



STAFF REPORT TO THE CITY COUNCIL

MEETING DATE: November 25, 2008

FROM: Joseph Hughes, City Manager

PREPARED BY: Ernest Wong, Public Works Director/City Engineer

EW

SUBJECT: Development Impact Fee Annual Adjustment

RECOMMENDATION: That the City Council approve:

1. Resolution No. _____ amending amount of development impact fees pursuant to Government Code Section 66,000 (AB 1600), and
2. Resolution No. _____ amending amount of park fee pursuant to Government Code Section 66477 (Quimby Act).

FISCAL IMPACT: The proposed fee adjustments for each of the six categories of land uses are listed in the fee resolutions. For a detached single family house, the fee is increased 11.49% from \$19,282.56 to \$21,498.12. For a commercial building, the fee is increased 12.73% from \$11.371 to \$12.819 per square foot of gross floor area.

PUBLIC NOTICE: The BIA, developers and other interested parties were notified of the City Council meeting via direct mailing. The general public was notified of the meeting thru posted meeting agenda, published public hearing notices and the City web site.

BACKGROUND: On October 24, 2006, the City Council adopted Ordinance No. 309 establishing a comprehensive system of Development Impact Fees (DIF), and adopted Resolution No. 2006-058 and No. 2006-059 establishing the amount of DIF and Quimby Act park fees, respectively. Section 4 of Ordinance No. 309 requires that the DIF and Quimby Act park fee be adjusted annually in November of each year, beginning November 2007. The fees were subsequently adjusted on November 13, 2007 via adoption of Resolution Nos. 2007-060 and 2007-061.

Approved _____	Motion _____	Second _____	Agenda Item No. _____
Denied _____	Ayes _____		
Continued _____	Noes _____		File No. _____
Tabled _____	Abstain _____		
	Absent _____		

City Clerk

City Manager

Pursuant to the San Bernardino County Congestion Management Plan (CMP), DIF for regional circulation facilities must be adjusted annually based on the cost adjustment factor adopted by the SANBAG Board. In July 2006, the SANBAG Board adopted the rolling 5-year average of the Caltrans Highway Construction Items Index as the basis for cost adjustment. The rolling 5-year average to be used for the 2008 fee adjustment has been determined by SANBAG to be 12.9%.

Pursuant to City DIF resolutions, annual adjustment for the following three infrastructure categories shall be based on the same 5-year rolling average of the Caltrans Highway Construction Items Index:

- Regional Circulation System
- Local Circulation System
- Regional Flood Control Facilities

and that annual adjustment for the remaining six infrastructure categories shall be based on the California Construction Cost Index (CCCI) published by the State of California Department of General Services:

- Law Enforcement Facilities
- Fire Suppression Facilities, Vehicle and Equipment
- General Government Facilities, Vehicle and Equipment
- Public Library Facility and Collection
- Public Use (Community Center) Facilities
- Park Land Acquisition and Park Facilities Development

The change of CCCI from October 2007 (4,943) to October 2008 (5,393) is 9.1%.

The new fee amounts for the six land use categories as adjusted by the two indexes and the new building expansion fees are listed in the two new resolutions. One resolution contains the proposed fee adjustment for all infrastructure categories, including the park fee based on AB 1600. This resolution is applicable to projects that do not involve subdivision of land. The other resolution contains the proposed fee adjustment of the Quimby Act park fee only. This resolution is applicable to projects that involve subdivision of land.

Please also note that, for the 2008 fee adjustment, SANBAG provides three options for local agencies to comply with CMP cost escalation requirements. The options are:

1. Implement a 12.9% cost escalation based on the rolling 5-year average of the Caltrans Construction Cost Items Index, or;
2. Update project cost estimates based on a detailed project-by-project review of individual cost elements and provide the documentation to SANBAG for review and incorporation into the Nexus Study as the basis for escalations, or;
3. Authorize each jurisdiction the autonomy to vote to maintain their congestion mitigation fee at current levels for the next 12 months, and adjust the fee in the next fee update cycle, based on the change of cost index over a 2-year period.

The Finance Subcommittee, at its June 10, 2008 meeting, discussed the three options, and recommended that the City's DIF be adjusted based on Option 1. This will keep the City's fee amount in line with the yearly change of cost index, and avoid the higher level of fluctuation of fee amount if the fees are adjusted in two years instead of one.

