouped by plan check, permit, and development impact fee. Generally, only development impact fees will vary between the new construction and rebuilt residential scenarios. Table 3.9 presents a summary of the fee burdens by city and development scenario.

Table 3.3: Fees Charged to New Development in Anaheim

	New Single Family (large)	Rebuilt Single Family (large)	New Single Family (small)	Rebuilt Single Family (small)	Multi-Family Residence (8 unit condo)	Office Development	Retail Development
<b>Square Footage</b>	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Plan Check Fees</b>							
Plan Check Fees	\$ 2,992	\$ 2,992	\$ 2,737	\$ 2,737	\$ 5,576	\$ 3,779	\$ 2,705
Inspection	1,834	1,834	1,677	1,677	3,418	2,316	1,658
Subtotal	\$ 4,826	\$ 4,826	\$ 4,414	\$ 4,414	\$ 8,993	\$ 6,095	\$ 4,363
<b>Permit Fees</b>							
Sanitation Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,040	\$ 9,516
Building Permit	1,819	1,819	1,440	1,440	11,189	4,358	6,892
Electrical Permit	414	414	252	252	1,822	-	-
NPDES Fees	134	134	88	88	468	351	318
Subtotal	\$ 2,367	\$ 2,367	\$ 1,780	\$ 1,780	\$ 13,479	\$ 14,749	\$ 16,726
<b>Development Impact Fees</b>							
School Fee	\$ 5,523	\$ 5,523	\$ 4,208	\$ 4,208	\$ 31,939	\$ 2,730	\$ 2,575
Traffic Fee	911	-	911	-	5,248	14,938	18,979
Parks and Recreation Fee	6,936	-	6,936	-	43,105	-	-
Storm Drain Fee	3,067	-	2,147	-	9,132	22,973	28,237
Sewer Fee	1,201	-	1,201	-	9,630	1,456	1,456
Subtotal	\$ 17,638	\$ 5,523	\$ 15,403	\$ 4,208	\$ 99,054	\$ 42,097	\$ 51,247
<b>Total Fee Burden</b>	<b>\$ 24,832</b>	<b>\$ 12,716</b>	<b>\$ 21,597</b>	<b>\$ 10,402</b>	<b>\$ 121,525</b>	<b>\$ 62,942</b>	<b>\$ 72,336</b>
Market Value	\$ 922,100	\$ 922,100	\$ 526,900	\$ 526,900	\$ 5,332,700	\$ 3,356,100	\$ 2,887,500
Fees as a % of Market Value	2.69%	1.38%	4.10%	1.97%	2.28%	1.88%	2.51%

Source: City of Anaheim.

Table 3.4: Fees Charged to New Development in Irvine

	New Single Family (large)	Rebuilt Single Family (large)	New Single Family (small)	Rebuilt Single Family (small)	Multi-Family Residence (8 unit condo)	Office Development	Retail Development
<b>Square Footage</b>	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Plan Check Fees</b>							
Building Plan Check	\$ 950	\$ 950	\$ 680	\$ 680	\$ 3,100	\$ 2,433	\$ 2,425
Energy Plan Check	69	69	45	45	185	113	115
Planning Plan Check	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Temporary Cert. of Occupancy	200	200	200	200	200	200	200
Temporary Utility	200	200	200	200	200	200	200
Outsource Inspector Certification	40	40	40	40	40	40	40
Subtotal	\$ 2,959	\$ 2,959	\$ 2,665	\$ 2,665	\$ 5,225	\$ 4,486	\$ 4,480
<b>Permit Fees</b>							
Combination Permit	\$ 2,740	\$ 2,740	\$ 2,045	\$ 2,045	\$ 12,500	\$ -	\$ -
Energy Permit	105	105	70	70	300	195	195
Permit	-	-	-	-	-	9,395	8,860
Subtotal	\$ 2,845	\$ 2,845	\$ 2,115	\$ 2,115	\$ 12,800	\$ 9,590	\$ 9,055
<b>Development Impact Fees</b>							
Transportation Corridor Agency	\$ 3,810	\$ -	\$ 3,810	\$ -	\$ 16,872	\$ 37,588	\$ 32,340
School	5,523	5,523	3,156	3,156	25,551	3,222	2,772
Bike Parkway Interchange Dist.	-	-	-	-	-	5,790	4,982
Subtotal	\$ 9,333	\$ 5,523	\$ 6,966	\$ 3,156	\$ 42,423	\$ 46,600	\$ 40,094
<b>Total Fee Burden</b>	<b>\$ 15,137</b>	<b>\$ 11,327</b>	<b>\$ 11,746</b>	<b>\$ 7,936</b>	<b>\$ 60,448</b>	<b>\$ 60,676</b>	<b>\$ 53,629</b>
<b>Market Value</b>	<b>\$ 836,200</b>	<b>\$ 836,200</b>	<b>\$ 477,800</b>	<b>\$ 477,800</b>	<b>\$ 4,835,500</b>	<b>\$ 4,161,500</b>	<b>\$ 3,580,500</b>
<b>Fees as a % of Market Value</b>	<b>1.81%</b>	<b>1.35%</b>	<b>2.46%</b>	<b>1.66%</b>	<b>1.25%</b>	<b>1.46%</b>	<b>1.50%</b>

Source: City of Irvine.

Table 3.5: Fees Charged to New Development in Los Angeles

	New Single Family (large)		Rebuilt Single Family (large)		New Single Family (small)		Rebuilt Single Family (small)		Multi-Family Residence (8 unit condo)	Office Development	Retail Development
Square Footage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Plan Check Fees<sup>1</sup></b>											
Plan Check Fee	\$ 1,203	\$ 1,203	\$ 1,203	\$ 1,203	\$ 1,026	\$ 1,026	\$ 1,026	\$ 1,026	\$ 3,608	\$ 2,368	\$ 1,651
Storm Water Review	200	200	200	200	200	200	200	200	600	600	600
Planning (incl. \$5 misc.)	159	159	159	159	136	136	136	136	467	308	216
System Dev. Surcharge	155	155	155	155	132	132	132	132	467	309	215
Subtotal	\$ 1,718	\$ 1,718	\$ 1,718	\$ 1,718	\$ 1,494	\$ 1,494	\$ 1,494	\$ 1,494	\$ 5,142	\$ 3,586	\$ 2,683
<b>Permit Fees<sup>1</sup></b>											
Building Permit	\$ 1,337	\$ 1,337	\$ 1,337	\$ 1,337	\$ 1,140	\$ 1,140	\$ 1,140	\$ 1,140	\$ 4,009	\$ 2,362	\$ 1,834
Electrical	348	348	348	348	296	296	296	296	1,042	614	477
Plumbing	348	348	348	348	296	296	296	296	1,042	614	477
Mechanical	174	174	174	174	148	148	148	148	521	307	238
Fire Hydrant	437	437	437	437	335	335	335	335	1,862	1,101	693
Plan Maintenance	27	27	27	27	23	23	23	23	80	53	37
EQ Instrumentation	20	20	20	20	15	15	15	15	85	105	66
Deputy Inspector License	227	227	227	227	227	227	227	227	227	227	227
Soils/Grading License	378	378	378	378	378	378	378	378	378	378	378
One Stop Surcharge	52	52	52	52	44	44	44	44	156	103	72
Subtotal	\$ 3,347	\$ 3,347	\$ 3,347	\$ 3,347	\$ 2,903	\$ 2,903	\$ 2,903	\$ 2,903	\$ 9,402	\$ 5,863	\$ 4,499
<b>Development Impact Fees</b>											
School Fee	\$ 8,289	\$ 8,289	\$ 8,289	\$ 8,289	\$ 4,752	\$ 4,752	\$ 4,752	\$ 4,752	\$ 38,399	\$ 3,222	\$ 2,772
Sewer Facilities Charge	422	422	422	422	1,233	1,233	1,233	1,233	5,976	3,143	1,624
Traffic Fees <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-
Arts Development Fee	-	-	-	-	-	-	-	-	-	5,005	-
Subtotal	\$ 8,711	\$ 8,711	\$ 8,711	\$ 8,711	\$ 5,985	\$ 5,985	\$ 5,985	\$ 5,985	\$ 44,375	\$ 11,370	\$ 4,396
<b>Total Fee Burden</b>	<b>\$ 13,775</b>	<b>\$ 13,775</b>	<b>\$ 13,775</b>	<b>\$ 13,775</b>	<b>\$ 10,382</b>	<b>\$ 10,382</b>	<b>\$ 10,382</b>	<b>\$ 10,382</b>	<b>\$ 58,919</b>	<b>\$ 20,819</b>	<b>\$ 11,577</b>
Market Value	\$ 954,600	\$ 954,600	\$ 954,600	\$ 954,600	\$ 545,500	\$ 545,500	\$ 545,500	\$ 545,500	\$ 5,520,200	\$ 3,729,000	\$ 3,208,300
Fees as a % of Market Value	1.44%	1.44%	1.44%	1.44%	1.90%	1.88%	1.88%	1.88%	1.07%	0.56%	0.36%

<sup>1</sup> Includes energy and disabled access surcharges.<sup>2</sup> Traffic Impact Fee charged only to selected specific plan areas within the City. Most development not subject to a fee.

