



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: March 16, 2010

SUBJECT: Spring Lake Infrastructure Fee (SLIF) - Extension of Urgency
Resolution

Report in Brief

The Spring Lake Infrastructure Fee (SLIF) program requires an update to the SLIF prior to each release of Building Unit Allocations (BUAs) in the Spring Lake Specific Plan. The SLIF update necessary for the second release of BUAs was accomplished at the January 19, 2010 City Council meeting with an urgency resolution. A permanent update was adopted on February 16, 2010; however the urgency resolution must be extended in order to keep the updated SLIF in effect.

Staff recommends that the City Council adopt Resolution No. _____ extending the urgency resolution adopted to revise the Spring Lake Infrastructure Fees.

Background

In 2004, following the recommendation of the Spring Lake Specific Plan Financing Plan, the City adopted a Spring Lake Infrastructure Fee (SLIF) designed to fund backbone infrastructure and other public facilities required to serve new development planned in the Spring Lake Specific Plan (SLSP) area. The SLIF has been updated a number of times to account for changes in land and infrastructure costs, land use changes, and modifications to the assumed density of the SLSP for fee calculation purposes.

On January 19, 2009 the City Council approved a revision to the SLIF that will allow a modification to the Financing Plan and facilitate continued development in Spring Lake during these difficult economic times. The updated fees resulted in an increase SLIF for a single family home of \$809. These fees were immediately and temporarily increased through adoption of an urgency resolution.

On February 16, 2010, the City Council adopted an ordinance to permanently increase the SLIF. This permanent update does not become effective until 60 days after its adoption, and therefore a 30-day extension to the urgency resolution was also adopted to keep the updated SLIF in effect. One further extension of the urgency resolution is permitted and is necessary to keep the SLIF at the updated levels until the permanent resolution is fully effective.

Discussion

Pursuant to Government Code Section 66001, before the City Council may adopt or impose fees as a condition of development, it must make certain findings describing the relationship the fee, the purpose and use of the fee, the public facilities to be financed by the fee, the type of development project on which the fee is imposed, and the amount of the fee and cost of the public facilities attributable to development. These findings were made during the previous SLIF adoption based on the Spring Lake Infrastructure Fee Nexus Study and Reconciliation.

Under Government Code section 66017, the City Council may adopt an urgency measure by a four-fifths vote as an interim authorization for a fee or charge, or increase in fee or charge, to protect the public health, welfare and safety. Upon adoption, the urgency resolution takes effect immediately and remains in effect for thirty (30) days. The City Council may extend the interim urgency resolution for an additional thirty (30) days. Any extension requires a four-fifths vote of the City Council.

Fiscal Impact

The SLIF update is necessary to move forward with the financing strategies approved by Council on January 19, 2010. Failure to update the SLIF will result in a failure of the financing strategy that will allow the second release of BUAs to occur and development in Spring Lake will stall. The City's three year capital budget and ten year capital improvement plan (CIP) rely heavily on continued development in Spring Lake, assuming build out of the entire specific plan area during the ten-year planning period. The City has issued bonds and pledged repayment through revenue generated from development impact fees; the total annual requirement from these development fees is \$4.1 million. In the event that development revenues are insufficient to cover annual debt service, the City must find alternative sources of non-restricted funding, which is primarily the General Fund. Failure to allow continued development in Spring Lake will require enormous reductions in the CIP.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council adopt Resolution No. _____ extending the urgency resolution adopted to revise the Spring Lake Infrastructure Fees.

Prepared by: Kimberly McKinney
Finance Officer

Mark G. Deven
City Manager

Attachments

RESOLUTION NO. _____

**URGENCY RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND
MAKING FINDINGS AND EXTENDING THE PREVIOUSLY ADOPTED
INTERIM SPRING LAKE INFRASTRUCTURE FEE INCREASE**

WHEREAS, in 1996 the City of Woodland ("City") adopted the City of Woodland General Plan, which included a 1,748-acre area known as the Master Plan area, for future growth beyond the boundaries recognized in the 1988 City General Plan; and

WHEREAS, in December 2001, the City approved the Spring Lake Specific Plan, which governs development in a 1,097 -acre area within the Master Plan area; and

