

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council
FROM: Johnny Ea, Finance Director 
DATE: March 2, 2006 (City Council Meeting of March 15, 2006)
SUBJECT: Public Hearing to Consider Approval of an Increase to the Police Facilities Fee

BACKGROUND

On February 15, 2006, the City Council set March 15, 2006 as the date of a public hearing to consider increasing the fees for the Police Facilities Fee. Notice of the public hearing was posted and published in accordance with the requirements of the Government Code.

The City has been collecting a Police Facilities Fee from new residential and non-residential development within the City since adoption of Ordinance No. 9 in October 1983 (Ordinance No. 9 was revised in April 1995 which resulted in the adoption of Ordinance No. 206 and adoption of Resolution No. 95-1112, establishing a Police Facilities Fee). The purpose of this fee is to provide funding for construction of a new Police Services Center as a result of increased demand for Police services arising from additional development. The Police Services Center was completed in the fall of 2005.

The last fee increase was in September 2000 with adoption of Resolution No. 2000-1777. Since 2000, several of the factors that determine the fee amount have changed. Additionally, construction costs have increased and other related costs have been factored into the total facility costs. Due to these changes, an increase in the fee amounts is warranted at this time to reflect the actual cost of the completed facility.

DISCUSSION

In September 2000, the City Council adopted Resolution No. 2000-1777 establishing the following Police Facilities Fees:

Residential, per unit	\$677.00
Non-Residential, per square foot	\$0.41

Ordinance No. 206 outlines in detail the formulas for calculating the Police Facilities Fee. Factors include:

Cost of Construction: The total cost of the facility is approximately \$11.3 million (not including financing costs).

Population: On January 1, 2005, the City's population as published by the California Department of Finance was 35,908 (the new population estimate is expected to be available the first week of May).

Size of the Police Facility: The ordinance specifies a 28,400 square foot facility. The actual size of the facility at completion is 26,345 square feet, including the Highway Patrol's lease space.

Based on these updated factors and the prescribed formulas, the following increased fee levels are recommended:

Residential, per unit	\$1,027.00
Non-Residential, per square foot	\$0.60

These fees should raise approximately \$2,730,000 at build-out. This along with cash collected to date for the Fund in an amount of \$1,941,000 represents about 41% of the total facility costs (not including financing costs). At build out, approximately \$6.6 million of the \$11.3 million facility costs will be absorbed by the Endowment Fund.

These projections are based on approximately 1,600 remaining residential units and about 1.8 million square feet of non-residential construction on approximately 170 acres.

Ordinance No. 206 also calls for a small administrative fee to process these revenues. The current fee of \$25 is not proposed for change at this time.

This fee falls under the regulation of Government Code Sections 66000-66025. Accordingly, the fee can only be amended after certain disclosure and timeline requirements. The attached "Proposed Police Facilities Fee Information" sheet provides all the information required for disclosure by the Government Code.

This information must be provided to the public at least 10 days in advance of the meeting in which the fee will be considered.

Additionally, the adoption of this fee increase can only occur after a public hearing is held and the fee will be effective no sooner than 60 days after adoption of the resolution. It is staff's intent to schedule a review of the fee each year to consider

changes in the construction cost index and other factors. Any further change in fee amounts would require the same public hearing process.

RECOMMENDATION

Staff recommends that the City Council take the following actions:

1. Open the public hearing on the proposed adjustment to the Police Facilities Fee, receive all related input and then close the public hearing.
2. Adopt the attached Resolution increasing the Police Facilities Fee.

Attachment A – Proposed Police Facilities Fee Information

Attachment B – Resolution No. 2006- _____

Proposed Police Facilities Fee Information

Purpose of Fee: To collect funds from appropriate sources for the purpose of obtaining and/or constructing police facilities.

Use of the Funds: All funds generated by imposition of this fee, including any interest earned on these funds, will be used for the financing of public facilities. Specifically, the funds will be used to acquire, construct, remodel, and/or furnish police facilities. Such facilities may include a police station, communications center, custodial areas, and other related police facilities.

Relationship between Use of Fee/Need for Police Facilities and Development: This fee will be imposed on new residential and non-residential development. All development results in increased population to be served, either permanent or transitory, and places demand on police services.

Reasonableness of Fee: This fee was calculated in accordance with City of Moorpark Ordinance No. 206. In determining the fee to be charged to residential development, factors such as population to be served, typical number of residents per dwelling unit, and percent of police services required for residential areas were considered. In determining the fee to be charged to non-residential development, factors such as percent of police services required for non-residential areas and square foot of non-residential development to be served were considered. This project will be funded only partially with Police Facilities Fees collected as a result of this action.

Cost of the Project and Funds Generated by this Fee: The total costs of the Police Services Center is approximately \$11.3 million (not including financing costs). Based on current development projections, this fee is anticipated to generate approximately \$2,730,000 at build-out. This along with the cash collected to date in an amount of \$1,941,000, puts the total projected Police Facilities Fees paid from inception to build-out at approximately \$4,671,000. The projected revenues generated by this fee will be approximately \$6.6 million less than the total costs of the facility. This shortfall will be absorbed by the Endowment Fund.

RESOLUTION 2006-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA RESCINDING RESOLUTION 2000-1777 AND ESTABLISHING A POLICE FACILITIES FEE

WHEREAS, the City Council desires to construct and/or acquire police facilities in order to better serve the residents of Moorpark;

WHEREAS, the City Council has received evidence that the current fees are inadequate to fund such acquisition and/or construction; and

WHEREAS, Ordinance No. 206 contemplates that the City Council will determine from time to time the population to be served by a police facility, the service area, the values of the components used to calculate fees, and the administration fee for processing the Police Facilities Fee; and

WHEREAS, the City Council has made available information concerning the proposed Police Facilities Fee in accordance with Government Code Section 66000-66025; and

WHEREAS, the City Council now wishes to rescind Resolution 2000-1777 which previously established the Police Facilities Fee and adopt a resolution updating these fees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Resolution 2000-1777 is hereby rescinded.

SECTION 2. The administration fee authorized by Ordinance No. 206 shall be \$25 per fee payment.

SECTION 3. The values assigned to "A", "B", "C", "D", "E", "F", and "G" set forth in Ordinance No. 206 shall be computed as follows:

- A. The value "A" is \$14,837,318. This number equals the estimated cost in dollars of acquiring a standard police station, including land acquisition, financing costs, site preparation and fixtures.
- B. The value "B" is 35,908. This is the total estimated population to be served by the police station in the year construction was completed, 2005.

- C. The value "C" is 3.55. This is the estimated average number of residents per dwelling unit.
- D. The value "D" is 0.70. This is the estimated portion expressed as a decimal, of the standard police station needed to provide service to residential buildings.
- E. The value "E" is 7,370,000. This is the estimated square footage of non-residential space to be served by the police station.
- F. The value "F" is variable and represents the number of square feet of floor space in the non-residential buildings for which the permit is issued.
- G. The value "G" is the number 1 minus the value of "D". This number equals the estimated portion, expressed as a decimal, of the standard police station needed to provide service to non-residential buildings.

SECTION 4. The Police Facilities Fee shall be paid at the time a building permit is issued and shall be as follows:

Residential, per unit	\$1,027
Non-Residential, per square foot	\$0.60

SECTION 5. This resolution shall take effect 60 days after adoption.

SECTION 6. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 15th day of March, 2006.

Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk

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