Source: City of Los Angeles.

Table 3.6: Fees Charged to New Development in Huntington Beach

	New Single Family (large)	Rebuilt Single Family (large)	New Single Family (small)	Rebuilt Single Family (small)	Multi-Family Residence (8 unit condo)	Office Development	Retail Development
<b>Square Footage</b>	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Plan Check Fees</b>							
Plan Check Fees	\$ 1,989	\$ 1,989	\$ 1,642	\$ 1,642	\$ 6,760	\$ 4,003	\$ 2,738
Subtotal	\$ 1,989	\$ 1,989	\$ 1,642	\$ 1,642	\$ 6,760	\$ 4,003	\$ 2,738
<b>Permit Fees</b>							
Building Permit Fee	\$ 1,363	\$ 1,363	\$ 1,120	\$ 1,120	\$ 4,708	\$ 2,828	\$ 1,922
Subtotal	\$ 1,363	\$ 1,363	\$ 1,120	\$ 1,120	\$ 4,708	\$ 2,828	\$ 1,922
<b>Development Impact Fees</b>							
Library Development	\$ 1,100	\$ -	\$ 792	\$ -	\$ 5,343	\$ 280	\$ 264
Library Enrichment	375	-	270	-	1,822	1,050	990
School	5,502	5,502	3,144	3,144	25,454	3,222	2,772
Park Development	2,150	-	1,548	-	10,450	1,610	1,518
Subtotal	\$ 9,127	\$ 5,502	\$ 5,754	\$ 3,144	\$ 43,069	\$ 6,162	\$ 5,544
<b>Total Fee Burden</b>	<b>\$ 12,479</b>	<b>\$ 8,854</b>	<b>\$ 8,516</b>	<b>\$ 5,906</b>	<b>\$ 54,537</b>	<b>\$ 12,993</b>	<b>\$ 10,204</b>
Market Value	\$ 1,016,000	\$ 1,016,000	\$ 580,600	\$ 580,600	\$ 5,875,500	\$ 3,385,900	\$ 2,913,200
Fees as a % of Market Value	1.23%	0.87%	1.47%	1.02%	0.93%	0.38%	0.35%

Source: City of Huntington Beach.

Table 3.7: Fees Charged to New Development in San Diego

	New Single Family (large)	Rebuilt Single Family (large)	New Single Family (small)	Rebuilt Single Family (small)	Multi-Family Residence (8 unit condo)	Office Development	Retail Development
<b>Square Footage</b>	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Plan Check Fees</b>							
Plan Check Fees	\$ 1,087	\$ 1,087	\$ 704	\$ 704	\$ 6,842	\$ 4,119	\$ 3,931
Water/Sewer Plan Check	166	166	166	166	500	166	166
Fire Check Sprinklers Only	-	-	-	-	3,359	2,495	1,653
Subtotal	\$ 1,253	\$ 1,253	\$ 870	\$ 870	\$ 10,702	\$ 6,780	\$ 5,750
<b>Permit Fees</b>							
Permit Issuance with Plans	\$ 44	\$ 44	\$ 44	\$ 44	\$ 44	\$ 44	\$ 44
Building Permit	870	870	497	497	-	2,345	2,323
State Fee	14	14	11	11	142	70	48
Seismic Fee	6	6	5	5	61	30	21
Hazardous Materials Fee	-	-	-	-	25	25	25
Subtotal	\$ 934	\$ 934	\$ 556	\$ 556	\$ 272	\$ 2,514	\$ 2,461
<b>Development Impact Fees</b>							
Park Fee (Mid City)	\$ 100		\$ 100		\$ 700	\$ -	\$ -
School Fees	5,523	3,156	5,523	3,156	25,551	3,222	2,772
Subtotal	\$ 5,623	\$ 3,156	\$ 5,623	\$ 3,156	\$ 26,251	\$ 3,222	\$ 2,772
<b>Total Fee Burden</b>	<b>\$ 7,810</b>	<b>\$ 5,343</b>	<b>\$ 7,049</b>	<b>\$ 4,582</b>	<b>\$ 37,225</b>	<b>\$ 12,516</b>	<b>\$ 10,983</b>
Market Value	\$ 844,800	\$ 844,800	\$ 482,700	\$ 482,700	\$ 4,885,300	\$ 4,579,200	\$ 3,939,800
Fees as a % of Market Value	0.92%	0.63%	1.46%	0.95%	0.76%	0.27%	0.28%

Source: City of San Diego.

Table 3.8: Fees Charged to New Development in San Jose

	New Single Family (large)	Rebuilt Single Family (large)	New Single Family (small)	Rebuilt Single Family (small)	Multi-Family Residence (8 unit condo)	Office Development	Retail Development
<b>Square Footage</b>	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Plan Check Fees</b>							
Residential Review	\$ 2,548	\$ 2,548	\$ 1,820	\$ 1,820	\$ 13,814	\$ -	\$ -
Nonresidential Review	-	-	-	-	-	1,820	1,820
Planning Plan Check	182	182	182	182	182	182	182
Fire Plan Check	91	91	91	91	91	91	91
Subtotal	\$ 2,821	\$ 2,821	\$ 2,093	\$ 2,093	\$ 14,087	\$ 2,093	\$ 2,093
<b>Permit Fees</b>							
Building Permit	\$ 2,136	\$ 2,136	\$ 1,780	\$ 1,780	\$ 1,113	\$ -	\$ -
Plumbing Permit	178	178	178	178	178	178	178
Mechanical Permit	178	178	178	178	178	178	178
Electrical Permit	178	178	178	178	178	178	178
Subtotal	\$ 2,670	\$ 2,670	\$ 2,314	\$ 2,314	\$ 1,647	\$ 534	\$ 534
<b>Development Impact Fees</b>							
Park Fees	\$ 11,620	\$ -	\$ 11,620	\$ -	\$ 62,160	\$ -	\$ -
School	5,523	5,523	3,156	3,156	25,551	3,222	2,772
Traffic Impact Fee <sup>1</sup>	-	-	-	-	-	-	-
Commercial/Residential Const. Tax <sup>2</sup>	4,907	4,907	3,684	3,684	20,479	15,015	9,445
Building/Structure Const. Tax <sup>2</sup>	3,123	3,123	2,344	2,344	13,032	5,005	3,148
Residential Construction Tax <sup>2</sup>	180	180	180	180	792	-	-
Construction Tax <sup>2</sup>	150	150	150	150	660	614	528
Subtotal	\$ 25,503	\$ 13,883	\$ 21,134	\$ 9,514	\$ 122,674	\$ 23,856	\$ 15,893
<b>Total Fee Burden</b>	<b>\$ 30,994</b>	<b>\$ 19,374</b>	<b>\$ 25,541</b>	<b>\$ 13,921</b>	<b>\$ 138,408</b>	<b>\$ 26,483</b>	<b>\$ 18,520</b>
Market Value	\$ 950,600	\$ 950,600	\$ 543,200	\$ 543,200	\$ 5,497,200	\$ 2,966,800	\$ 2,552,600
Fees as a % of Market Value	3.26%	2.04%	4.70%	2.56%	2.52%	0.89%	0.73%

<sup>1</sup> Traffic Impact Fee charged only to selected areas within the City. Most development not subject to a fee.<sup>2</sup> Construction tax revenues in San Jose are commonly used to fund new facilities, and are therefore categorized under development impact fees in this study.

Source: City of San Jose.

