

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: William E. Murray
Dept.: City Manager Dept.: Public Works
Subject: Introduction of an Ordinance and adoption of a Resolution establishing Citywide Park Fees and revising the In-Lieu of Park Dedication Fees, Transportation Facilities Fees and Drainage Facilities Fees. (*Action Item*)

OBJECTIVE

For City Council to introduce an Ordinance and adopt a resolution to establish a Citywide Park Fee and to revise development impact fees for In-Lieu of Park Dedication for new subdivisions ("Quimby Fee"), Transportation Facilities ("Traffic Fee"), and Drainage Facilities ("Drainage Fee").

BACKGROUND

In July 2015, staff conducted a City Council Study Session to review and update the Quimby Fees, Traffic Fees, and Drainage Fees, as these had not been updated in several years. Staff proceeded to hire a consultant to develop a revised Development Impact Fee Study ("Study"), as required by the Mitigation Fee Act and Quimby Act to levy and collect fees. City Council also directed staff to assess the feasibility of phasing-in the new fee schedule over a period of years to lessen any financial impacts on project applicants.

The final Development Impact Fee Study, prepared by Willdan Financial Services, includes growth projections, demographic factors, and public facility standards necessary to support future development. The final fee schedule for all fee categories consists of a maximum fee amount supported by the data and conclusions of the Study. The Study also implements a Citywide Park Facilities Fee, applicable only to residential development consisting of non-subdivisions. A residential development project can only be assessed by either the Quimby Fee or Citywide Park Fee, not both.

DISCUSSION

Per Schedule "A" of the attached Resolution, the City would gradually implement, during a three-year period, the maximum fee amounts for the Quimby Fee, Drainage Fee, and Citywide Park Fee. The Traffic Fee implementation schedule will raise the fee up to 60 percent (60%) of the recommended maximum amount. Public Works receives local, state and federal transportation grants that could offset the cost of traffic infrastructure improvements to approximately forty percent (40%); therefore, reducing the fair share from development for this fee category.

As illustrated by the attached Orange County Cities Fee Survey, a three-year implementation approach will allow the City to gradually raise its fees while maintaining a competitive ranking among neighboring Orange County cities. During the transition from the current fee schedule to the proposed fee schedule, staff will charge applicants the Traffic Fees, Drainage Fees, and Citywide Park Fees that are in effect at the time a grading permit is issued and charge the Quimby Fee in effect at the time a Final Tract or Parcel Map is approved by City Council.

The new and adjusted fees will become effective sixty (60) days from adoption of the Resolution by the City Council, contingent on the second reading and adoption of the Ordinance.

FINANCIAL IMPACT

There is no impact to the General Fund. A new fund must be established for the Citywide Park Fee to comply with expenditure and reporting requirements per the Mitigation Fee Act.

RECOMMENDATION

It is recommended that the City Council:

- Introduce and conduct the first reading of an Ordinance entitled: An Ordinance of the City Council of the City of

Garden Grove enacting regulations for the payment of Drainage Facilities Fees and Citywide Park Fees, including revisions to Titles 9 and 10 of the Garden Grove Municipal Code amending Chapter 9.44 to codify the requirements for parkland dedication and fees for new subdivisions and amending Chapter 10.110 to provide for updates to Traffic Mitigation Fees pursuant to Development Impact Fee studies;

- Adopt a Resolution establishing a Citywide Park Fee and revising the In-Lieu of Park Dedication Fee, Transportation Facilities Fee and Drainage Facilities Fee; and
- Authorize the Finance Director to set-up a new fund for the Citywide Park Fee to track expenditures and revenues, as mandated by the Mitigation Fee Act.

By: Ana V. Neal, Sr. Administrative Analyst

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance	11/17/2016	Cover Memo	11-22_2016_ESTABLISH_CITYWIDE_PARK_FEE.pdf
Resolution	11/15/2016	Cover Memo	11-22-16_CITYWIDE_PARK_FEE.pdf
Development Impact Fee Study	11/10/2016	Exhibit	Impact_Fee_Report_FINAL_7-6-16.pdf
OC Cities Fee Survey	11/10/2016	Exhibit	OC_Fee_Survey.pdf

REVIEWERS:

Department	Reviewer	Action	Comments
Public Works	Murray, Bill	Approved	WEM
City Clerk	Pomeroy, Teresa	Approved	
City Attorney	Sandoval, Omar	Approved	
Deputy City Manager	Stipe, Maria	Approved	
City Manager	Stiles, Scott	Approved	