

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Yugal K. Lall, City Engineer / Public Works Director 

DATE: May 28, 2007 (Council Meeting 6-20-07)

SUBJECT: Consider Resolution Rescinding Resolution No. 2006-2471, Pertaining to the Spring Road / Tierra Rejada Road Area of Contribution, SP/TR AOC, and Approving an Increase to the SP/TR AOC Fees

DISCUSSION**A. Background**

On June 6, 2007, the City Council set June 20, 2007, as the date of a public hearing to consider increasing the fees for the Spring Road / Tierra Rejada Road Area of Contribution [SP/TR AOC] Fee. Notice of the public hearing was posted and published in accordance with the requirements of the Government Code.

B. History

Prior to the incorporation of the City, the County of Ventura created the subject Area of Contribution in order to provide a mechanism for future development within a certain specified geographical areas, to finance transportation improvements to Spring Road and to Tierra Rejada Road.

C. Last Adjustment

The SP/TR AOC fees were last adjusted in June 2006 by the adoption of Resolution No. 2006-2471. The fees set by that Resolution are as follows:

- Residential (per dwelling unit) \$ 8,557.74
- Commercial / Industrial (per acre) \$47,923.38

D. Fee Requirements

As with past fee adjustments, this fee increase is proposed for the purpose of providing a fee amount sufficient to fund (in the amounts specified herein) certain identified projects. A recent update and recalculation of project costs estimates is set forth in Attachment 1. That chart shows total project requirements to be \$1,713,480. Attachment 1 also shows the prior project costs estimates compared to revised project cost estimates. The revised project cost estimates are based on more recent information about project needs and requirements.

E. Funds Available

A calculation of funds available in the SP/TR AOC Fund [Fund 2502] is as follows:

| <u>Funds Available</u> | <u>Amount (\$)</u> |
|---|-------------------------|
| Cash in Fund [April 30, 2007] | 385,909 |
| Less future re-payment of loans to L A AOC Fund | (952,863) |
| Sub-Total | (566,954) |
| Plus anticipated revenue from Nearon | 0 pd by Village 4/14/06 |
| Total | (566,954) |

F. Additional Funds Required

Based on the above figures, the future SP/TR AOC fees required to fund all of the projects listed on Exhibit 1, and other Fund obligations, is as follows:

| <u>Description</u> | <u>Amount (\$)</u> |
|------------------------------------|--------------------|
| Current Funds Available | (566,954) |
| Less Total Estimated Project Costs | (1,294,530) |
| Sub-Total | (1,861,484) |
| Additional Funds Required | 1,861,484 |
| Projected Final Fund Balance | 0 |

G. Future Land Development Projects

Vacant properties subject to the SP/TR AOC fee are listed as follows:

| <u>Property</u> | <u>AP Number</u> | <u>Total Acres</u> |
|---------------------------|-------------------------|--------------------|
| Cypress | 512-0-260-040; 090; 120 | 33.58 |
| Next to Pine Crest School | 512-0-270-030 | 2.78 |
| Total | | 36.36 |

H. Fee Calculation

Based on the above information the required per acre fee is calculated as follows:

| | <u>Requirements (\$)</u> | <u>Total Acres</u> | <u>Per Acre Fee (\$)</u> |
|-----------------|--------------------------|--------------------|--------------------------|
| Fee Calculation | 1,861,484.00 | 36.36 | 51,195.93 |

I. Recommended Fee Increase

Based on the above analysis, it is recommended that the SP/TR AOC fee be increased as follows:

| | <u>Current Fee (\$)</u> | <u>Change (\$)</u> | <u>Revised Fee (\$)</u> |
|-----------------------|-------------------------|--------------------|-------------------------|
| Per Dwelling Unit | 8,320.82 | 821.31 | 9,142.13 |
| Ind./Comm. (per Acre) | 46,596.59 | 4,599.34 | 51,195.93 |
| Percent Increase: | | 10% | |

Note 1: The Equivalent Dwelling Unit fee for Residential property is based on 5.6 EDU per acre.

Note 2: The ENR Construction Cost Index Increase for the past twelve months is 3.9%.

J. Public Hearing

As stated above, a Public Hearing on this matter was set for June 20, 2007. Notice of that hearing has been posted and published as required by law.