Table 3.9: Fee Burden Comparison Survey

	New Single Family (large)	Rebuilt Single Family (large)	New Single Family (small)	Rebuilt Single Family (small)	Multi-Family Residence (8 unit condo)	Office Development	Retail Development
Square Footage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,671	6,600
<b>Long Beach (existing fees)</b>							
Market Value	\$ 926,100	\$ 926,100	\$ 529,200	\$ 529,200	\$ 5,355,504	\$ 3,221,820	\$ 2,772,000
Plan Check Fees	2,058	2,058	1,494	1,494	12,337	10,114	5,402
Permit Fees	2,650	2,650	1,907	1,907	10,098	8,482	5,321
Development Impact Fees	14,562	9,565	10,962	5,965	94,151	27,784	28,731
Total All Fees	\$ 19,270	\$ 14,273	\$ 14,363	\$ 9,365	\$ 116,586	\$ 46,380	\$ 39,454
Fees as a % of Value	2.08%	1.54%	2.71%	1.77%	2.18%	1.44%	1.42%
<b>Long Beach (proposed fees)</b>							
Market Value	\$ 926,100	\$ 926,100	\$ 529,200	\$ 529,200	\$ 5,355,504	\$ 3,221,820	\$ 2,772,000
Plan Check Fees	2,058	2,058	1,494	1,494	12,337	10,114	5,402
Permit Fees	2,650	2,650	1,907	1,907	10,098	8,482	5,321
Development Impact Fees	16,103	9,565	12,503	5,965	103,671	27,784	28,731
Total All Fees	\$ 20,811	\$ 14,273	\$ 15,904	\$ 9,365	\$ 126,106	\$ 46,380	\$ 39,454
Fees as a % of Value	2.25%	1.54%	3.01%	1.77%	2.35%	1.44%	1.42%
<b>Anaheim</b>							
Market Value	\$ 922,100	\$ 922,100	\$ 526,900	\$ 526,900	\$ 5,332,700	\$ 3,356,100	\$ 2,887,500
Plan Check Fees	4,826	4,826	4,414	4,414	8,993	6,095	4,363
Permit Fees	2,367	2,367	1,780	1,780	13,479	14,749	16,726
Development Impact Fees	17,638	5,523	15,403	4,208	99,054	42,097	51,247
Total All Fees	\$ 24,832	\$ 12,716	\$ 21,597	\$ 10,402	\$ 121,525	\$ 62,942	\$ 72,336
Fees as a % of Value	2.69%	1.38%	4.10%	1.97%	2.28%	1.88%	2.51%
<b>Irvine</b>							
Market Value	\$ 836,200	\$ 836,200	\$ 477,800	\$ 477,800	\$ 4,835,500	\$ 4,161,500	\$ 3,580,500
Plan Check Fees	2,959	2,959	2,665	2,665	5,225	4,486	4,480
Permit Fees	2,845	2,845	2,115	2,115	12,800	9,590	9,055
Development Impact Fees	9,333	5,523	6,966	3,156	42,423	46,600	40,094
Total All Fees	\$ 15,137	\$ 11,327	\$ 11,746	\$ 7,936	\$ 60,448	\$ 60,676	\$ 53,629
Fees as a % of Value	1.81%	1.35%	2.46%	1.66%	1.25%	1.46%	1.50%

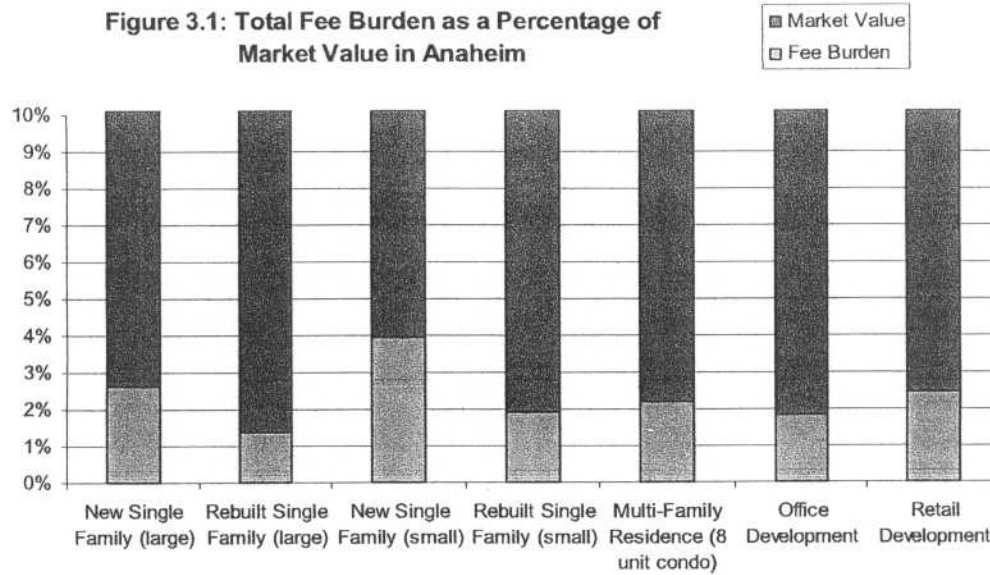
Table 3.9: Fee Burden Comparison Survey (cont.)

	New Single Family (large)		Rebuilt Single Family (large)		New Single Family (small)		Rebuilt Single Family (small)		Multi-Family Residence (8 unit condo)	Office Development	Retail Development
Square Footage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	2100 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	1200 sf living 400 sf garage	12,144	7,000	6,600
<b>Los Angeles</b>											
Market Value	\$ 954,600	\$ 954,600	\$ 545,500	\$ 545,500	\$ 5,520,200	\$ 3,729,000	\$ 3,208,300				
Plan Check Fees	1,718	1,718	1,494	1,494	5,142	3,586	2,683				
Permit Fees	3,347	3,347	2,903	2,903	9,402	5,863	4,499				
Development Impact Fees	8,711	8,289	5,985	4,752	44,375	11,370	4,396				
Total All Fees	\$ 13,775	\$ 13,353	\$ 10,382	\$ 9,149	\$ 58,919	\$ 20,819	\$ 11,577				
Fees as a % of Value	1.44%	1.40%	1.90%	1.68%	1.07%	0.56%	0.36%				
<b>Huntington Beach</b>											
Market Value	\$ 1,016,000	\$ 1,016,000	\$ 580,600	\$ 580,600	\$ 5,875,500	\$ 3,385,900	\$ 2,913,200				
Plan Check Fees	1,989	1,989	1,642	1,642	6,760	4,003	2,738				
Permit Fees	1,363	1,363	1,120	1,120	4,708	2,828	1,922				
Development Impact Fees	9,127	5,502	5,754	3,144	43,069	6,162	5,544				
Total All Fees	\$ 12,479	\$ 8,854	\$ 8,516	\$ 5,906	\$ 54,537	\$ 12,993	\$ 10,204				
Fees as a % of Value	1.23%	0.87%	1.47%	1.02%	0.93%	0.38%	0.35%				
<b>San Diego</b>											
Market Value	\$ 844,800	\$ 844,800	\$ 482,700	\$ 482,700	\$ 4,885,300	\$ 4,579,200	\$ 3,939,800				
Plan Check Fees	1,253	1,253	870	870	10,702	6,780	5,750				
Permit Fees	934	934	556	556	272	2,514	2,461				
Development Impact Fees	5,623	3,156	5,623	3,156	26,251	3,222	2,772				
Total All Fees	\$ 7,810	\$ 5,343	\$ 7,049	\$ 4,582	\$ 37,225	\$ 12,516	\$ 10,983				
Fees as a % of Value	0.92%	0.63%	1.46%	0.95%	0.76%	0.27%	0.28%				
<b>San Jose</b>											
Market Value	\$ 950,600	\$ 950,600	\$ 543,200	\$ 543,200	\$ 5,497,200	\$ 2,966,800	\$ 2,552,600				
Plan Check Fees	2,821	2,821	2,093	2,093	14,087	2,093	2,093				
Permit Fees	2,670	2,670	2,314	2,314	1,647	534	534				
Development Impact Fees <sup>1</sup>	25,503	13,883	21,134	9,514	122,674	23,856	15,893				
Total All Fees	\$ 30,994	\$ 19,374	\$ 25,541	\$ 13,921	\$ 138,408	\$ 26,483	\$ 18,520				
Fees as a % of Value	3.26%	2.04%	4.70%	2.56%	2.52%	0.89%	0.73%				

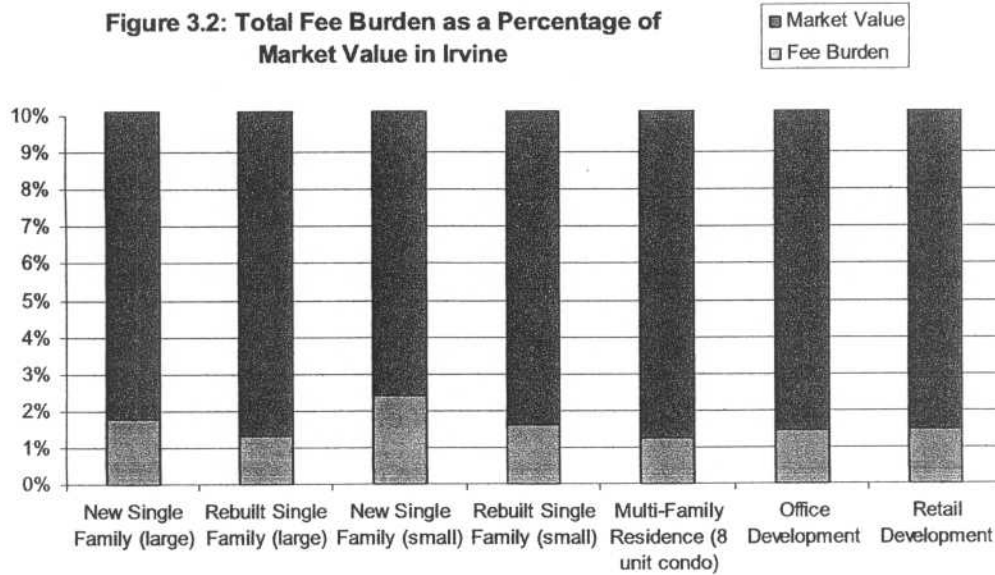
<sup>1</sup>Includes construction taxes.

