

**The City of Garden Grove
Development Impact Fee Annual Report
Fiscal Year 2015-2016**

The following is a report, which was prepared to comply with California Government Code Section 66006. This section requires an annual disclosure and review of collected development impact fees and expenditures. This review is prepared in compliance with the requirements of the code as a coordinated effort with the Department of Public Works and the Finance Department.

The disclosure portion of Section 66006(b) requires that within 180 days after the last day of the fiscal year the city shall make available the following information for the previous fiscal year:

- A. A brief description of the type of fee in the account or fund, included under Section 1.0.
- B. The amount of the fee, included as Section 2.0.
- C. The beginning and ending balances of the fund and fees collected and the interest earned, included as Section 3.0.
- D. An identification of each public improvement on which the fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees. This was included as Section 4.0.
- E. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and if the public improvement remains incomplete. This has been included as Section 5.0.
- F. A description of each inter-fund transfer or loan made from the account or fund including the public improvement on which the transferred or loaned fees will be expended, and the rate of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan. No transfers or loans were required or made.
- G. The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001. No refunds were required or made.

Section 1.0. A brief description of the type of fee in the account or fund

Drainage Fee

As city lands are developed, hard surface areas (concrete/paving) increase and directly affect flooding citywide. A drainage fee is charged to fund local drainage improvements that are required to reduce the cumulative impact of increased runoff in the city.

Traffic Impact Fee

Development increases the motorist population citywide and the cumulative increase requires constant improvements to meet the demands of the public. The Traffic Impact Fee is charged to fund projects that relieve traffic congestion either in a specific location or citywide.

Water Assessment Fees

The fees reflect the cumulative impact of development on the water infrastructure. Water assessment fees are charged per (1) frontage and (2) acreage. The reasoning is that a property with a large frontage will benefit from additional street exposure, including landscaping and will place a greater burden on the water system as opposed to a similar sized parcel with a smaller sized frontage. The fee for acreage is to account for the increased demand placed on the water system by larger properties in general. Together, these fees fund capital projects that are required in order to meet the water needs of an increased population and to upgrade an aging infrastructure. As a result, we will meet the ever-increasing water quality and fire flow regulations.

Parkway Tree Fee

City Parkway Trees are located throughout the city. The maintenance and care of the city's urban forest is an ongoing task that involves trimming, planting, removal, sucker removal, installation of root barriers, staking, etc. Additionally, hardscape items, such as curb, gutter, and sidewalk, need removal and replacement due to tree root damage. New development projects often result in the removal of mature trees. This fee is collected to pay for the capital improvement costs associated with maintaining the city's parkway trees and adjacent hardscape. In this manner, the city's urban forest is maintained at a service level that is consistent with public expectations.

In Lieu of Park Dedication Fee

The in lieu park fee is charged to offset City requirements to provide onsite park space or improvements. These fees are used to pay for current capital replacement and improvements at parks as well as future park space.

Cultural Arts Fee

The City collects Art fees to construct various public art pieces and memorials and for conducting public events, such as the Open Streets annual event.

In Lieu Undergrounding Fee

This fee is collected in lieu of required utility undergrounding at the request of the developer. The fee will be used to underground overhead utility lines in conjunction with the City's Rule 20A program funded through Southern California Edison. This will maximize the City's resources and deliver a more cost effective project.

Section 2.0. Fee Amounts

Drainage Fee.

\$3,000/acre or \$.07 per square foot lot size

Traffic Impact Fee

Cost is determined by land use.

Land Use--Fee Per Unit

Single Family (Includes Condominiums, town homes)	\$423.00
Apartment	\$381.00
Hotel/Motel	\$363.00

Land Use--Fee Per SFGFA*

General Office	\$0.94
Industrial.....	\$0.31
Retail (PB)	\$1.80
Church	\$0.44
Hospital	\$0.86
Child Care (PB).....	\$2.46

Note: For specific land uses not listed, the fee will be determined by the City Engineer using the trip rates from the "Institute of Transportation Engineers (ITE) Trip Generation" manual, Fifth Edition.

* SFGFA = Square Feet of Gross Floor Area PB = Passby Traffic

Water Assessment Fees

Cost is determined by adding the acreage and frontage charges:

Acreage charge; \$950 per acre.

Frontage charge; \$8 per linear foot for an arterial street or \$4.50 per linear foot for a residential street

Parkway Tree Fee

Cost = \$2.50 per linear foot of frontage.

In Lieu of Park Dedication Fee

These fees are in lieu of dedication of park land for residential development only. Type of Residential Subdivision or Development Fee per Dwelling Unit

Single-family dwelling	\$5,500.00
Town House, Condominium or Planned Unit Development Units	\$5,500.00
Two, Three or Multiple Family Dwellings	\$5,500.00
Mobile Home Parks	\$2,750.00

Art in Public Places

This fee applies to all office, commercial, and industrial developments within the City of Garden Grove.

Cultural Arts Fee

\$2.00 plus \$1.75/\$1,000.00 or fraction thereof of valuation as determined by the Building Official.