H:\DIF Update\DIF Annual Adjustment 112508.doc

**PROPOSED
AND
EXISTING
DIF SCHEDULES**

(PROPOSED)
CITY OF HIGHLAND
DEVELOPMENT IMPACT FEES
 (Effective 1/24/09 and thereafter)
 Resolution No. 2008-___

	<u>Detached Dwelling</u>	<u>Attached Dwelling</u>	<u>Mobile Home</u>	<u>Commercial Lodging</u>	<u>Commercial/Office</u>	<u>Industrial</u>
Law Enforcement Facilities	\$224.93	\$355.68	\$192.79	\$149.59	\$0.129	\$0.007
Fire Suppression Facilities, Vehicles & Equipment	\$798.88	\$259.28	\$837.66	\$1,269.79	\$0.195	\$0.057
Local Circulation System	\$3,597.03	\$2,400.99	\$1,883.13	\$1,892.03	\$3.378	\$2.351
Regional Circulation System	\$9,256.59	\$6,179.97	\$4,845.24	\$4,869.41	\$8.696	\$6.047
Regional Flood Control Facilities	\$838.50	\$358.81	\$295.19	\$137.42	\$0.186	\$0.222
General Facilities, Vehicles & Equipment	\$997.22	\$997.22	\$997.22	\$169.53	\$0.235	\$0.235
Library Facilities & Collection	\$917.44	\$883.09	\$631.57	N/A	N/A	N/A
Public Use (Community Center Facilities)	\$1,143.48	\$1,100.26	\$787.80	N/A	N/A	N/A
Park Land Acquisition & Park Facilities Development	<u>\$3,724.05</u>	<u>\$3,583.33</u>	<u>\$2,567.29</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL:	\$21,498.12	\$16,118.63	\$13,037.89	\$8,487.77	\$12.819	\$8.919

Notes: 1. Fees applicable City-wide except for East Highlands Ranch (SEE FEE SHEET ON REVERSE). Certain properties fronting Greenspot Road, between Gold Buckle Road and Santa Paula Street, must also pay a Greenspot Impact Fee (Resolution No. 1994-037).

2. Fees are per dwelling unit for residential, per lodging unit for commercial lodging, and per gross square footage for commercial or industrial.

IMPACT FEE FOR BUILDING EXPANSION
 (no charge for first 499 square feet of residential building expansion)

DETACHED DWELLING.....	\$14.332 per square foot
ATTACHED DWELLING.....	\$10.746 per square foot
MOBILE HOME.....	\$ 8.692 per square foot
COMMERCIAL LODGING.....	\$ 5.659 per square foot
COMMERCIAL/OFFICE.....	\$12.819 per square foot
INDUSTRIAL.....	\$ 8.919 per square foot

(EXISTING)

**CITY OF HIGHLAND
DEVELOPMENT IMPACT FEES**
(Effective 1/12/08 and thereafter)
Resolution No. 2007-060

	<u>Detached Dwelling</u>	<u>Attached Dwelling</u>	<u>Mobile Home</u>	<u>Commercial Lodging</u>	<u>Commercial/Office</u>	<u>Industrial</u>
Law Enforcement Facilities	\$206.17	\$326.01	\$176.71	\$137.11	\$0.118	\$0.006
Fire Suppression Facilities, Vehicles & Equipment	\$732.25	\$237.65	\$767.79	\$1,163.88	\$0.179	\$0.052
Local Circulation System	\$3,186.03	\$2,126.65	\$1,667.96	\$1,675.85	\$2.992	\$2.082
Regional Circulation System	\$8,198.93	\$5,473.84	\$4,291.62	\$4,313.03	\$7.702	\$5.356
Regional Flood Control Facilities	\$742.69	\$317.81	\$261.46	\$121.72	\$0.165	\$0.197
General Facilities, Vehicles & Equipment	\$914.04	\$914.04	\$914.04	\$155.39	\$0.215	\$0.215
Library Facilities & Collection	\$840.92	\$809.43	\$578.89	N/A	N/A	N/A
Public Use (Community Center Facilities)	\$1,048.10	\$1,008.49	\$722.09	N/A	N/A	N/A
Park Land Acquisition & Park Facilities Development	<u>\$3,413.43</u>	<u>\$3,284.45</u>	<u>\$2,353.15</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL:	\$19,282.56	\$14,498.37	\$11,733.71	\$7,566.98	\$11.371	\$7.908

Notes: 1. Fees applicable City-wide except for East Highlands Ranch (SEE FEE SHEET ON REVERSE). Certain properties fronting Greenspot Road, between Gold Buckle Road and Santa Paula Street, must also pay a Greenspot Impact Fee (Resolution No. 1994-037).