Figures 3.1 through 3.6 below present a summary of fee burdens by city and development type.

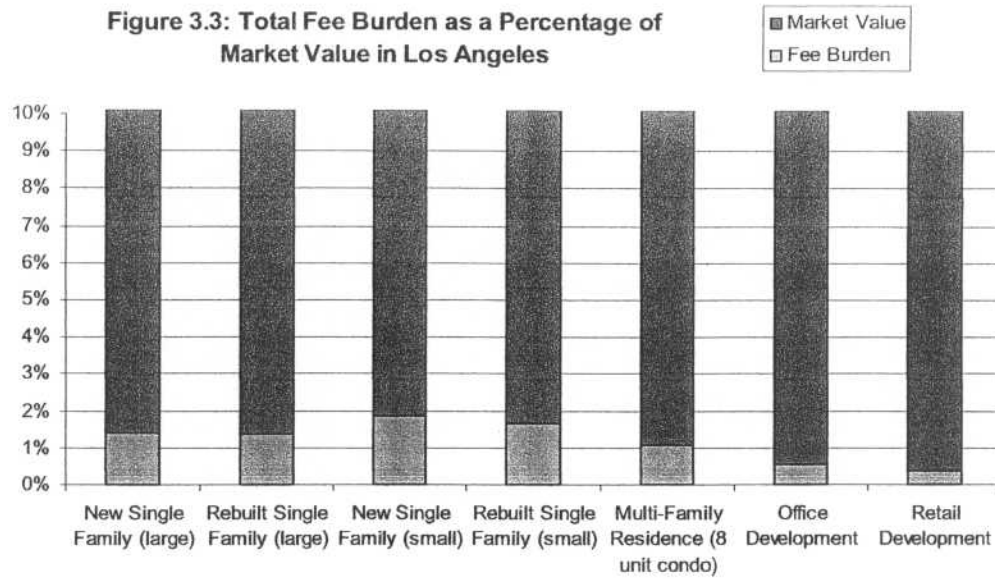
**Figure 3.1: Total Fee Burden as a Percentage of Market Value in Anaheim**



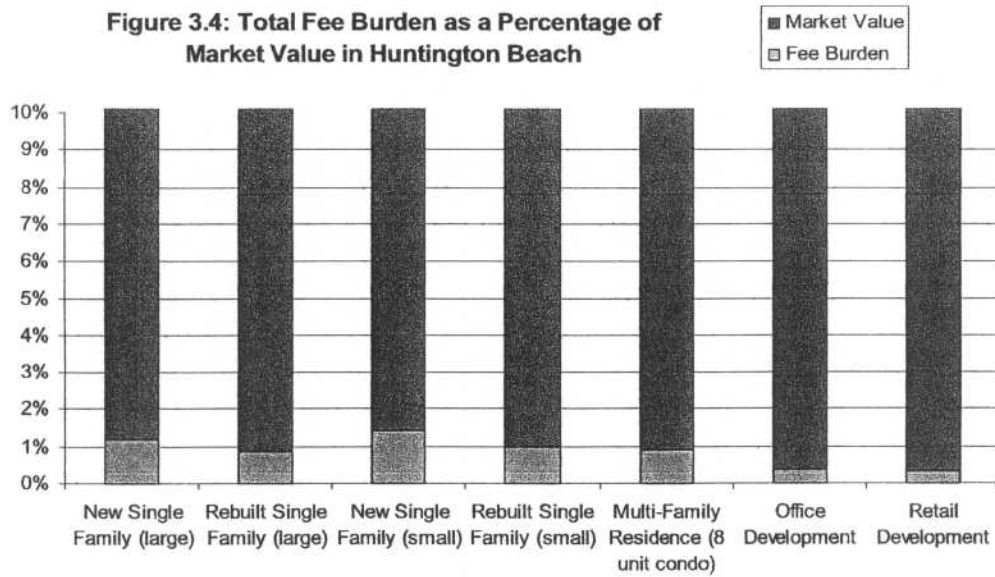
**Figure 3.2: Total Fee Burden as a Percentage of Market Value in Irvine**



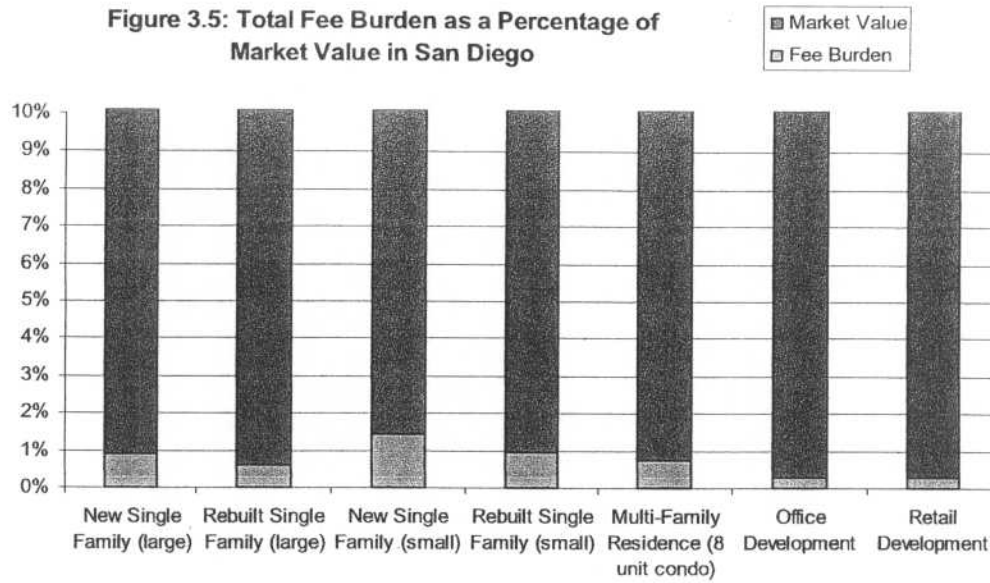
**Figure 3.3: Total Fee Burden as a Percentage of Market Value in Los Angeles**



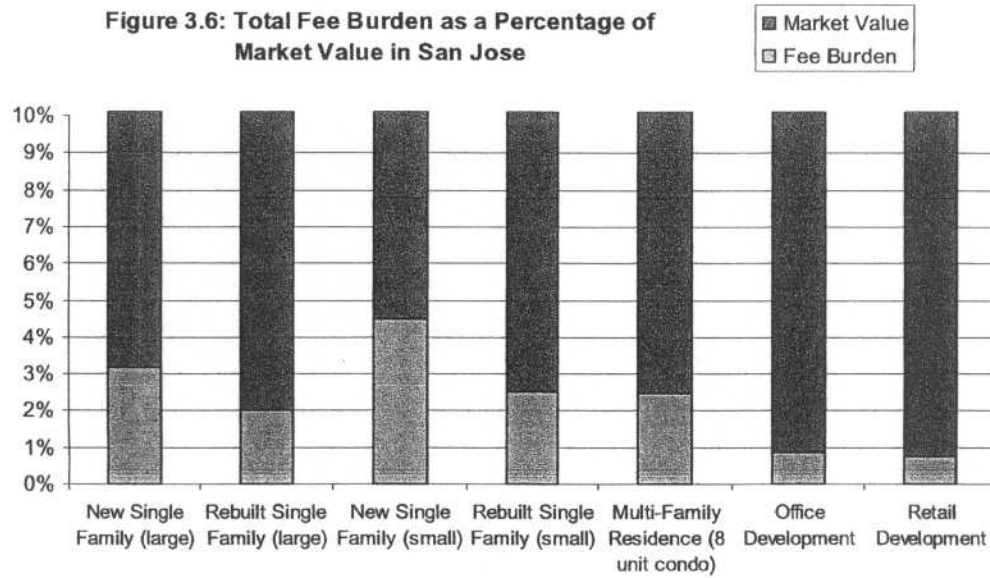
**Figure 3.4: Total Fee Burden as a Percentage of Market Value in Huntington Beach**