In Lieu Undergrounding Fee

This fee is equal to the Southern California Edison cost estimate to underground the required poles for the project

Section 3.0. Fund Balances, Interest Earned, and Fees Collected

The beginning balance is as of July 1, 2015 and the ending balance is as of June 30, 2016. Fees and interest were collected between those dates.

DRAINAGE FEE			
Beginning Balance:	\$ 647,182.15	Interest Earned:	\$4,131.92
Fees Collected:	\$ 105,789.24	Fees Expended:	\$3,418.21
Ending Balance:	\$ 753,685.10		
TRAFFIC IMPACT FEE			
Beginning Balance:	\$140,718.87	Interest Earned:	\$ 927.78
Fees Collected:	\$ 29,123.38	Fees Expended:	\$4,983.00
Ending Balance:	\$165,787.03		
WATER ASSESSMENT FEE (ACREAGE)			
Beginning Balance:	0	Interest Earned:	0
Fees Collected:	\$10,564.44	Fees Expended:	\$10,564.44
Ending Balance:	0		
WATER ASSESSMENT FEE (FRONTAGE)			
Beginning Balance:	0	Interest Earned:	0
Fees Collected:	\$13,409.06	Fees Expended:	\$13,409.06
Ending Balance:	0		
PARKWAY TREE FEE			
Beginning Balance:	0	Interest Earned:	0
Fees Collected:	\$33,021.29	Fees Expended:	\$33,021.29
Ending Balance:	0		
IN LIEU OF PARK DEDICATION FEE			
Beginning Balance:	\$1,716,143.87	Interest Earned:	\$ 6,660.89
Fees Collected:	\$ 357,500.00	Fees Expended:	\$1,112,862.79
Ending Balance:	\$ 967,441.97		
CULTURAL ART FEE			
Beginning Balance:	\$115,258.05	Interest Earned:	\$ 777.32
Fees Collected:	\$ 50,958.04	Fees Expended:	\$28,106.00
Ending Balance:	\$ 138,887.41		
IN LIEU UNDERGROUNDING FEE			
Beginning Balance:	\$0	Interest Earned:	\$0
Fees Collected:	\$0	Fees Expended:	\$0
Ending Balance:	\$0		

Section 4.0. List of Public Improvements Funded by Each Fee.

An identification of each public improvement on which the fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

DRAINAGE FEE	
Project: Lampson/West & Rancho Way Drainage Project	Total Cost: \$250,000
Fee Spent: \$3,418.21 (<i>On-going project</i>)	Percentage of project funded by fees: 100%
TRAFFIC IMPACT FEE	
Project: Valley View Timing & Westminster Traffic Signal Coordination	Valley View Timing Total Cost: \$25,000 Westminster Coordination Cost: \$115,000 (<i>City's portion of multi-jurisdictional total project cost</i>)
Fee Spent: \$4,983.00	Valley View Timing Percentage of project funded by fees: 100%
	Westminster Coordination Percentage of project funded by fees: 45%
WATER ASSESSMENT FEES	
Project: Capital replacement (lines, meters, hydrants, laterals and gate valves citywide)	Total Cost: \$1,700,000 (<i>City's total water appurtenance cost</i>)
Fee Spent: \$23,973.50	Percentage of project funded by fees: 1%
PARKWAY TREE FEE	
Project: Parkway Tree Capital Improvements & Maintenance at locations citywide	Total Cost: \$1,150,000 (<i>City's total parkway tree capital costs</i>)
Fee Spent: \$33,021.29	Percentage of project funded by fees: 2%
IN LIEU PARK FEE	
Project: Community Mtg. Center Improvements, Amphitheater Renovation, Other Park Capital Improvements	Total Cost: \$1,188,273 (Community Meeting Center Improvements)
Fee Spent: \$1,112,862.79	Percentage of project funded by fees: 100%
CULTURAL ART FEE	
Project: Cultural Arts and Community Events (Professional, contractual services and commodities)	Total Cost: <i>Varies (Cost depends on number of public events and grant/other agency contributions)</i>
Fee Spent: \$28,106.00	Percentage of project funded by fees: <i>Varies</i>
IN LIEU UNDERGROUNDING FEE	
Project: N/A	Total Cost: \$0
Fee Spent: \$0	Percentage of project funded by fees: N/A

Section 5.0. List of Approximate Construction Dates for Public Improvements

An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001.

Drainage Fee

Project: Rancho Way Alley Drainage & Lampson Storm Drainage @ West St.

Start Date: June 2016

Completion Date: October 2016

Traffic Impact Fee

Project: Westminster Street Traffic Signal Coordination

Start Date: August 2016

Completion Date: June 2017

Water Assessment Fees

Project: Citywide Capital Replacement (includes lines, meters, and valves)

Estimated Start Date: On-going

Parkway Tree Fee

Project: Tree-Related Capital Improvements

Estimated Start Date: On-going

In Lieu Park Fee

Project: Community Meeting Center Renovations, Atlantis Play Center Playground & Eastgate Park Playground

Estimated Start Date: On-going

Cultural Arts Fees

Project: Cultural Art Projects & Community Events

Estimated Start Date: March 2017

In Lieu Undergrounding Fee

Project: Project to be identified once funding is secured

Estimated Start Date: TBD