2. Fees are per dwelling unit for residential, per lodging unit for commercial lodging, and per gross square footage for commercial or industrial.

IMPACT FEE FOR BUILDING EXPANSION
(no charge for first 499 square feet of residential building expansion)

DETACHED DWELLING.....	\$12.855 per square foot
ATTACHED DWELLING.....	\$ 9.666 per square foot
MOBILE HOME.....	\$ 7.823 per square foot
COMMERCIAL LODGING.....	\$ 5.045 per square foot
COMMERCIAL/OFFICE.....	\$11.371 per square foot
INDUSTRIAL.....	\$ 7.908 per square foot

SANBAG

FEE ADJUSTMENT OPTIONS



San Bernardino Associated Governments

1170 W. 3rd Street, San Bernardino, CA 92410
Phone: (909) 884-8276 Fax: (909) 885-4407
Web: www.sanbag.ca.gov



•San Bernardino County Transportation Commission •San Bernardino County Transportation Authority
•San Bernardino County Congestion Management Agency •Service Authority for Freeway Emergencies

DATE: May 23, 2008

TO: City Managers/County Administrative Officer

FROM: Ty Schuiling, SANBAG Director of Planning and Programming

SUBJECT: Development Mitigation Nexus Study Update and Cost Escalation

At the May 7, 2008 Board of Directors Meeting, the SANBAG Board acted to:

1. Direct staff to prepare an update of the Development Mitigation Nexus Study for approval of the SANBAG Board by November 2008
2. Direct staff to update the cost estimates for freeway interchanges in the Nexus Study and Measure I 2010-2040 Interchange program
3. Allow local jurisdictions to select one of three options for complying with Congestion Management Program (CMP) cost escalation requirements for arterial roadways and railroad grade separations in the Nexus Study
 - a. Implement a 12.9% cost escalation based on the rolling 5-year average of the Caltrans Construction Cost Items Index, or;
 - b. Update project cost estimates based on a detailed project-by-project review of individual cost elements and provide the documentation to SANBAG for review and incorporation into the Nexus Study as the basis for escalations, or;
 - c. Authorize each jurisdiction the autonomy to vote to maintain their congestion mitigation fee at current levels for the next 12 months.

This memo provides guidance to local jurisdictions consistent with the May 7 Board action, and describes activities to be undertaken in upcoming weeks to update project cost for use in both the Nexus Study and the Measure I 2010-2040 Strategic Plan. It is important to note that the updating of project costs (reflected in items 1 and 2 above) and the local jurisdiction decision on setting fee levels (reflected in item 3 above) are two independent activities. The Board directed SANBAG staff to update Nexus Study project costs, with local jurisdiction input, and also provided local jurisdictions with three options for updating their fees, including keeping fees at current levels. The update to project costs included in the Nexus Study will serve as the basis for the update to project costs included in the Measure I 2010-2040 Strategic Plan. The goal of this Nexus Study update cycle should be to develop the most realistic set of project costs possible. In doing so, the Nexus Study update process consists of three parts:

1. **Update to interchange costs:** SANBAG will complete a reanalysis of the costs for freeway interchanges. The re-costing of freeway interchanges will be based on information from Project Study Reports/Project Reports prepared by local jurisdictions and Caltrans. For interchanges without a Project Study Report or a Project Report,

NexusStudyUpdateMemo080513.doc

*Cities of: Adelanto, Barstow, Big Bear Lake, Chino, Chino Hills, Colton, Fontana, Grand Terrace, Hesperia, Highland, Loma Linda, Montclair
Needles, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Twentynine Palms, Upland, Victorville, Yucaipa
Towns of: Apple Valley, Yucca Valley County of San Bernardino*

SANBAG will estimate an appropriate configuration of the interchange based on current and forecast traffic volumes. Most of the information required for this reanalysis is readily available to SANBAG, but should additional information be required, SANBAG staff will be in contact with your jurisdiction.