**Figure 3.5: Total Fee Burden as a Percentage of Market Value in San Diego**



**Figure 3.6: Total Fee Burden as a Percentage of Market Value in San Jose**



**Figure 3.6: Total Fee Burden as a Percentage of Market Value in San Jose**

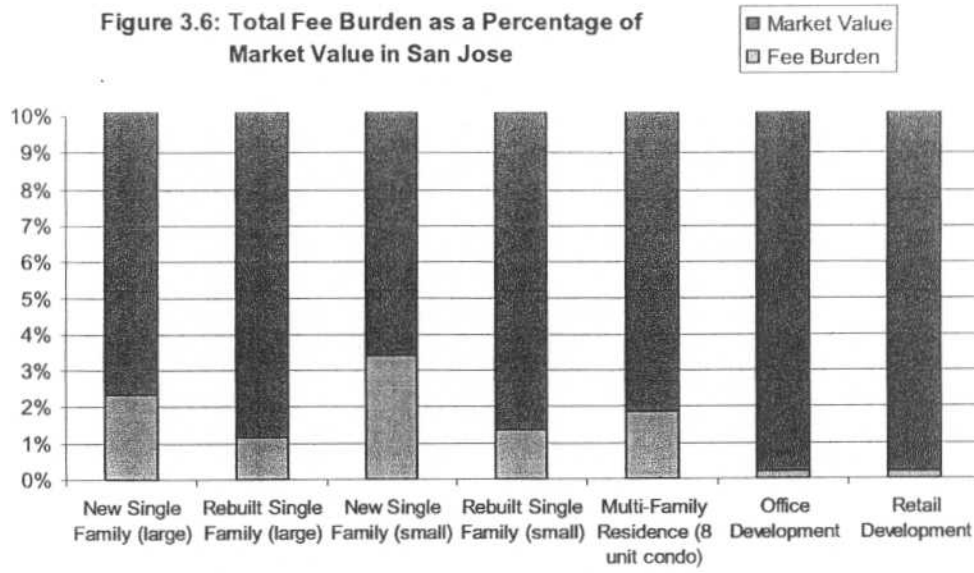
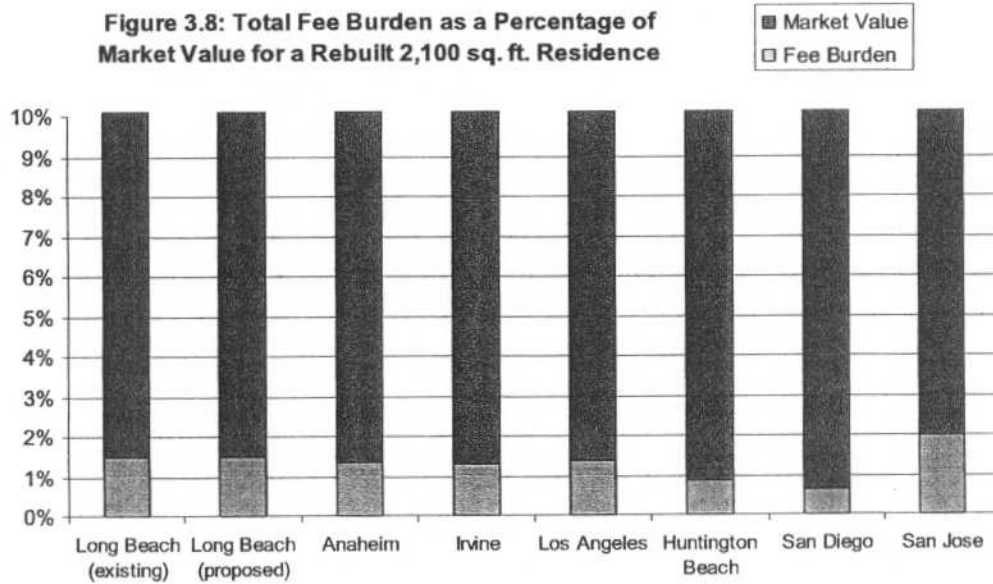
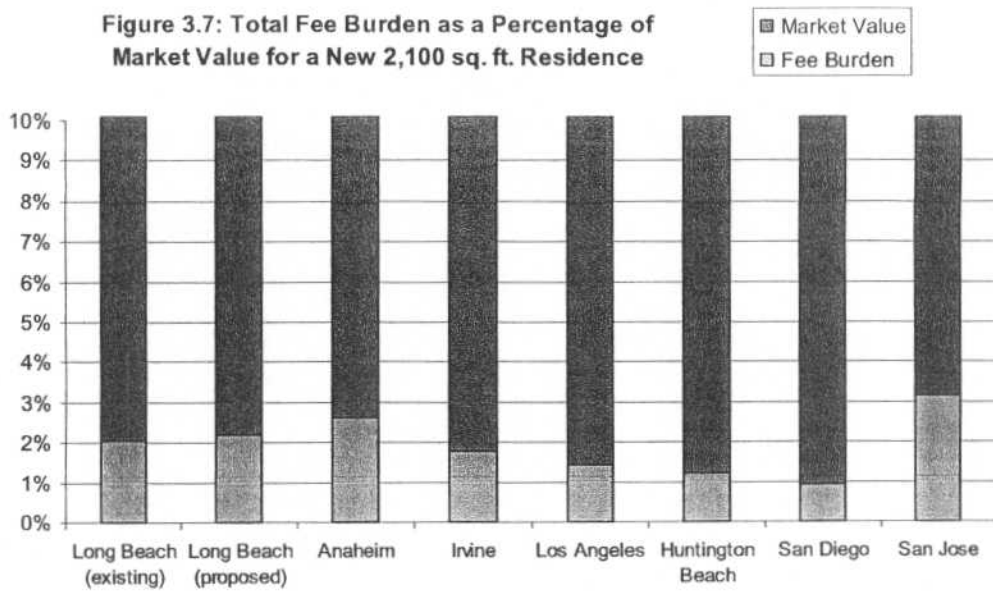
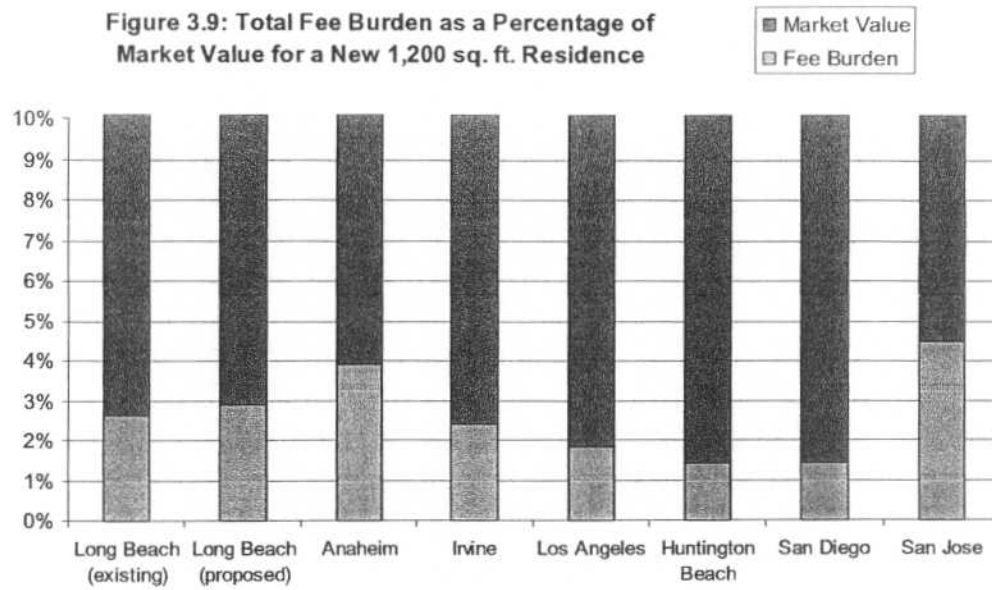


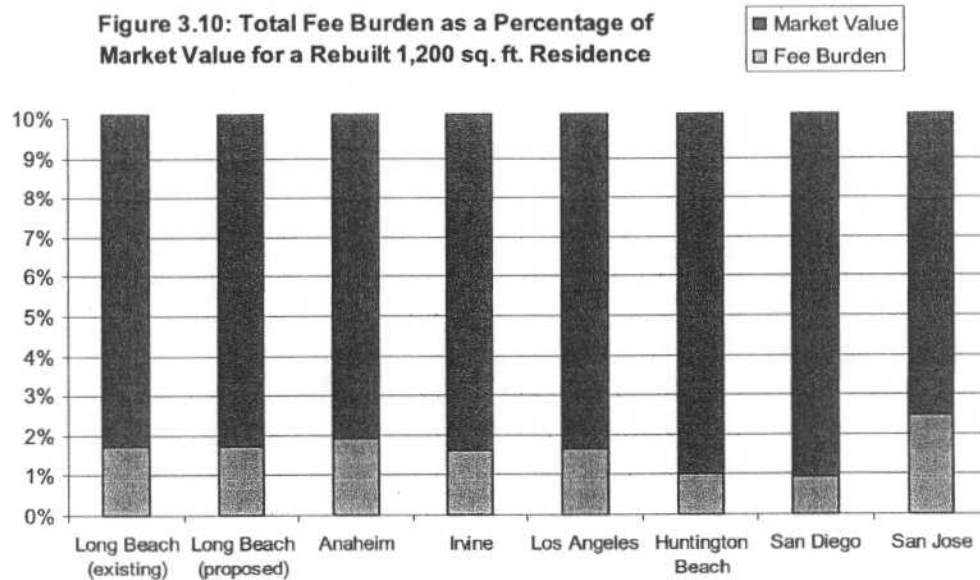
Figure 3.7 through 3.13 show the fee burden range by development type rather than by city.



