



RESOLUTION NO. 2007-25

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRESNO  
EXPRESSING THE CITY'S INTENT TO ADOPT A CITYWIDE IMPACT FEE FOR LOCAL  
REGIONALLY SIGNIFICANT MAJOR STREETS AND AN IMPACT FEE FOR LOCAL MAJOR  
STREETS IN THE DESIGNATED GROWTH AREA TO IMPLEMENT THE GOALS,  
OBJECTIVES AND POLICIES OF 2025 GENERAL PLAN**

RECITALS

**WHEREAS**, the General Plan establishes policies, goals, objectives and mitigation measures necessary to promote and provide a safe and effective surface street transportation system; and

**WHEREAS**, new development creates the need for additional transportation infrastructure by creating the need for new major street facilities to provide access to newly developed property and by contributing additional vehicle trips to the City's existing transportation infrastructure necessitating improvements to increase capacity in the existing network; and

**WHEREAS**, development impact fees, such as those currently imposed upon new development in the City, are the typical mechanism for ensuring the new development contributes its fair share to the costs of infrastructure necessary to serve that development; and

**WHEREAS**, the major street, at-grade railroad crossing and bridge fees currently collected by the City do not reflect the infrastructure needed to implement the 2025 General Plan, the actual costs of providing street improvements and associated improvements to serve, and address the impacts of new development, and the City desires to adopt a revised fee program that would implement the polices, goals, and objectives of the General Plan relative to the provision of a safe and effective surface street transportation system; and

**WHEREAS**, in an attempt to reach consensus with the development community on the nature of the revised fee program, the City has conducted numerous meetings with the Building Industry Association and various interested Stakeholders, including members of the commercial and industrial development community, to receive testimony and input on the proposed fees; and

**WHEREAS**, a general consensus in the stakeholder's meetings has been reached on certain aspects of the revised fee program, including (a) a preference that differential fees be established for new development in the newly developing areas ("the Growth Area" shown on the map attached hereto as Exhibit A), for which entirely new infrastructure was necessary when the City's fee programs were initially adopted, and new development in the generally built-out area surrounding Downtown Fresno ("the Core Area" shown on the map attached hereto as Exhibit A), for which existing transportation infrastructure is generally adequate but which generate impacts on regional facilities; and (b) a preference that the fee be charged on a per-acre-of-developed-land basis; and

**WHEREAS**, the Building Industry Association and other Stakeholders wish to continue working with City staff to provide further testimony and input on fee proposal refinements for

Adopted \_\_\_\_\_  
Approved 11/23/07 \_\_\_\_\_  
Effective \_\_\_\_\_

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consideration of incorporation into the major street impact fee implementing resolutions and ordinances that will be presented to Council for consideration following adoption of the Resolution of Intent as described below; and

**WHEREAS**, the City desires to continue to provide and maintain a safe and effective transportation circulation system for the benefit of the residents of Fresno; and

**WHEREAS**, the City Council desires to express its intent to adopt new updated major street impact fees and program based on the general consensus set forth above, and further desires to provide the development community with reasonable notice of the nature of the proposed fee and the manner of its calculation; and

**NOW THEREFORE**, be it resolved that:

- 1) The City intends, as soon as reasonably possible consistent with applicable law, to;
  - a. Adopt an ordinance under California Government Code sections 66000-66025 to require all new development to pay street impact fees; and
  - b. Adopt a resolution or ordinance imposing a locally regionally significant major street impact fee on new development citywide (including development in the Core Area and the Growth Area); and
  - c. Adopt a resolution or ordinance imposing a local major street impact fee on new development in the Growth Area; and.
- 2) Based on the information, analysis, and calculations prepared by City staff, the City anticipates that:
  - a. The estimated cost of the infrastructure to be funded by the revised major street impact fee program is as follows:
    - i. \$159.5 million for regional streets (expressways, superarterials, and six-lane arterials) to be funded by a citywide street impact fee
    - ii. \$263.6 million for local major streets in the Growth Area
  - b. The estimated average fee per acre of new development is expected to be:
    - i. \$12,030 in the Core Area
    - ii. \$36,900 in the Growth Area (which includes both the costs for local major streets in the Growth Area and locally regionally significant streets).
  - c. The actual fees adopted by the City will be based on the land use designation and/or type of development upon which the fee will be imposed. The ultimately adopted fees will reflect the relative impact of each land use or development type's impact (in terms of dwelling unit equivalents) on and need for the street systems. It is not possible at this stage in the fee development process to develop an average fee by development type. But, for example, differential per-acre fees may be established for single-family residential, multi-family residential, commercial, office, industrial, and public land use designations under the General Plan; within one or another of these categories, the fees may be substantially more or less than the estimated average fee per acre of new development (i.e. \$12,030/acre in the Core Area and \$36,900 in the



Growth Area) set forth above. Since non-residential and multi-family land uses tend to generate a greater number of vehicle trips relative to other land uses, according to the 7th edition of *Trip Generation*, published by the Institute of Traffic Engineers, it is likely that the fee per acre of non-residential and multi-family land in the growth area and core area may be greater than \$36,900 and \$12,030 respectively. Differential fees based on land use and development types are necessary to ensure that there is a reasonable relationship between the need for the facilities funded by the fee and the type of development project upon which the fee is imposed.