K. Building Industry Association (BIA)

A copy of information pertaining to this proposed fee increase, the attached draft Resolution and the public hearing notice were provided to the Building Industry Association (BIA). A response was received and is attached as Attachment 3. In response to the BIA letter, the proposed fee increase is not based on any increase to the Consumer Price Index or the Engineering Record Construction Const Index. The proposed increase is based on a current assessment of project needs and available funds.

L. Resolution

The attached Resolution (Attachment 2), if adopted, will revise the Spring Road / Tierra Rejada Road AOC fees to be as Noted in Section H above.

M. Effective Date of Fee Increase

Any approved fee increase will not become effective until sixty (60) days after the date the action was taken to increase the fee.

STAFF RECOMMENDATIONS

1. Open the public hearing on the proposed adjustment to the Spring Road / Tierra Rejada Road AOC fee, receive all related input and then close the public hearing.
2. Adopt the attached Resolution [Exhibit 2] increasing the fees for the Spring Road / Tierra Rejada Road AOC.

Attachments:

- 1: Future Project Cost Estimate
- 2: Resolution
- 3: BIA letter

List of SP/TR AOC Funded Projects
Comparison of Prior Cost Estimate and Current Cost Estimate

| Code | Name | Design | R-O-W | Const. | Insp. | Total Project Cost | | Less Other Sources | Less Costs Prior to May-07 | Prior Est. Total Future AOC Exp. | Revised Total Future AOC Exp. |
|---------------------------------------|--|-------------------------|---------------|---------------------------|-------------------------|--------------------|------------------|---------------------------|----------------------------|----------------------------------|-------------------------------|
| | | | | | | Prior Est. | Current Est. | | | | |
| 1 | 8036 T R Rd Sig Intercon. | 95,000 84,000 | 0 0 | 675,000 570,000 | 40,000 40,000 | 810,000 | 694,000 | 336,000 633,000 | 48,005 0 | 425,995 | 61,000 |
| 2 | 8042 T R Rd Median Phase 1 & 2 | 19,174 38,000 | 0 0 | 815,239 914,000 | 815 5,200 | 835,228 | 957,200 | 0 0 | 707,314 707,314 | 127,914 | 249,886 |
| 3 | 8042 T R / Freeway Interchange L/S | 10,000 0 | 0 0 | 189,500 0 | 500 0 | 200,000 | 0 | 0 0 | 0 0 | 200,000 | 0 |
| 4 | --- Moorpark Rd / T R Rd NB Left-Turn Mod. | 0 5,000 | 0 0 | 0 215,000 | 0 5,000 | 0 | 225,000 | 0 0 | 0 0 | 0 | 225,000 |
| 5 | --- Signal Mod. Projects | 30,000 30,000 | 0 0 | 160,000 200,000 | 10,000 10,000 | 200,000 | 240,000 | 0 0 | 0 0 | 200,000 | 240,000 |
| 6 | --- Curb Radii Mod. | 20,000 24,000 | 0 0 | 175,000 427,000 | 5,000 6,000 | 200,000 | 457,000 | 0 0 | 0 0 | 200,000 | 457,000 |
| Sub-total | | | | | | 2,245,228 | 2,573,200 | 336,000 633,000 | 755,319 707,314 | 1,153,909 | 1,232,886 |
| Revised Sub-Total Administration (5%) | | | | | | | | | | 57,695 | 61,644 |
| Total | | | | | | 2,245,228 | 2,573,200 | 336,000 633,000 | 755,319 707,314 | 1,211,604 | 1,294,530 |
| Revised Total | | | | | | | | | | | |

RESOLUTION NO. 2007 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, RESCINDING RESOLUTION NO. 2006-2471, AND REVISING AND REENACTING THE SCHEDULE OF FEES FOR THE SPRING ROAD / TIERRA REJADA ROAD AOC

WHEREAS, the County of Ventura established certain areas of contribution in 1981 to provide a method of collecting fees from future development projects and to promote orderly growth, such fees to be used to finance specific street improvements; and

WHEREAS, upon incorporation of the City of Moorpark, the County of Ventura transferred responsibility for the administration of these Areas of Contribution to the City; and

WHEREAS, since the incorporation of the City, the City has periodically made adjustments to these fees and the improvements to be funded by said fees; and

WHEREAS, the fees for the Spring Road / Tierra Rejada Road Area of Contribution [SP/TR AOC] were last adjusted by the City Council in 2006 by the adoption of Resolution No. 2006-2471; and