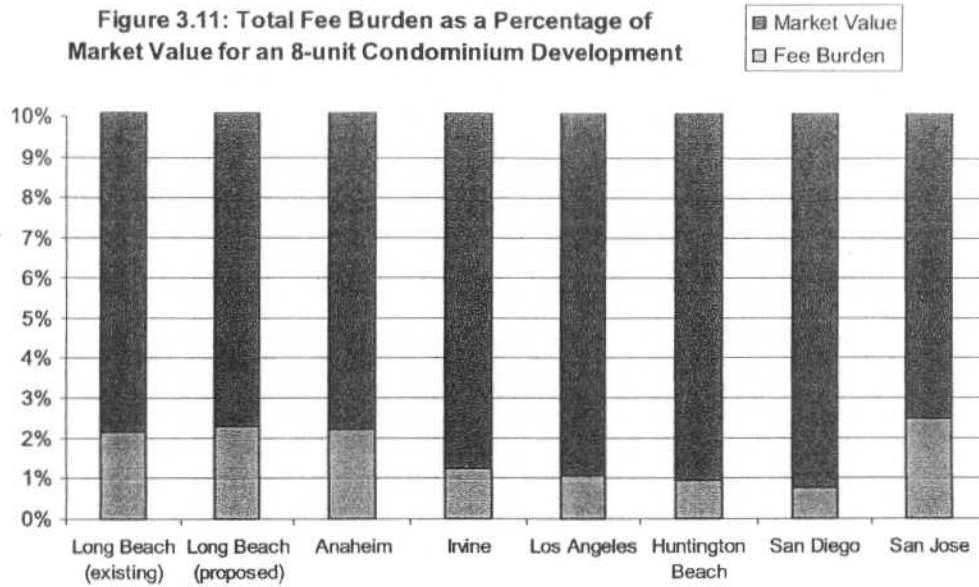
**Figure 3.9: Total Fee Burden as a Percentage of Market Value for a New 1,200 sq. ft. Residence**



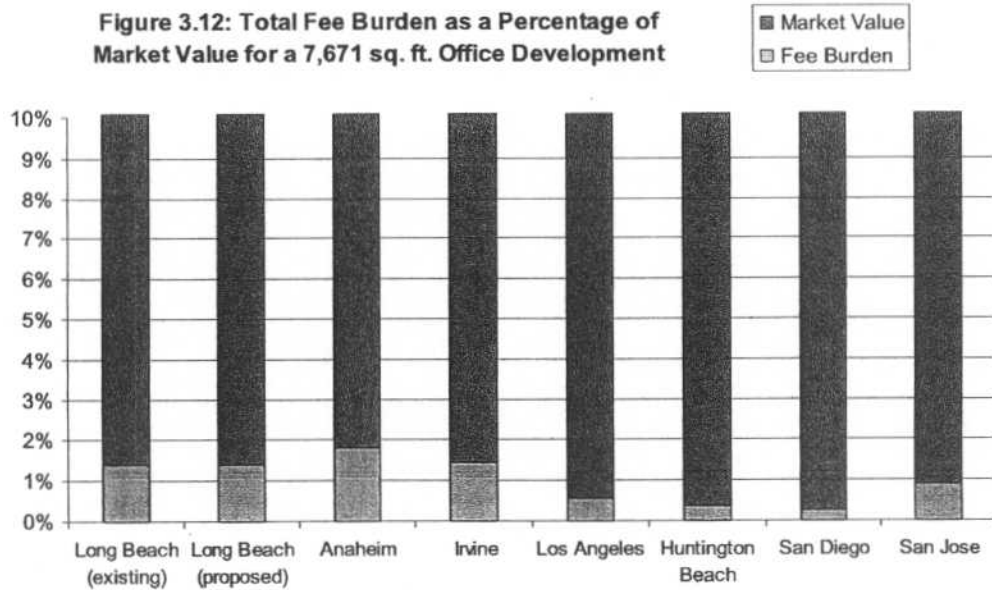
**Figure 3.10: Total Fee Burden as a Percentage of Market Value for a Rebuilt 1,200 sq. ft. Residence**



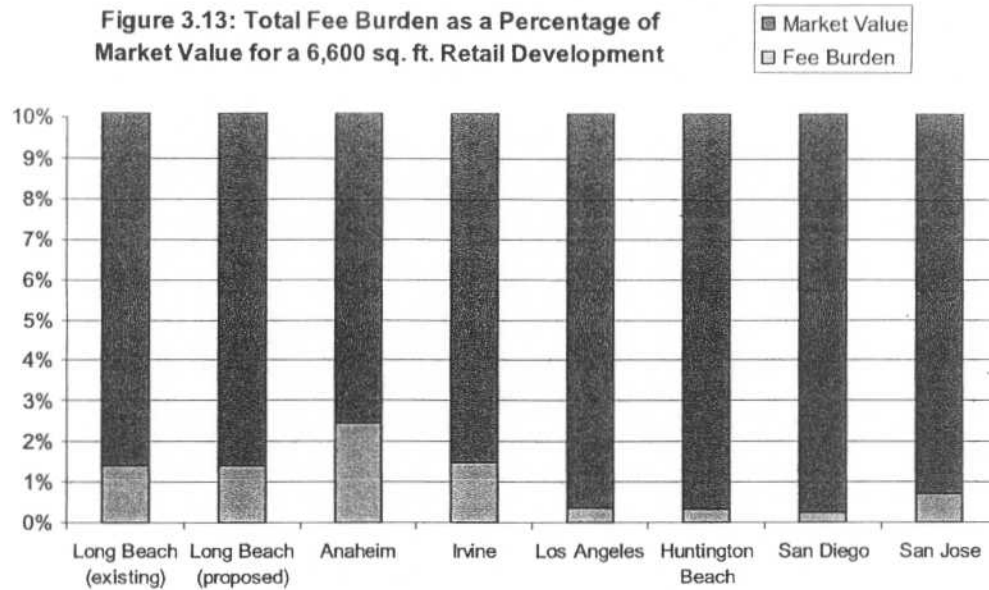
**Figure 3.11: Total Fee Burden as a Percentage of Market Value for an 8-unit Condominium Development**



**Figure 3.12: Total Fee Burden as a Percentage of Market Value for a 7,671 sq. ft. Office Development**



**Figure 3.13: Total Fee Burden as a Percentage of Market Value for a 6,600 sq. ft. Retail Development**



## CONCLUSIONS

On average, fee burdens in this study were fairly consistent across the target cities. Separate analyses have indicated that fee burdens below 10% to 15% of market value are unlikely to have a noticeable impact on real estate markets. In the case of all cities targeted in this study, the fee burdens are well below those thresholds.

On average the fees for office development are the lowest in terms of cost as a percentage of market value while fees for the 1,200 residential scenario are the highest. On average, the highest fee burdens are in Anaheim and San Jose and the lowest fee burden is in Huntington Beach. For all development types, the burdens resulting from both the existing and proposed fees in Long Beach fall somewhere between the high and low extremes of the comparable cities for each development scenario.

## **Attachment C**

### **Notes from the July 11, 2007 Public Meeting**

*This is not a transcript of the meeting, but is a summary of the discussion. Some topics were raised more than once during the discussion, but are noted together below for clarity.*

Q: Can the date when the fee increase takes effect be extended past 60 days?

A: The fee increase can take effect no sooner than 60 days following City Council approval, but the time period can be extended to be longer than 60 days.

Q: Are fees restricted to being spent in a specific area of the city? Are they designated to be spent in the area from which they are collected?

A: Fees are not restricted in where they can be spent. Given the size of the city, it would be a cumbersome process to try to restrict where fees are spent. Fees are collected from where the development occurs and most fees are spent in park-poor areas. This means that most of the fees are collected from downtown and are spent in the central, north, and west portions of the city.

Q: Since the city is essentially built out, is it accurate to say that Park Impact Fees are used primarily for capital improvements?

A: Fees are used for capital improvements, but mainly as matching funds for grants.

Q: Can General Fund money be used as matching funds?

A: Yes, but the Department does not have any General Fund funds for park acquisition or development.

Q: While Park Impact Fees give a short-term benefit in terms of land purchase and capital improvement, they do not address long-term financial challenges.

A: The major long-term financial challenge is maintenance, which cannot be funded with Park Impact Fees or grants.

Q: Can the development community get an idea of the whole spectrum of fees that are being considered for adoption in the near future?