- 3) The City also intends to include provisions in the above fees for annual automatic inflationary adjustments, such as changes in the cost of construction as reflected in Engineering News Record – Construction Cost Index (ENR-CCI), and the costs of land acquisition, and the estimated costs set forth above may be similarly adjusted to reflect inflation in the period between the development of the estimates as the actual adoption of the fees.
- 4) The City intends to review and adjust the above fees periodically for any significant changes to capital project costs and land use projections.
- 5) Staff is directed to schedule public hearings, pursuant to California Government Code sections 66000 et sequentes and to prepare the necessary ordinances and resolutions to adopt the above mentioned fees.

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CLERK'S CERTIFICATION

STATE OF CALIFORNIA     )  
 COUNTY OF FRESNO        ) ss.  
 CITY OF FRESNO            )

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the forgoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the 23rd day of January, 2007.

AYES            :     Calhoun, Dages, Duncan, Westerlund, Xiong, Perea  
 NOES            :     Sterling  
 ABSENT         :     None  
 ABSTAIN        :     None

REBECCA E. KLISCH,  
 City Clerk  
 BY: Rebecca E. Klisch  
           Deputy

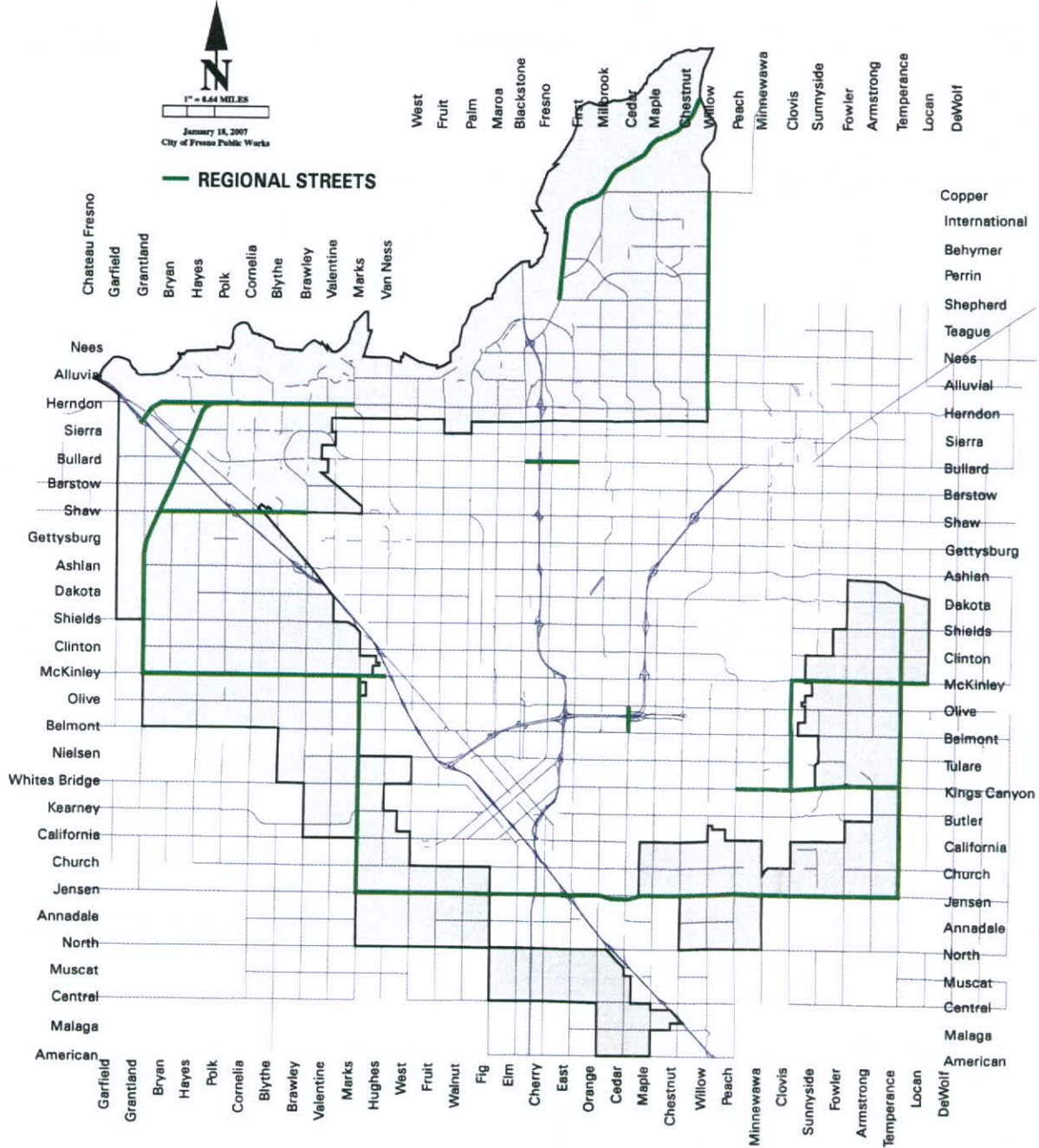
APPROVED AS TO FORM:

