Legislation Details (With Text)

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On agenda:	3/24/2015			**Final action:**	3/24/2015
Title:	Recommendation to adopt resolution approving the Annual and Five-Year Reports for the Transportation Improvement Fee, Parks and Recreation Facilities Fee, the Fire Facilities Impact Fee, and the Police Facilities Impact Fee. (Citywide)				
Sponsors:	Financial Management				
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Date	Ver.	Action By	Action	Result
3/24/2015	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution approving the Annual and Five-Year Reports for the Transportation Improvement Fee, 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. These changes resulted in the consolidation of all the required reporting into a single City Council action with the attached Resolution containing the four departments' reports as Exhibits.

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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 other 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 annuaUy.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on March 3, 2015 and by Budget Manager Lea Eriksen on March 4, 2015.

City Council action on this item is requested on March 24, 2015 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 31, 2015.

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 the fiscal year ended September 30, 2014 (FY 14) was $1,814,476. Impact Fee expenditures in FY 14 totaled $1,701,203. As of September 30, 2014, the City has a remaining fund balance of $3,711,355 across all Impact Fees. These fees can only be used 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 10 - FY 14).

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. Funding for the program is derived from 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 14, the City issued building permits for 110,426 gross square feet of residential units and 366,419 gross square feet of commercial development, which generated an estimated 3,783 evening peak hour car trips each day. These figures do not include the Douglas Park development, which is under a separate development agreement. A total of $878,508 in Transportation Improvement Fund fees were collected in FY 14, and $1,299,919 was

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expended, leaving an ending fund balance of $2,188,282. These funds may only be used to provide transportation improvements needed to serve new development. A summary of projects funded using transportation improvement fee revenues is included in Exhibit A.

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 14, $286,793 was received from PRFF fees, including interest. During FY 14, $242,318 in prior year PRFF revenue was expended in the Capital Improvement Budget, leaving a fund balance of $646,777 to be spent in future years. Specific FY 14 projects are listed in Exhibit B.

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. A total of $146,716 in Fire Facilities Impact Fees were collected in FY 14, with $15,977 expended on projects, leaving an ending fund balance of $356,884. Funds were used to support a portion of the cost of furnishing and equipping Fire Station 12. This new fire station, built with former Redevelopment Agency funds, includes a disaster resource building and a community meeting room, and offers 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 14, the fund had a beginning balance of $159,942. During FY 14, $502,459 was received from fees with $142,989 in expenditures, leaving a fund balance of $519,412. Funds were used to support a portion of the cost for the new East Police Station.

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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 2014; AND 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

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