A: The MuniFinancial Fee Burden Analysis included the Public Safety Fee, Park Impact Fees, and the School District Fee. A Housing Trust Fund Fee is being considered separately.

Q: It seems that as soon as development gets going, the City starts looking at development fees, which slows down development.

A: That is why the Fee Burden Analysis was conducted. That analysis showed that even a higher fee than what is being proposed would not impact development.

Q: If one demolishes a single-family house and builds a new one, is that new development and subject to the fee? What about condo conversions? Imminent domain development? Low-income development?

A: Fees are charged on additional development only. The replacement of a single-family house would be exempt from paying the fee. If a condo conversion creates additional dwelling units, then the fee would be charged on the additional units. The fee would apply to imminent domain development. Affordable housing units (defined as 80% or less of market value) are exempt from the fee. In a low-income development or a development that includes affordable units, all affordable units would be exempt, only market-rate units would be subject to the fee.

Q: Is there an effort for more development in the west and north parts of the city?

A: Currently, most development is occurring downtown, with some projects in other parts of the city.

Q: You talk about buying an acre of land for every so-many residents, how do you find an acre of land?

A: The Department looks for small parcels where mini-parks can be created or small parcels that can be assembled into a larger green space such as the P.E. Right-of-Way or the Drake-Chavez Greenbelt.

RED-LINED VERSION

18.18.120 Exemptions

The following uses and types of residential development are exempt from the payment of park fees:

~~\_\_\_\_\_ A. The replacement or rebuilding of a single family dwelling (one unit per lot) on an existing lot of record, or the replacement of one mobile home with another on the same pad, or the moving and relocation of a single family home from one lot within the city to another lot within the city, or the legalization of an illegal dwelling unit existing prior to January 1, 1964, for which an administrative use permit is approved in accordance with Section 21.25.403D. This exemption shall not apply to tract development nor to the development of more than one unit per lot nor to the replacement of a single family dwelling with more than one dwelling unit.~~

A. \_\_\_\_\_ The following actions shall be exempt from the fee:

1. \_\_\_\_\_ Replacement of existing dwelling units. If the applicant is proposing to replace an existing legal dwelling unit or units with a greater number of units on the same lot, then the fee will be paid only for the number of new dwelling units that exceed the number of the existing legal dwelling units on that lot. A dwelling unit shall be considered existing if it is a legal dwelling unit as defined in Section 21.15.910 of this Code (or any successor Section thereto) and it existed on the lot within twelve months prior to the application for a building permit for the replacement unit or units.

2. \_\_\_\_\_ The placement or installation of a replacement mobile home as defined in Section 21.15.1770 of this Code (or any successor section thereto) on a separate lot, mobile home park space or pad when a Park and Recreation Facilities Fee for such lot or space has been previously paid pursuant to this Chapter; or when a mobile home legally existed on such park space or pad within twelve months prior to

1 construction approval for the replacement mobile home.

2 3. The relocation of existing legal dwelling units from  
3 one location in the City to another.

4 4. The legalization of an existing illegal dwelling unit  
5 existing prior to January 1, 1964, for which an Administrative Use Permit is  
6 approved in accordance with Section 21.25.403 D (or any successor  
7 section thereto).

8  
9 Section 2. Section 18.18.050 of the Long Beach Municipal Code is  
10 amended by adding Subsection C to read as follows:

11 C. The fees established by this Chapter shall be revised  
12 annually by means of an automatic adjustment based on the average  
13 percentage change over the previous calendar year in the Construction  
14 Cost Index for the Los Angeles metropolitan area. The first fee  
15 adjustment shall not be made before September 15, 2008. The fees, as  
16 adjusted annually, shall be compiled by the Parks, Recreation and Marine  
17 Department, and shall be included in an annual report to the City Council  
18 pertaining to the Park and Recreation Facilities Fee. The annual report  
19 shall be presented to the City Council by August 1st of each year, and fee  
20 adjustments shall be effective on September 15th of each year. The  
21 continued validity of the fee calculation methodology and the automatic  
22 adjustment shall be evaluated by a Nexus Study which shall be presented  
23 to the City Council for its consideration and action every 5 years,  
24 commencing with the Annual Report due on or before July 15, 2012.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY AMENDING SUBSECTION (A) OF  
SECTION 18.18.120; AND BY ADDING SUBSECTION (C)  
TO SECTION 18.18.050, ALL RELATING TO PARK AND  
RECREATION FACILITIES FEES

WHEREAS, many cities and counties have adopted and imposed  
development impact fees on new development to pay for new development's fair share of  
infrastructure and services; and

WHEREAS, on February 7, 1989, the City Council of the City of Long  
Beach adopted Ordinance No. C-6567 establishing a Park and Recreation Facilities Fee,  
which ordinance was incorporated into the Long Beach Municipal Code as Chapter  
18.18; and

WHEREAS, the City conducted and prepared a nexus study entitled  
"Relationship between Residential Construction and Park Impact Fees" dated August 18,  
2005, for the City of Long Beach (the "Study") in accordance with Government Code §§  
66000 et seq.; and

WHEREAS, the Study has provided the City and the City Council with  
information and data regarding the nexus between needed recreation improvements and  
the benefiting land uses that would pay the impact fees at time of development; and

WHEREAS, the Study provided data outlining the various recreation  
improvements and parkland which are required to meet the need generated by new  
residential development projects in the City; and

WHEREAS, it is the City's policy that future new development should  
contribute its fair share to public facilities and services through the imposition of impact

fees which will be used to finance, defray or reimburse the City for the appropriate portion of the cost of public facilities which serve such development; and

WHEREAS, Chapter 18.18 of the Long Beach Municipal Code (Park and Recreation Facilities Fees) recognizes that residential development within the City will result in additional growth and that such growth will place additional burdens on various park facilities, infrastructure, services and recreation improvements. Chapter 18.18 further recognizes the types of residential land development that will generate those impacts necessitating the acquisition of land, the construction of park facilities, and recreation improvements, and the expansion of services and infrastructure needed to meet and accommodate them; and

WHEREAS, the Study has concluded that the actual current Park and Recreation Facilities Fees necessary to maintain an adequate level of parkland and recreational facility service levels are as follows:

<u>Unit Type</u>	<u>Vacant Land</u>	<u>Developed Land</u>
Single Family Units	\$8,402	\$25,043
Multifamily Units	\$6,773	\$20,186
Mobile Home Units	\$6,349	\$18,917
Work/Live Units	\$3,389	\$10,093

However, that it is not the intent of the City to impose, at this time, the full projected amount of the Impact fees set forth above, but rather, to establish an automatic annual fee adjustment for a five year period, based upon the average percentage change over the previous calendar year, as determined by the Construction Cost Index for the Los Angeles Metropolitan area, which increase shall not, in total, exceed the amounts set forth above per dwelling unit, by type, without the preparation of a further Nexus Study and due consideration by the City Council.

NOW, THEREFORE, the City Council of the City of Long Beach ordains as follows:

1                   Section 1.     Subsection 18.18.120 (A) of the Long Beach Municipal Code  
2 is amended to read as follows:

3                   A.     The following actions shall be exempt from the fee:

4                   1.     Replacement of existing dwelling units. If the  
5 applicant is proposing to replace an existing legal dwelling unit or units  
6 with a greater number of units on the same lot, then the fee will be paid  
7 only for the number of new dwelling units that exceed the number of the  
8 existing legal dwelling units on that lot. A dwelling unit shall be considered  
9 existing if it is a legal dwelling unit as defined in Section 21.15.910 of this  
10 Code (or any successor Section thereto) and it existed on the lot within  
11 twelve months prior to the application for a building permit for the  
12 replacement unit or units.

13                   2.     The placement or installation of a replacement mobile  
14 home as defined in Section 21.15.1770 of this Code (or any successor  
15 section thereto) on a separate lot, mobile home park space or pad when a  
16 Park and Recreation Facilities Fee for such lot or space has been  
17 previously paid pursuant to this Chapter; or when a mobile home legally  
18 existed on such park space or pad within twelve months prior to  
19 construction approval for the replacement mobile home.

20                   3.     The relocation of existing legal dwelling units from  
21 one location in the City to another.

22                   4.     The legalization of an existing illegal dwelling unit  
23 existing prior to January 1, 1964, for which an Administrative Use Permit is  
24 approved in accordance with Section 21.25.403 D (or any successor  
25 section thereto).