JAMES SANCHEZ  
 City Attorney  
 BY: [Signature]



# GROWTH BOUNDARY AREA

(ENTIRE CITY SUBJECT TO CITY-WIDE REGIONAL STREET SYSTEM IMPACT FEE)



PUBLIC WORKS DEPARTMENT / Technical Services

J.Paff File: /ugmfees/msreg/msmap.aml 

## EXHIBIT A

# ATTACHMENT - 1



## Street Fee Impact Program Proposal Submitted on behalf of a Coalition of Stakeholders (January 4, 2007)

The Stakeholder group analyzed the information presented by staff on December 28<sup>th</sup>. Our goal is to develop a basis for supporting a unified "new growth area" program, that has a single fee for all land uses (other than industrial), and assesses lands on a per-acre basis. Industrial lands would have a fee not to exceed \$11,000.00 per acre to foster economic development. The program would fund a "shoulder to shoulder" approach most recently recommended by staff.

The single fee under such a program is dependent on total acres and total program costs. Two additional variables include the program elements allocable to regional roads versus other roads, and the amount of developable acreage in the new growth areas versus the historical city core.

Based on these program elements, the staffs most recent information reflected the following:

<i>Staff's 12/28 Acreages</i>		<i>Per Acre Fee</i>
<i>New Growth</i>	<i>10600.15</i>	<i>\$38,226.73</i>
<i>Core</i>	<i>2658.7</i>	<i>\$11,581.21</i>
<i>Total acres</i>	<i>13258.85</i>	
<i>Program Costs</i>	<i>\$436,000,000.00</i>	
<i>New Growth</i>	<i>\$283,446,415.00</i>	
<i>Regional</i>	<i>\$153,553,585.00</i>	

The Stakeholders believe there is an underestimation of developable acreages. We also believe there are a number of required adjustments to the program costs. Those items are detailed on the following page and are summarized below.

<i>Revised Acreages</i>		<i>Revised Per Acre Fee</i>
<i>New Growth</i>	<i>11821.8</i>	<i><u>\$23,340.06</u></i>
<i>Core</i>	<i>2658.7</i>	<i><u>\$6,066.29</u></i>
<i>Total acres</i>	<i><u>14480.5</u></i>	
<i>Program Costs</i>	<i>\$292,050,000.00</i>	
<i>New Growth</i>	<i>\$204,207,132.00</i>	
<i>Regional</i>	<i>\$87,842,868.00</i>	



Street Fee Impact Program Proposal  
Submitted on behalf of a Coalition of Stakeholders  
January 4, 2007  
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Based on a recent review of inventoried acreage we believe at least 1221 acres of developable lands in the southwest were not included in the staffs numbers. We also believe ongoing review will result in an increase in that number.

The Stakeholders also believe a number of items need to be addresses which will reduce the total program costs from \$436M to \$284M. Those revisions are illustrated as follows. The footnoted items are further detailed below.

Subtract 20% surcharge for OPL, Design and Inspection. Proportionately subtracted from Regional and New Growth	-\$87,200,000.00
Subtract Full Complement of Newly identified Deficiencies. All subtracted from Regional (1)	-\$20,000,000.00
Subtract Allocable Deficiencies for Bridges (2) New Growth Bridge Deficiency Allocation	-\$21,750,000.00
Regional Bridge Deficiency Allocation	-\$5,300,000.00
Subtract Allocation for Pass-Through Trips (3)	-\$9,700,000.00

(1) Newly identified existing deficiencies included Herndon, Ashlan, Jensen, Bullard and Cedar. Staff apportioned a percentage of capacity of the new lane required to address an existing deficiency to new growth. We estimate total costs of improvements to these road segments at \$40M. Based on oral representations from staff, 50% of this was allocated to new growth, justifying a \$20M reduction. All of this reduction is creditable against regional streets.

(2) Staff has been unable to provide an inventory of the existing deficient bridges which we have defined as those currently eligible for HBRR Funding. Lacking other available information, we estimate 50% of bridge costs to deficiencies. Based on 12/28 staff data, we estimate the total cost of bridge retrofits at \$10.8M for regional streets and \$43.5M for New Growth Areas, and have subtracted 50% of these numbers.

(3) Other than a \$1M adjustment from Herndon, Staff has steadfastly refused to make any analysis or allocation for pass-through trips. Such an allocation is required under the Mitigation Fee Act for trips that create demand for roadway improvements that are not associated with growth in the City. We have pointed Staff to the methods of analysis in the interchange deficiency study, which allocated 20% to trips that began and ended outside of the jurisdiction. Absent other better analysis, we propose an allocation of 10% of the adjusted costs of Regional Roads.