2. **Update to arterial and railroad grade separation costs:** Please mark up the Arterial Project List (Attachment 1 of the Nexus Study, included in this packet), showing estimated project costs for each arterial project as of the end of calendar year 2007. The Arterial Project List shows project costs as of the end of 2006, including the cost escalation based on the Board-approved factor of 12.7% between 2005 and 2006. The SANBAG Board has approved two options for updating arterial project costs included in the Nexus Study. Option 1 is to escalate costs at a rate of 12.9%. Option 2 is to provide updated project cost estimates based on a detailed project-by-project review of individual cost elements and to provide the supporting documentation to SANBAG staff for review. Revised arterial and grade separation project costs should be provided to SANBAG staff no later than June 30, 2008. We recognize that this is a tight timeline, but is needed for both the Strategic Plan and in the event a local jurisdiction desires to use those updated costs (which could be higher or lower than the 2006 estimates) as the basis for setting their fees.
3. **Identification of fee update schedule:** The SANBAG Board has approved three options for local jurisdictions to update development mitigation fees for 2008. Local jurisdictions could update their fees in accordance with the project costs included in the 2008 Nexus Study update (based on either the 12.9% escalation factor ("3a" in the recommendation) or on the updated interchange costs referenced in No. 1 above and on the updated arterial and grade separation costs referenced in No. 2 above (3b in the recommendation)). The SANBAG Board approved as a third option (3c above), a recommendation by the Building Industry Association to "authorize each jurisdiction the autonomy to vote to maintain their congestion mitigation fee at current levels for the next 12 months." Local jurisdictions may therefore maintain current fee levels when their next fee update cycle occurs (either June 30 or December 31, based on Table 9 of the Development Mitigation Nexus Study). If a local jurisdiction selects this option, fees must be updated in either June or December of 2009 to reflect the costs as of the end of calendar year 2008. Local jurisdictions should be aware that selection of option 3c may result in lower revenue generation than that required to achieve the minimum fair share development contributions identified in the Nexus Study. Each jurisdiction must provide SANBAG a letter identifying its approach for updating its fees for 2008 by June 30, 2008. If a jurisdiction does not choose to maintain current fee levels, and is required by the Nexus Study to update their fees by June 30 (per Table 9 of the Nexus Study), the jurisdiction must provide the updated arterial and grade separation project costs to SANBAG (per No. 2 above) by June 30. In this event, city council approval of the fee change may be delayed by one month to July 31. SANBAG will discuss the specifics of the fee change with the jurisdiction by July 3. SANBAG is required to conduct a review of each jurisdiction's conformance with the Congestion Management Program in the fall of each year, and each jurisdiction's election of the fee update option (3a, 3b, or 3c) will be taken into account when these conformance reviews are conducted.



In summary, local jurisdiction responsibilities include:

- Update Nexus Study arterial and grade separation project costs (using the adopted escalation factor or project-by-project review) and provide that information to SANBAG by June 30
- Send a letter to SANBAG by June 30 (addressed to Ty Schuiling and signed by the city manager or other authorized representative) indicating the jurisdiction's selection of fee update option (3a, 3b, or 3c). A city council/board of supervisors resolution is not required.

If your jurisdiction chooses options 3a or 3b, SANBAG staff will contact you by July 3 regarding next steps. Jurisdictions outside the Valley and Victor Valley are not required to take any action relating to this memo.

SANBAG staff is available to meet with representatives from your jurisdiction or to answer any questions you may have. Please direct your written comments and questions to Ryan Graham, Transportation Planning Analyst, at (909) 884-8276 or e-mail rgraham@sanbag.ca.gov. We appreciate your assistance and look forward to your comments.

###

CALIFORNIA
CONSTRUCTION COST INDEX

California Construction Cost Index (CCCI)

Month	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
January	4983	4869	4620	4339	3978	3939	3859	3862	3746	3772	3685
February	4983	4868	4603	4362	4039	3939	3856	3867	3758	3764	3691
March	4999	4871	4597	4360	4034	4021	3863	3867	3846	3751	3695
April	5004	4872	4600	4393	4125	4002	3843	3906	3846	3752	3700
May	5023	4886	4599	4403	4125	4007	3942	3908	3846	3748	3714
June	5065	4842	4593	4421	4192	3988	3943	3885	3857	3744	3715
July	5135	4849	4609	4411	4194	3989	3944	3868	3855	3745	3718
August	5142	4851	4616	4399	4205	3988	3939	3869	3853	3739	3717
September	5194	4942	4619	4533	4309	3993	3939	3862	3858	3742	3732
October	5393	4943	4867	4554	4310	3994	3940	3861	3861	3748	3786
November		4978	4891	4587	4325	3988	3941	3863	3861	3745	3780
December		4981	4877	4614	4339	3980	3941	3860	3862	3745	3772
Annual % ^		2.3%	5.6%	6.3%	9.1%	1.0%	2.1%	-0.1%	3.1%	-0.7%	2.4%

The California Construction Cost index is developed based upon Building Cost Index (BCI) cost indices for San Francisco and Los Angeles produced by Engineering News Record (ENR) and reported in the second issue each month for the previous month. This table is updated at the end of each month.

