



Legislation Text

File #: 12-0224, **Version:** 1

Recommendation to adopt resolution approving the Annual and Five-Year Reports for the Transportation Improvement Fee, the Parks and Recreation Facilities Fee, the Fire Facilities Impact Fee, and the Police Facilities Impact Fee. (Citywide)

New development affects the level of services provided through the City's facilities, infrastructure, land, and equipment. To accommodate the needs of the new residents and businesses, the City imposes impact fees to expand these resources as follows:

- Transportation Improvement Fee
- Parks and Recreation Facilities Fee
- Fire Facilities Impact Fee
- Police Facilities Impact Fee

The purpose of the Annual and Five-Year Reports is to provide information to the City Council and the public and to fulfill State Government Code and Municipal Code mandated reporting and disclosure requirements. In February 2011, the Department of Financial Management absorbed the centralized management of the reporting process. Since that time, Financial Management and the departments involved worked together to standardize the report format with the goal of making the information more accessible and transparent to the City Council and the public. In 2012, the Department of Technology Services initiated the design and development of a database to improve program management and reporting by consolidating the information into one location that can be shared by multiple departments. One result of these changes is the consolidation of all the required reporting into a single City Council action with the attached Resolution containing the four departments' reports as Exhibits.

Annual Reports

The California Government Code requires that local agencies that impose fees in connection with the approval of development projects make certain information available to the public on an annual basis. The Long Beach Municipal Code (LBMC) adds additional elements to these requirements. Essentially, the reports provide what the fees are, the fund balance of each fund and how the money was spent in the prior fiscal year.

Five-Year Reports

Section 66001 of the Government Code mandates additional disclosure with respect to any fees collected and remaining unexpended in the fifth year after collection. In order to ensure that the City Council is fully informed of the status of unexpended funds, five-year reports will be submitted annually.

This matter was reviewed by Deputy City Attorney Gary Anderson on March 2, 2012 and Budget and

Performance Management Bureau Manager Dennis Strachota on February 23, 2012.

City Council action on this item is requested on March 20, 2012 as State Law requires the information contained in these reports to be made available to the public within 180 days after the last day of the fiscal year, or March 29, 2012.

The amount of impact fees collected each year is dependent on the amount and type of new development and its relationship to the purpose of the fee. The impact fee revenue for fiscal year ended September 30, 2011 (FY 11) was \$951,323 with expenditures of \$3,080,069. These fees can only be used on projects and expenses to offset the impact of the new development. The five-year reports provide information on revenue unexpended in the various impact fee funds during (FY 07 - FY 11).

Transportation Improvement Fee Report (Exhibit A to Resolution)

The Transportation Improvement Fee Report summarizes the status of implementation of the citywide Traffic Mitigation Program (TMP). The TMP is the City's program for implementing the transportation improvements needed to meet increased traffic resulting from economic growth using a combination of public funds, such as Gas Tax and Federal grants, and impact fees from new development. The TMP was designed as the mechanism by which the City could implement its basic access strategy to support economic growth and maintain mobility.

In FY 11, a total of \$429,795 in Transportation Improvement Fund fees was collected, with \$2,269,260 in expenditures and reimbursements, leaving a fund balance of \$7,483,491. These funds may only be used to provide transportation improvements needed to serve new development. The City issued permits for 407,555 gross square feet of residential units and 72,865 gross square feet of commercial development, which will generate an estimated 665 evening peak hour trips each day. These figures do not include the Douglas Park development, which is under a separate development agreement.

Parks and Recreation Facilities Fee Report (Exhibit B to Resolution)

In February 1989, the City Council established the Parks and Recreation Facilities Fee (PRFF), a fee on new development designed to maintain the existing level of service for existing and new residents. New residential development increases the population of the City by providing more places to live. This adversely impacts parks and recreational resources through crowding and overuse, lowering the quality of life for all existing and new residents.

In FY 11, \$446,909 was received from PRFF fees, including interest. During FY 11, \$810,809 of PRFF collected from multiple years was expended in the Capital Improvement Budget leaving a fund balance of \$985,463. The expenditures include \$500,000 in PRFF that was transferred to the Development Services Fund for Open Space Bond repayments. This transfer funded approximately one-quarter of the Open Space Bond repayment for FY 11 and reserved approximately the same amount in the event that annual PRFF revenue is not sufficient to support the debt obligation for the following year. The other \$310,809 was expended on projects. Specific projects are listed in the Parks and Recreation Facilities Fee Report.

Fire Facilities Fee Report (Exhibit C to Resolution)

In April 2007, City Council established the Fire Facilities Impact Fee, a fee imposed on new development to mitigate the impact of new development on fire facilities. New development increases the demand for public safety facilities and impact fees help defray the costs for these facilities. In FY 11, a total of \$34,662 in Fire Facilities Impact Fees was collected, with one refund of \$8,891 and no expenditures, leaving a fund balance of \$166,777. The Fire Department has not spent any of these funds to date. However, it is anticipated that funds may be used to support a portion of the cost of equipment and furnishing of Fire Station 12. This new fire station, built with former Redevelopment Agency funds, will include a disaster resource building and a community meeting room and will offer increased capacity to the North Long Beach community, as well as the entire City.

Police Facilities Fee Report (Exhibit D to Resolution)

In April 2007, the City Council also established the Police Facilities Impact Fee to mitigate the impact of new development on police facilities. New development increases the demand for public safety facilities and impact fees help defray the costs for these facilities. Funds collected from the Police Facilities Impact Fee can be used to fund the acquisition of

additional property for law enforcement facilities; construction of new buildings for law enforcement services; furnishing of new buildings or facilities for law enforcement services; purchasing of equipment and vehicles for law enforcement services; funding of a master plan to identify capital facilities to serve new Police Department Development; and, the cost of financing.

In FY 11, the fund had a beginning balance of \$225,115.76. During the FY 11, \$38,633.12 was received from fees, \$1,324.44 was received from interest, and there were no expenses or refunds, for a total revenue of \$39,957.56, resulting in a fund ending balance of \$265,073.32.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH ADOPTING THE CITY OF LONG BEACH TRANSPORTATION IMPROVEMENT FEE, PARKS AND RECREATION FACILITIES FEE, FIRE AND POLICE FACILITIES IMPACT FEE REPORTS FOR FISCAL YEAR 2011; AND MAKE FINDINGS RELATIVE THERETO IN ACCORDANCE WITH LONG BEACH MUNICIPAL CODE CHAPTERS 18.17, 18/18, 18.22 AND 18.23 AND GOVERNMENT CODE SECTIONS 66001 AND 66006.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER