

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Dave Klotzle, City Engineer/Public Works Director 
Prepared by: John Brand, Senior Management Analyst

DATE: October 24, 2014 (CC Meeting of 11/05/2014)

SUBJECT: Consider Scheduling a Public Hearing for Los Angeles Avenue Area of Contribution Fee Revisions

BACKGROUND

The Los Angeles Avenue Area of Contribution (LA AOC) fees were originally established by the County of Ventura prior to the incorporation of the City. The purpose of these fees is to provide mechanisms for future development projects, within specified geographical areas, to finance specific transportation improvements. The LA AOC fee was last adjusted in March of 2006. Certain changes in the scope and cost of projects funded by this source make it necessary to recommend an adjustment to the fee amounts. The Government Code Section 66018 requires that a public hearing be held prior to the adoption of a new development fee or an increase to any existing development fee. It is recommended that a public hearing be held on November 19, 2014 to consider an adjustment to the LA AOC fees.

In preparation for the proposed public hearing, compliance with the public meeting and notice requirements of Government Code Section 66016 will be met. The recommended L A AOC fee adjustments will be provided to the Building Industry Association (BIA) and to any other interested parties prior to the public hearing. Any fee increase approved by the City Council will not become effective until sixty (60) days after the date the action was taken to increase the fee.

DISCUSSION

The LA AOC fees were previously adjusted in March of 2006 to the amounts shown below.

<u>LA AOC Fee</u>	<u>2006</u>
Residential (per dwelling unit)	\$7,807
Commercial/Industrial (per acre)	\$43,717

A. Fee Requirements and Project Cost Estimates

As with prior LA AOC fee adjustments, this adjustment is proposed for the purpose of establishing a fee amount sufficient to fund (in the amounts specified herein) certain identified projects. The costs for project design, construction and inspection have risen since the 2006 LA AOC fee adjustment. Several of the projects require additional right-of-way, as well as review and permitting by Caltrans, all of which has historically added significant cost and delays to those projects.

The updated project cost estimates are set forth in Attachment 1. The revised project cost requirements total \$33,578,870. The cost estimates used in the prior 2006 fee adjustment are shown as well. The cost increases are based on more recent information about project needs and requirements where known. For projects without current cost estimates, the 2006 costs were increased by 24% based on the Engineering News Record (ENR) Construction Cost Index for the period between 2006 and 2014. This is the Index the City uses to determine grading, road and storm drain construction cost estimates and fees for land development projects. For comparison purposes, the Consumer Price Index increased 17%, and the Caltrans Construction Price Index increased 4.8% over the same period. The Caltrans Index is based solely on contract costs of Caltrans projects only, where the ENR Index is based on the cost of labor, equipment and materials of a wider range of representative private and public projects.

B. Estimated Future Land Development Projects

Attachment 2 is a chart listing all of the future land development projects that are subject to the LA AOC fee, along with an estimate of the number of dwelling units or acres proposed by each project. The fees established by the Los Angeles Avenue AOC provided for a conversion factor of 5.6 dwelling units per acre to compute the per acre fee for commercial and industrial properties. Based on the total number of dwelling units or acres set forth in Attachment 2, the resultant total number of EDU (equivalent dwelling units) required for the calculation of revised fees is shown below.

<u>Description</u>	<u>Revised Number</u>	<u>2006 Number</u>
Total Acres Commercial / Industrial	83.02	169.50
Multiplied by the Conversion Factor	5.6	5.6
Number of EDUs for Comm. / Ind. Property	465	949
Plus the Number of Residential Units	1,820	1,546
Total EDUs	2,285	2,495

C. Development Agreement Caps

As noted under the table on page 1 of Attachment 2, there is one project, Essex, for which the LA AOC fee has been set at a given rate. The lots for that project are not included in the above calculations. The additional funding requirements used to

calculate the proposed revised fee (see Section E) does not include the LA AOC fees to be paid by Essex.

D. LA AOC Funds Available

A summary of the current funds available, and future anticipated receipts, for the LA AOC Fund 2501, is shown below. No provision has been made for future interest income as it is anticipated that any such interest income would be off-set by a comparable rise to the cost of engineering and construction as the result of inflation. The funds available from the prior fee adjustment are shown as well.

<u>Description</u>	<u>Current Amount (\$)</u>	<u>2006 Amount (\$)</u>
Cash in Fund 2501 (8/31/14)	11,698,843	9,226,194
Plus Receivables from:		
Tierra Rejada Road AOC Fund Loan	177,005	952,863
Outstanding Notes and Interest	431,675	442,525
Development Under Construction	679,209	0
Total Funds Available	12,986,732	10,621,582

E. Additional Funds Required

Based on the above figures, the future LA AOC fees required to construct all of the projects listed in Attachment 1 are calculated below.

<u>Description</u>	<u>Current Amount (\$)</u>	<u>2006 Amount (\$)</u>
Total Estimated Cost of Project Construction	33,578,870	30,099,241
Less Total Funds Available	(12,986,732)	(10,621,582)
Total Additional Funds Required	20,592,138	19,477,659
Less Development Agreement Revenue	(752,000)	0
Funding Requirements Used for Fee Calculation	19,840,138	19,477,659

F. Revised Fee Calculation

Based on the above information, the revised LA AOC fees are shown below.

<u>Description</u>	<u>Current Amount (\$)</u>	<u>2006 Amount (\$)</u>	<u>% Increase</u>
Total Additional LA AOC Fees Required	19,840,138	19,477,659	
Divided by the Total Number of EDUs	2,285	2,495	
AOC Fee per Residential Unit	8,683	7,807	11.2
Multiplied by 5.6	5.6	5.6	
AOC Fee per Commercial/Industrial Acre	48,624	43,717	11.2

STAFF RECOMMENDATION

Schedule a public hearing to consider an increase to the Los Angeles Avenue AOC fees on November 19, 2014.

List of L A AOC Funded Projects
Comparison of Prior Cost Estimate and **Current Cost Estimate**

Code	Project Name	Expenditures to Date	Remaining Costs			Insp.	Total Project Cost		Less Other Sources	2006 Total Future AOC Cost	Revised Total Future AOC Cost
			Design	R-O-W	Const.		2006 Est.	Current Est.			
-- 8003	LA Ave at Beltramo		Project completed							74,222	
1 8004	LA Ave Signal Sync		Project completed							700,000	
2 8012	Princeton Ave. Widening ¹	400,000 3,000,000	300,000 300,000	3,800,000 1,000,000	6,000,000 7,400,000	800,000 900,000	11,300,000 12,600,000	0 1,000,000		10,900,000 8,600,000	
3 8013	LA Ave. Widening - Sprg to Mpk ²	825,000 1,200,000	475,000 700,000	1,300,000 1,800,000	1,700,000 2,100,000	200,000 300,000	4,500,000 6,100,000	796,770 796,770		2,878,230 4,103,230	
4 8026	Spring Rd. Widening & Median	220,000 400,000	100,000 125,000	330,000 150,000	1,200,000 1,500,000	120,000 200,000	1,970,000 2,375,000	0 0		1,750,000 1,975,000	
5 8033	LA/TR Parkways		Project completed							230,000	
-- 8039	Rail Xing Spring		Project completed							1,440,000	
6 8040	Moorpark Ave. Widen Casey - 3rd ³	156,708 156,708	843,292 1,250,000	4,000,000 4,500,000	7,000,000 8,750,000	400,000 800,000	12,400,000 15,456,708	8,270,800 7,728,354		3,972,492 7,571,646	
7 8046	LA/TR Signal Upgrade		Project completed							196,000	
8 8047	LA Ave Median	0 210,000	200,000 190,000	0 0	2,000,000 3,500,000	200,000 500,000	2,400,000 4,400,000	0 0		2,400,000 4,190,000	
9 8051	Underground Dist No. 2 ⁴	0 0	50,000 75,000	0 0	3,000,000 3,700,000	50,000 75,000	3,100,000 3,850,000	2,500,000 2,500,000		600,000 1,350,000	
10 8058	LA Ave Widen - Maureen to Leta Yancy	0 100,000	0 0	0 0	0 1,000,000	0 200,000	0 1,300,000	0 0		0 1,200,000	
11 8066	LA Ave. Utility Undergrounding at Arroyo Bridge	0 15,000	2,000 15,000	0 0	295,000 400,000	3,000 50,000	300,000 480,000	0 0		300,000 465,000	

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Code	Project Name	Expenditures to Date	Remaining Costs			Total Project Cost		Less Other Sources	2006 Total Future AOC Cost	Revised Total Future AOC Cost	
			Design	R-O-W	Const.	Insp.	2006 Est.				Current Est.
12	xxxx LA Ave. west of Tierra Rejada Rd. ⁵		100,000	0	1,000,000	100,000	1,200,000	0	1,200,000		
This project is no longer included in the LA AOC since it will be funded directly by development											
13	xxxx Engineering Studies	0	400,000	0	0	0	400,000	0	400,000		
	Realign First St. & Poindexter Ave.	0	100,000	0	0	0		0		100,000	
	Realign Third St. & Lassen Ave.	0	100,000	0	0	0		0		100,000	
	Remove signal and left turns at Park Lane & L.A. Ave.	0	100,000	0	0	0		0		100,000	
	Pedestrian Bridge over L.A. Ave.	0	100,000	0	0	0		0		100,000	
	Add'l lane from NB Princeton onto 118	0	100,000	0	0	0		0		100,000	
14	xxxx Drainage Improvements	0	100,000	0	1,450,000	75,000	1,625,000	0	1,625,000		
			125,000	0	1,800,000	100,000		0		2,025,000	
Prior Sub-total									28,665,944		
Revised Sub-Total										31,979,876	
Administration (5%)									1,433,297		
Administration (5%)										1,598,994	
Prior Total Project Requirements									30,099,241		
Revised Total Project Requirements										33,578,870	
									Amount of Increase:	>>>	3,479,629
									Percent Increase:	>>>	11.6%

Notes

- 1 Partial funding by Federal grant
- 2 Partial funding by Federal grant
- 3 Prior funding was 1/3 Fund 2002 (Traffic Mitigation) 1/3 Fund 2902 (MRA) 1/3 LA AOC - future funding to be 1/2 Fund 2002 (Traffic Mitigation) 1/2 LA AOC
- 4 Other funding sources: Fund 2330 (AD92-1) - \$426,447; Rule 20A - \$215,000 and other sources to be determined - \$1,858,553
- 5 No improvements are currently necessary. If development occurs west of Butter Creek Rd. the improvements will be funded by the development.

Attachment 2 (p. 1)
LOS ANGELES AVENUE AOC
Summary of Future Land Development Projects

Residential	Location	Status	Total Units In Project ¹	Units Subject to AOC ²	Max. Poss. Units with GPA ³	
T5130	Moorpark 150	West of Walnut Cyn Rd north of Wicks Road	Expired PD	110	110	110
T5187	K. Hovnanian	W/side of Walnut Cyn Rd north of Casey Road	Approved	248	183	183
T5405	K. Hovnanian	W/side of Walnut Cyn Rd north of Casey Road	Approved	17	17	17
T5347	Birdsall	E/side of Walnut Cyn Rd @ Championship Dr	Expired PD	21	21	21
T5463	Toll Bros. Masters	N/side of Championship Dr east of Grimes Cyn Rd	Approved	50	50	50
T5053	Pacific Communities ⁴	S/side of Los Angeles Ave west of Leta Yancy Rd	Proposed	284	283	457
RPD 05-02	Chiu	E/side of Walnut Cyn Rd @ Everett St	Proposed	30	30	60
SP 1	Hitch Ranch ⁵	West of Moorpark Ave north of Poindexter	Proposed	415	585	755
T5505	Mansi ⁶	West of Walnut Cyn Rd north of Casey Road	Proposed	9	300	390
	Grand Moorpark	N/side of Los Angeles Avenue east of Shasta Ave.	Proposed	22	22	66
	North Hills Village ⁷	W/side of Gabbert Rd north of Poindexter	Proposed	50	25	50
	Rasmussen ⁸	W/side of Gabbert Rd north of Poindexter	Proposed	13	81	148
	MRA Everett St. ⁹	Former Fire Station	Potential	5	20	26
	Moorpark RV Site ¹⁰	West side of Spring Rd south of Los Angeles Ave	Potential	45	69	93
	MRA Walnut Canyon Dr.	Walnut Canyon Drive	Potential	12	12	12
	Infill	Various	Potential	12	12	12
TOTAL				1343	1820	2450

Remaining as of 11/5/14

Projects with LA AOC Fee set by Development Agreement therefore not included in the updated fee calculation						LA AOC Fee	Total
RPD 2012-02	Essex	South of Casey Rd west of Moorpark Ave	Expired PD	200	200	\$3,760	\$752,000

Notes

1. Units in project are based on number allowed under current General Plan Zoning.
2. The units subject to AOC fees is the most realistic estimate of units that may be completed before the AOC fee is updated again. The numbers listed are estimates only and do not indicate an approved entitlement action.
3. General Plan Amendment would be required for higher number of units.
4. The units subject to AOC is the average of the current zoning number and the max. possible units less 87 units that were paid for in 2001.
5. The units subject to AOC is the average of the current zoning number and the max. possible.
6. The units subject to AOC is approx. 75% of the max. possible.
7. The units subject to AOC is 50% of the max. possible.
8. The units subject to AOC is the average of the current zoning number and the max. possible.
9. The units subject to AOC is based on the current development proposal.
10. The units subject to AOC is the average of the current zoning number and the max. possible.

Attachment 2 (p. 2)
 LOS ANGELES AVENUE AOC
 Summary of Future Land Development Projects

Commercial & Industrial				Total Acres	Total Acres
				In Project	Subject to AOC
CPD 2005-01	ShesheborGharbaghi	S/side of Los Angeles Ave west of Leta Yancy	Expired PD	1.64	1.64
	Birkenshaw Property	W/side of L A Ave. south of Lassen	Potential	7.50	7.50
	Lot between Condor & 118	N/side of Condor Dr (N) east of Princeton Ave	Potential	10.00	10.00
	Former MRA south High St.	S/side of High Street east of Moorpark Ave	Potential	1.80	1.80
	Former MRA/Lucas Princeton Ave	S/side of Princeton Ave. east of 118/23 bridge	Potential	1.50	1.50
	Condor/Princeton	N/E Corner of Condor (S) and Princeton	potential	3.22	3.22
	Kavli	West of Princeton Ave @ SR 118	Potential	20.00	20.00
	Fairfield Inn	S/side of White Sage Road east of SR 23	Expired PD	2.38	2.38
	500 L.A. Ave - Lindstrom	S/side of Los Angeles Ave	Expired CUP	1.98	1.98
	Moorpark West Studios	N/side of Los Angeles Ave west of Gabbert Rd	Approved	32.00	32.00
	Herritage MRA	467 High St	Potential	0.50	0.50
	Moorpark Ave. MRA	347 Moorpark Ave.	Potential	0.50	0.50
TOTAL				83.02	83.02