The ENR BCI reports cost trends for specific construction trade labor and materials in the California marketplace.

This page last updated: 10/29/2008

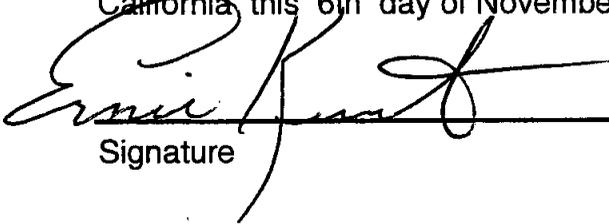
PUBLIC HEARING

ADVERTISEMENT

PROOF OF PUBLICATION

State of California
County of San Bernardino

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Highland Community News, a newspaper of general circulation, printed and published every Thursday in the City of Highland, County of San Bernardino, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the State of California, in and for the County of San Bernardino, under the date of March 13, 1996, Case Number SCV 27379, and that the notice, of which the annexed is a printed copy (set in type not small than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement there of on the following dates To wit: 10/30/2008 & 11/06/2008. I declare under penalty of perjury that the foregoing is true and correct. Dated at Highland, California, this 6th day of November 2008.


Signature

Aff# 4511

City of Highland

NOTICE OF PUBLIC HEARING BEFORE THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA

NOTICE IS HEREBY GIVEN that a Public Hearing, at which all interested persons will be heard, will be held before the City Council of the City of Highland, California, at the City Hall, in the Leo Donahue City Council Chambers, 27215 Base Line, Highland, California, on the 25th day of November, 2008, at the hour of 6:00 p.m. or as soon thereafter, on the following matter:

A Resolution of the City Council of the City of Highland, California, Establishing a Revised Schedule of Development Impact Fees.
A Resolution of the City Council of the City of Highland, California, Establishing a Revised Schedule of Fees Applicable to Residential New Development on Parkland Acquisition and Park Facilities Development, Pursuant to Section 16.40.200 of the Highland Municipal Code and the Quimby Act (Government Code Section 66477).

If any matter proposed herein is challenged in court, there may be a limitation to raising only those issues at the Public Hearing described herein, or in written correspondence delivered to the City of Highland.

at, or prior to the Public Hearing.

Any person affected by this application or interested in commenting on the proposal may submit their concern in writing prior to the meeting or appear in person and be heard in support of opposition to the proposed matter at the time of the hearing or may contact the City Clerk at 27215 Base Line, Highland, California during normal business hours, Monday through Thursday, 7:30 a.m. to 5:30 p.m. (City Hall Offices are closed every Friday).

The associated information is available for inspection at the above address.

Dated: October 30, 2008
/s/Betty Hughes, CMC
City Clerk of the City of Highland.

Pub.: 10/30 11/6/08
AFF#4511

Highland Community News
Baseline

Highland, CA 92346

Phone: (909) 862-1771

Fax: (909) 862-1787

103.2(08)

**PROPOSED RESOLUTION
(DEVELOPMENT IMPACT FEE)**

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,
CALIFORNIA,
AMENDING DEVELOPMENT IMPACT FEES FOR ALL DEVELOPMENTS
WITHIN CITY OF HIGHLAND**

WHEREAS, the City Council adopted Ordinance No. 309 on October 24, 2006 establishing a comprehensive system of Development Impact Fees and providing for the annual adjustment of the fees based on cost adjustment indexes applicable to each category of fees; and

WHEREAS, the City Council adopted Resolution Nos. 2006-058 and 2007-060 establishing the amount of Development Impact Fees; and

WHEREAS, pursuant to the San Bernardino County Congestion Management Plan, the City must adjust Development Impact Fee for Regional Circulation Facilities based on an adjustment index adopted by the SANBAG Board; and

WHEREAS, the SANBAG Board, has adopted the rolling 5-year average of the Caltrans Highway Construction Items Index as the basis for fee adjustment, and such rolling 5-year average to be used for fee adjustment in calendar year 2008 has been determined to be 12.9%; and

WHEREAS, the City Council has adopted that the same rolling 5-year average of the Caltrans Highway Construction Items Index be also used to adjust the Development Impact Fees for Local Circulation Facilities and Regional Flood Control Facilities; and

WHEREAS, the City Council has also adopted the California Construction Cost Index (CCCI) published by the State of California Department of General Services to adjust Development Impact Fees for all other infrastructure categories including Law Enforcement Facilities; Fire Suppression Facilities, Vehicles and Equipment; General Facilities, Vehicles and Equipment; Library Facilities and Collection; Public Use (Community Center) Facilities; and Park Land Acquisition and Park Facilities Development; and

WHEREAS, the percentage increase of CCCI from October 2007 to October 2008 has been determined to be 9.1%; and

WHEREAS, the basis for calculating and imposing Development Impact Fees set forth in Resolution Nos. 2006-058 and 2007-060 remains true and accurate.