WHEREAS, the City of Woodland desired to establish a mechanism to fund necessary public facilities to serve the Master Plan area, including the Spring Lake Specific Plan, and to establish appropriate facilities fees to pay for the cost of these facilities, consistent with the goals and policies of the General Plan and the Spring Lake Specific Plan; and

WHEREAS, the City previously directed the preparation of a document by Economic and Planning Systems, Inc. ("EPS") entitled the "Spring Lake Infrastructure Fee Nexus Study" ("SLIF-NS") dated June 29, 2004, which established the basis of the facilities fees and which was adopted, along with the Spring Lake Infrastructure Fee itself, by the City Council on July 6, 2004 and is expressly incorporated herein; and

WHEREAS, in September 2004, the City amended the Spring Lake Specific Plan Capital Improvements Plan, made findings and amended the SLIF-NS, and increased the Spring Lake Infrastructure Fee, based on increased Spring Lake Specific Plan land acquisition costs, as detailed in a memorandum prepared by EPS, dated August 3, 2004; and

WHEREAS, the SLIF-NS states that "the Fee Program will be regularly updated to adjust the SLIF for inflation and any other known changes in land, backbone infrastructure, and other public facilities costs and cost estimates, as well as changes in the land uses" and thus expressly contemplates amendments thereto; and

WHEREAS, in 2006 and again in 2007, the City increased the Spring Lake Infrastructure fees based upon memoranda prepared by EPS, which demonstrated that it was necessary and appropriate to update the amount of the Spring Lake Infrastructure Fee, and recommended a corresponding adjustment to the Spring Lake Infrastructure Fee; and

WHEREAS, EPS has prepared a new "Spring Lake Infrastructure Fee Nexus Study and Reconciliation Update", dated January 2010, updating the SLIF-NS and setting forth the current cost estimates of park facilities within the Spring Lake Specific Plan Area, and demonstrating and recommending that it is necessary and appropriate to again update the amount of the Spring Lake Infrastructure fees; and

WHEREAS, in order to protect the health, safety, and welfare of the community and to ensure that adequate public facilities are provided for the residents of the Master Plan area, adoption of the amendments to the Spring Lake Infrastructure Fee schedule is necessary; and

WHEREAS, the City Council finds that the fee schedule contained in the SLIF-NS, as amended, is consistent with the City General Plan and the Spring Lake Specific Plan; and

WHEREAS, pursuant to Government Code Section 66017, on January 19, 2010, the City Council adopted an urgency resolution to implement an interim increase in the Spring Lake Infrastructure Fee for single-family, multi-family, and commercial development; and

WHEREAS, Government Code Section 66017 specifies that an interim fee increase shall expire 30 days following its enactment unless extended, but that the interim fee increase may be extended up to two times for 30 days; and

WHEREAS, on February 19, 2010, the City Council adopted a resolution pursuant to Government Code Section 66017 extending for 30 days the interim increase in the Spring Lake Infrastructure Fee; and

WHEREAS, the City Council has adopted or is considering adoption of a resolution permanently amending the Spring Lake Infrastructure Fee schedule to reflect the fee increases previously adopted on an interim basis, but the fee increase will not take effect for 60 days from the date of adoption;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Woodland that:

1. After considering the information and determinations contained in the original SLIF-NS and the amendments thereto, and the testimony received on March 16, February 19, 2010, January 19, 2010, and prior public hearings, the findings, determinations, and conclusions contained in the Resolutions of July 6, 2004, September 7, 2004, November 7, 2006, March 6, 2007, December 16, 2008, and January 19, 2010 are hereby reaffirmed and expressly incorporated herein and the findings in this Resolution are hereby approved and adopted.
2. The increased Spring Lake Infrastructure Fee schedule for the Spring Lake Specific Plan in the City of Woodland previously adopted on an interim basis on January 19, 2010 and extended for 30 days on February 19, 2010 is hereby extended for 30 days to April 19, 2010.
3. This resolution is hereby declared to be an urgency measure and, based on the authority granted by Government Code Section 66017, shall take effect immediately upon its adoption by at least four-fifths vote of the City Council.

Passed and adopted this 16th day of March, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN

Marlin "Skip" Davies, Mayor

ATTEST:

Sue Vannucci, Director of
Administrative Services

APPROVED AS TO FORM:

Andrew J. Morris, City Attorney