WHEREAS, it has been determined that estimated project costs have increased since the subject fees were last adjusted and it is, therefore, necessary and appropriate for the City Council to consider an increase to the SP/TR AOC fees; and

WHEREAS, Government Code Section 66000 et seq. requires the City to hold a public hearing, as part of a regularly scheduled meeting, to consider written or oral presentation concerning any proposed increase in fees; and

WHEREAS, pursuant to said Sections of the Government Code, on May 16, 2007, the City Council set the date of June 20, 2007, as the date of a public hearing to consider possible action to increase the amount of the SP/TR AOC fees; and

WHEREAS, the City Council received and considered a report on June 20, 2007, setting forth certain justifications for the approval of an increase to the fees for the SP/TR AOC; and

WHEREAS, on June 20, 2007, the City Council held a public hearing, as required by law, and duly considered any input provided regarding said proposed fee increase.

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

SECTION 1. Pursuant to Government Code Section 66017, this Resolution shall become effective sixty (60) days following the public hearing held on June 20, 2007, implementing those changes to the SP/TR AOC fees described herein, upon the effective date of August 19, 2007.

SECTION 2. Resolution No. 2006-2471 is hereby rescinded upon the effective date of this Resolution.

SECTION 3. The fees set forth in Resolution No. 2006-2471 pertaining to the SP/TR AOC, are hereby revised to be as follows:

| | Per Residential Unit | Per Commercial / Industrial Acre |
|-------------|----------------------|-------------------------------------|
| Fee Amount: | \$9,142.13 | \$51,195.93 |

Note: This fee is the result of a ten percent (10%) increase from the prior fee.

SECTION 4. 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 20th day of June, 2007.

Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk

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ATTACHMENT 3



Greater L.A. /
Ventura Chapter

June 4, 2007

The Honorable Patrick Hunter, Mayor
Moorpark City Council
799 Moorpark Avenue
Moorpark, CA 93021

Delivered Via Facsimile and E-Mail

RE: PROPOSED SPRING ROAD/TIERRA REJADA ROAD AREA OF CONTRIBUTION (SP/TR AOC) FEE REVISION

Dear Mayor Hunter:

Building Industry Association
of Southern California

28460 Ave. Stanford, Suite 110
Santa Clarita, California 91355
661.257.5046
Fax 661.257.5045
www.biaglav.org

On behalf of the approximately 500 companies and their representative employees who make up the Greater LA/Ventura Chapter of the Building Industry Association of Southern California (BIA), thank you for the opportunity to comment on the proposed Spring Road/Tierra Rejada Road Area of Contribution (AOC) Fee Increase.

After carefully reviewing the updated AOC fee increase, the BIA finds that the proposed fee raises many questions in the planning, amount, and timing of proposed increase. First and foremost, it has only been a year since the last AOC fee increase to this particular area. BIA/GLAV is concerned of the planning of the AOC fee proposal process. Greater detail needs to be spent on the actual planning and research in the amount of the fee in hopes to minimize constant increases and maximize the predictability of such a fee. This can be done through a comprehensive AOC fee study that includes information from the City's General Plan and arranges the AOC fee to cover a series of years, instead of only one year at a time.

In addition with concerns over the rapid repeated increase of the fee, the actual dollar amount of increase also draws concern. The AOC fee's increase of ten percent does not represent a normal annual CPI adjustment. It is important to be aware and vigilant of the amount of fee increases, especially when increases are done so closely together.

We also have concerns with the timing of which the increases are coming and the amount of increases the current housing market can absorb. As you may know, the housing market is currently in a downward part of its usual cyclical phase. Fee increases, such as this one proposed in Moorpark, can usually be absorbed when the market is up. But given the market's current phase, we are concerned that the increase in fees can harm and negatively effect development in the City of Moorpark. Developers will realistically absorb the increased fees, yet pass the cost onto the consumer, furthering the cost of new homes – and continuing to price many families out of the dream of home ownership.

The Building Industry Association of Greater Los Angeles/Ventura would like to offer its expertise to help the City of Moorpark develop practical techniques to implement fee

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increases that recognize the reality of the current market and meet the satisfaction of both the City and the building industry.

Sincerely,



Terra C. Donlon
Vice President of External Affairs
Building Industry Association
Greater Los Angeles/Ventura Chapter