26  
27                   Section 2.     Section 18.18.050 of the Long Beach Municipal Code is  
28 amended by adding Subsection C to read as follows:

1 C. The fees established by this Chapter shall be revised  
2 annually by means of an automatic adjustment based on the average  
3 percentage change over the previous calendar year in the Construction  
4 Cost Index for the Los Angeles metropolitan area. The first fee  
5 adjustment shall not be made before October 1, 2008. The fees, as  
6 adjusted annually, shall be compiled by the Parks, Recreation and Marine  
7 Department, and shall be included in an annual report to the City Council  
8 pertaining to the Park and Recreation Facilities Fee. The annual report  
9 shall be presented to the City Council by August 1st of each year, and fee  
10 adjustments shall be effective on October 1st of each year. The continued  
11 validity of the fee calculation methodology and the automatic adjustment  
12 shall be evaluated by a Nexus Study which shall be presented to the City  
13 Council for its consideration and action every 5 years, commencing with  
14 the Annual Report due on or before August 1, 2012.

15  
16 Section 3. The City Clerk shall certify to the passage of this ordinance by  
17 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
18 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
19 Mayor.

20 I hereby certify that the foregoing ordinance was adopted by the City  
21 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2007, by the  
22 following vote:

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Ayes: Councilmembers: \_\_\_\_\_

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Noes: Councilmembers: \_\_\_\_\_

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Absent: Councilmembers: \_\_\_\_\_

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\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor

GJA:bg/ MJM:kjm 6/27/07

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH INCREASING THE PARK AND  
RECREATION FACILITIES FEES; ADOPTING A  
COMPREHENSIVE IMPACT FEE (NEXUS) STUDY; AND  
ADOPTING FINDINGS RELATIVE THERETO

WHEREAS, many cities and counties have adopted and imposed  
development impact fees on new development to pay for new development's fair share of  
infrastructure and services; and

WHEREAS, on February 7, 1989, the City Council of the City of Long  
Beach adopted Ordinance No. C-6567 establishing a Park and Recreation Facilities Fee,  
which ordinance was incorporated into the Long Beach Municipal Code as Chapter  
18.18; and

WHEREAS, on January 31, 1989, the City Council of the City of Long  
Beach adopted Resolution No. C-24638, which established a Park and Recreation  
Facilities Fee amount per dwelling unit, by type, which resolution was repealed and  
superseded by Resolution No. C-25040, which likewise established a Park and  
Recreation Facilities Fee amount per dwelling unit, by type; and

WHEREAS, the City now desires to increase the Park and Recreation  
Facilities Fee first established in 1989 pursuant to Resolution and Chapter 18.18 of the  
Municipal Code; and

WHEREAS, the City conducted and prepared a nexus study entitled  
"Relationship between Residential Construction and Park Impact Fees" dated August 18,  
2005 for the City of Long Beach (the "Study") in accordance with Government Code §§  
66000 et seq.; and

WHEREAS, the Study has provided the City and the City Council with

information and data regarding the nexus between needed recreation improvements and the benefiting land uses that would pay the impact fees at time of development; and

WHEREAS, the Study provided data outlining the various recreation improvements and parkland which are required to meet the need generated by new residential development projects in the City; and

WHEREAS, it is the City's policy that future new development should contribute its fair share to public facilities and services through the imposition of impact fees which will be used to finance, defray or reimburse the City for the appropriate portion of the cost of public facilities which serve such development; and

WHEREAS, Chapter 18.18 of the Long Beach Municipal Code (Park and Recreation Facilities Fees) recognizes that residential development within the City will result in additional growth and that such growth will place additional burdens on various park facilities, infrastructure, services and recreation improvements. Chapter 18.18 further recognizes the types of residential land development that will generate those impacts necessitating the acquisition of land, the construction of park facilities, and recreation improvements, and the expansion of services and infrastructure needed to meet and accommodate them; and

WHEREAS, the Study has concluded that the actual current Park and Recreation Facilities Fees necessary to maintain an adequate level of parkland and recreational facility service levels are as follows:

<u>Unit Type</u>	<u>Vacant Land</u>	<u>Developed Land</u>
Single Family Units	\$8,402	\$25,043
Multi Family Units	\$6,773	\$20,186
Mobile Home Units	\$6,349	\$18,917
Loft/Studio Units	\$3,389	\$10,093

However, that it is not the intent of the City to immediately impose the full amount of the Impact fees as set forth above, but rather, to establish an automatic annual fee adjustment for a five year period, based upon the average percentage change over the

1 previous calendar year, as determined by the Construction Cost Index for the Los  
2 Angeles Metropolitan area, which increase shall not, in total, exceed the amounts set  
3 forth above per dwelling unit, by type, without the preparation of a further Nexus Study  
4 and due consideration by the City Council as required by Section 18.18.050.C of the  
5 Municipal Code.

6 WHEREAS, the City Council has held at least one duly noticed public  
7 hearing on the proposed increase to the Park and Recreation Facilities Fees with an  
8 opportunity for the public to be heard, pursuant to the provisions of Government Code §§  
9 66016–66018; and

10 WHEREAS, the Study has been available for public review and comment  
11 pursuant to the provisions of Government Code § 66016; and

12 WHEREAS, based on the Study, the City Council of the City of Long Beach  
13 desires to increase the Park and Recreation Facilities Fees in accordance with the nexus  
14 calculations and recommendations in the Study; and

15 WHEREAS, an increase in the Park and Recreation Facilities Fees is  
16 necessary in order to protect the public health, safety and welfare of the citizens of the  
17 City of Long Beach; and

18 NOW, THEREFORE, the City Council of the City of Long Beach does  
19 hereby find and resolve as follows:

20 Section 1. The City Council of the City of Long Beach finds that the  
21 purpose of the Park and Recreation Facilities Fees established pursuant to Chapter  
22 18.18 of the Long Beach Municipal Code, is to prevent new development from reducing  
23 the quality and availability of park services and recreation improvements provided to  
24 residents of the City of Long Beach by requiring new residential development to  
25 contribute its fair share to the cost of additional capital assets and services needed to  
26 meet the needs of growth.

27 Section 2. That the City Council of the City of Long Beach finds and  
28 determines that the Nexus study, dated August 18, 2005, complies with California

1 Government Code § 66001 by establishing the basis for the increase of the Park and  
2 Recreation Facilities Fee on new residential development. This finding is based on the  
3 fact that the Study:

- 4 A. Identifies the purpose of the increased fees;
- 5 B. Identifies the use to which the fees will be put;
- 6 C. Shows a reasonable relationship between the use of the fees  
7 and the type of residential development project on which the fees are  
8 imposed;
- 9 D. Demonstrates a reasonable relationship between the need for  
10 the recreation improvements as defined in Chapter 18.18 and the type of  
11 development projects on which the fees are imposed; and
- 12 E. Demonstrates a reasonable relationship between the amount  
13 of the fees and the cost of the recreation improvements and services or  
14 portions thereof attributable to the development on which the fees are  
15 imposed.

16 Section 3. That the City Council hereby determines that the fees  
17 collected pursuant to this Resolution shall be used to finance the parkland, recreation  
18 improvements, and services described or identified in Chapter 18.18 and the Study.

19 Section 4. That the City Council finds that the projects and fee  
20 methodology identified in the Study are consistent with the City's General Plan and  
21 Capital Improvement Plan.

22 Section 5. The adoption of the Study and the increase to the Park and  
23 Recreation Facilities Fee are statutorily and categorically exempt from the requirements  
24 of the California Environmental Quality Act ("CEQA") because the setting of development  
25 impact fees merely establishes a funding mechanism for the provision of future projects,  
26 and, as such, the Resolution is not an essential step culminating in action which may  
27 affect the environment, and environmental review required under CEQA will be  
28 performed when projects funded by the Park and Recreation Facilities Fees are chosen

1 and defined. (Kaufman & Broad South Bay, Inc. v. Morgan Hill (1993) 9 Cal.App.4th 464).

2 Section 6. That the Nexus study dated August 18, 2005, attached hereto  
3 as Exhibit A and incorporated herein by reference as though set forth in full, word for  
4 word is hereby adopted by the City Council based upon the foregoing findings.

5 Section 7. There is hereby adopted the following Park and Recreation  
6 Facilities Fee schedule for residential housing:

7 Single Family Residential	\$4,221.00 per dwelling unit
8 Multi Family Residential	\$3,260.00 per dwelling unit
9 Mobile Home or Manufactured Housing	\$2,397.00 per dwelling unit
10 Loft/Studio	\$1,630.00 per dwelling unit

11 Said fees are to be adjusted annually in accordance with the provisions of  
12 Long Beach Municipal Code Section 18.18.050C. The increase in the Park and  
13 Recreation Facilities Fees established by this resolution shall not apply to those projects  
14 for which a Planning Department application for Conceptual or Site Plan Review has  
15 been filed and deemed complete by the Department of Planning and Building by July 17,  
16 2007.

17 Section 8. The fees specified in this resolution shall become effective  
18 sixty (60) days following the adoption of this Resolution by the City Council, and the City  
19 Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2007, by the following vote:

Ayes: Councilmembers:

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Noes: Councilmembers:

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Absent: Councilmembers:

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\_\_\_\_\_  
City Clerk

GJA 5/18/07;  
MJM:kjm 6/8/07; 6/27/07; 7/18/07