

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-11

Urgent

Routine

AGENDA DATE June 29, 2010

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Set a Public Hearing on July 20, 2010 at 6:35 P.M. to Consider the Adoption of the Updated Regional Transportation Impact Fee Component of the County Public Facility Fees and Approval of an Industrial Incentive Program

STAFF RECOMMENDATIONS:

Set a Public Hearing on July 20, 2010 at 6:35 P.M. to consider the adoption of the Updated Regional Transportation Impact Fee Component of the County Public Facility Fees and approval of an Industrial Incentive Program.

FISCAL IMPACT:

There is a nominal fiscal impact associated with setting this Public Hearing which includes a mandatory publication expense. This will be absorbed as a function of the existing facilities fee administrative component. The total positive fiscal impact of the Updated Facility Fee Program over the 20 year program horizon has the estimated revenue generating potential of over \$983 million dollars for use in addressing capital facilities needs directly related to growth.

BOARD ACTION AS FOLLOWS:

No. 2010-418

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. M-64-I-6

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DISCUSSION:

The history of Public Facilities Fees in Stanislaus County is longstanding. As one of the first adopter Counties (Fall 1990) Stanislaus, to this day, has one of the most comprehensive facility fee programs in the State of California and has been benchmarked by other jurisdictions.

The 2010 County Public Facilities Fee (PFF) program update is a comprehensive review of the County's fee program. The process has been both detailed and inclusive, offering multiple workshops and community stakeholder outreach sessions including meetings with the Building Industry Association (BIA), the Manufacturing Council, City Managers and staff, the Modesto Chamber of Commerce (Land Use Sub-Committee) and multiple local and regional developers.

All unit costs identified in the program update have been revised in light of the current economic environment (winter 2009 valuations) with transportation facilities based upon most recent Stanislaus Council of Governments (StanCOG) traffic and General Plan Circulation Element data. The update analyzes Department of Finance and StanCOG traffic model projections through calendar year 2030.

Over the evolution of the Stanislaus Facility Fee program, fee categories have been adapted to reflect the unique facility needs of our changing communities. In 1990 (program year one) there were eleven (11) categories. In 2003 these categories were modified to reflect community changes adding the Animal Services category. This structure remained consistent through the 2005 inflationary adjustment and has been modified in this update to include information technology as enterprise technology applications continue to become increasingly significant as a key infrastructure.

Comparison of Fee Categories

1990	2003	2005	2010
Public/Mental Health	Behavioral Health	Behavioral Health	Behavioral Health
Criminal Justice	Criminal Justice	Criminal Justice	Criminal Justice
Jails	Detention	Detention	Detention
Out Patient Care	Health	Health	Health
Libraries	Libraries	Libraries	Libraries
Other County Facilities	Other County Facilities	Other County Facilities	Other County Facilities
Parks	Regional Parks Neighborhood Parks	Regional Parks Neighborhood Parks	Regional Parks Neighborhood Parks
Roads Inter-City	Roads Inter-City	Roads Inter-City	Regional Transportation Impact Fee (RTIF)
Roads City/County	Roads City/County	Roads City/County	-
Sheriff	Sheriff	Sheriff	Sheriff

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1990	2003	2005	2010
-	Animal Services	Animal Services	Animal Services
Fire	-	-	-
-	Emergency Services	Emergency Services	Emergency Services
-	-	-	Countywide Info Technology

Fee Methodologies

Fee calculation methodology remains consistent with past practice and is based on a current level of service approach called the “Existing Inventory Method”. The Existing Inventory method places value on existing facilities and ratio to current population to identify a per capita facility standard. That standard is then applied to projected population growth (over the 20 year program window) to determine a fee basis that will maintain the existing level of service. The exceptions to this approach are:

- ♦ Transportation related fee category which is based on a “Planned Facilities Method” which allocates costs based on the ratio of planned facility costs to demand from new development, and;
- ♦ Animal Services fee category which is based on a “System Plan Method” that calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development. This approach creates an existing deficiency that must be met through non-fee funding.

Regional Transportation Impact Fee Update

On March 30, 2010, the Board of Supervisors approved the 2010 Program Update, with the exception of the Regional Transportation Impact Fee component. Staff was directed to meet with representatives from the nine cities to listen to concerns voiced with the transportation components, and return to the Board of Supervisors within 90 days with recommendations relative to the adoption of the Regional Transportation Impact Fee component of the program. Staff has completed that process, and is recommending the adoption of a revised Regional Transportation Impact Fee component of the PFF Program. The adoption of this element will complete the 2010 Comprehensive Program Update.

Several policy issues are addressed in the updated Regional Transportation Impact Fee program, including:

- Elimination of the City-County Road fee component.
- The addition of an Industrial Rail credit which adjusts each of the large industrial land use trip rates down to account for trips served by rail.
- Retention of the single zone fee collection methodology.

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- Inclusion of several study corridors to include projects in the southern and western portions of the County which strengthens overall program nexus.
- Reduction in the level of funding for the North County Corridor, Hammett and Kiernan Interchanges.

The proposed fee program update reflects decreases in 13 of the 18 fee categories. In an attempt to bridge those fee categories that increase (in the industrial sector), staff will be recommending the implementation of an Industrial Incentive over the life cycle of the fee update period (five years) in attempt to transition the industrial sector through this difficult economic climate.

Industrial Incentive Program

One of the priorities of the Stanislaus County Board of Supervisors is the development of "A strong local economy". Goal 1 of this priority is to facilitate job creation through facilitating business park development, increasing workforce preparation skills and managing incentives and fee programs. The Industrial Incentive Model has been developed to assist the facilitation of job creation in Stanislaus County within the Industrial sector.

The incentive applies a discount in the amount of Public Facilities Fees paid based on a sliding scale, with the standard maximum discount reaching 60%. Every 5 points are the equivalent of a 1% discount in the PFF, up to a maximum of 300 points. Given the disparate impact the 2010 increase in fees has on very large industrial facilities when compared to other categories, industrial facilities greater than 300,000 square feet can automatically qualify for an additional discount. This discount is an additional 5% for manufacturing (up to a total of 65%), 15% for distribution and 15% for warehouse above any discount determined (up to a total of 75%) by the criteria as defined. The Industrial incentive model would apply to both incorporated and unincorporated development scenarios.

The purpose of the Public Facility Fee program is to require new development to provide funding for impacts that it imposes on public facilities and infrastructure so that current levels of services can be maintained. The fee study is available for public review from the Clerk of the Board prior to the public hearing date and also available on the County's website at: <http://www.stancounty.com/CEO/econ-dev/pdf/county-impact-fee.pdf>

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POLICY ISSUE:

The Board should consider whether the Updated Public Facility Fee Program is an effective aid in mitigating the impacts of new development on the County's on-going ability to maintain appropriate levels of service.

STAFFING ISSUES:

There are no additional staffing issues related to this item. County Chief Executive Office (Economic/Community Development, Capital Facilities), Public Works and Planning staff have participated in this fee update process.

Contact Person:
Keith D. Boggs
Deputy Executive Officer – Economic Development
County of Stanislaus
209.652.1514

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, July 20, 2010, at the hour of 6:35 p.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, 1010 10th Street, Modesto, CA to consider the adoption of the Updated Regional Transportation Impact Fee Component of the County Public Facilities Fee Program, and to consider the approval of an Industrial Incentive Program.

ADDITIONAL NOTICE IS GIVEN that the Stanislaus County's Public Facilities Impact Fee Study and the Regional Transportation Impact Fee Study are available for review in the Clerk of the Board of Supervisors Office, 1010 10th Street, Suite 6700, Modesto, CA and also available on the County's website at: <http://www.stancounty.com/CEO/econ-dev/pdf/county-impact-fee.pdf>

NOTICE IS FURTHER GIVEN that at the above noticed time and place, interested persons will be given an opportunity to be heard. Material submitted to the Board of Supervisors for consideration (i.e. photos, petitions, etc.) will be retained by the County. If a challenge to above proposal is made in court, persons may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Stanislaus County Board of Supervisors. For further information, call the Chief Executive Office at (209) 525-6333.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: June 29, 2010

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk of
the Board of Supervisors
of the County of Stanislaus,
State of California.

BY:


Elizabeth A. King,
Assistant Clerk of the Board