WHEREAS, the City Council held a duly-noticed public hearing on this issue on November 25, 2008 at which the City Council received and considered evidence, both written and oral; and

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND AS FOLLOWS:

1. That Section 1 of Resolution 2007-060 be amended as follows:

“That Section 2 of Resolution 2006-058 be amended as follows:

SECTION 2 ADOPTION OF DEVELOPMENT IMPACT FEE SCHEDULES

The following schedule of development impact fees is hereby established, adopted and imposed for each of the specified infrastructure categories:

A. Law Enforcement Facilities

Detached Dwelling	\$224.93
Attached Dwelling	355.68
Mobile Home	192.79
Commercial Lodging	149.59
Commercial/Office	0.129
Industrial	0.007

B. Fire Suppression Facilities, Vehicles & Equipment

Detached Dwelling	\$ 798.88
Attached Dwelling	259.28
Mobile Home	837.66
Commercial Lodging	1,269.79
Commercial/Office	0.195
Industrial	0.057

C. Local Circulation System

Detached Dwelling	\$3,597.03
Attached Dwelling	2,400.99
Mobile Home	1,883.13
Commercial Lodging	1,892.03
Commercial/Office	3.378
Industrial	2.351

D. Regional Circulation System

Detached Dwelling	\$9,256.59
Attached Dwelling	6,179.97
Mobile Home	4,845.24
Commercial Lodging	4,869.41
Commercial/Office	8.696
Industrial	6.047

E. Regional Flood Control Facilities

Detached Dwelling	\$ 838.50
Attached Dwelling	358.81
Mobile Home	295.19
Commercial Lodging	137.42
Commercial/Office	0.186
Industrial	0.222

F. General Facilities, Vehicles & Equipment

Detached Dwelling	\$ 997.22
Attached Dwelling	997.22
Mobile Home	997.22
Commercial Lodging	169.53
Commercial/Office	0.235
Industrial	0.235

G. Library Facilities & Collection

Detached Dwelling	\$ 917.44
Attached Dwelling	883.09
Mobile Home	631.57
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

H. Public Use (Community Center) Facilities

Detached Dwelling	\$1,143.48
Attached Dwelling	1,100.26
Mobile Home	787.80
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

I. Park Land Acquisition & Park Facilities Development

Detached Dwelling	\$3,724.05
Attached Dwelling	3,583.33
Mobile Home	2,567.29
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

NOTE: Residential and Commercial Lodging projects will be charged on a per dwelling/lodging unit basis. Commercial Lodging projects will be charged on the square footage of the building's gross floor area. For purposes of this Resolution, "Gross Floor Area" means the total enclosed area of all floors of a building measured to the inside face of the exterior walls, including halls, stairways, elevator shafts at each floor level, service and mechanical equipment rooms, garage and basement or attic areas having a height of more than seven (7) feet.

Pursuant to Section 4 of Ordinance 309, the Development Impact Fees set forth in categories C, D and E shall be adjusted annually based on the rolling 5-year average of the Caltrans Highway Construction Items Index as adopted by the SANBAG Board, and the Development Impact Fees set forth in Categories A, B, F, G, H, and I shall be adjusted annually based on the annual change of the California Construction Cost Index (CCCI) published by the State of California Department of General Services."

2. That Section 2 of Resolution 2007-060 be amended as follows:

That Section 4 of Resolution 2006-058 be amended as follows:

SECTION 4. DEVELOPMENT IMPACT FEES FOR BUILDING EXPANSION

Except as provided in Section 5A, the following Development Impact Fees shall be imposed on new additions, expansion, or incidental construction to existing buildings. Fees imposed shall be based on the gross square footage of the enclosed structures which require a building permit to construct. The per square footage fees for residential land uses are calculated by dividing the total fees of all nine (90) improvement categories by one thousand five hundred (1,500) square feet which is assumed to be the average square footage of various types of dwelling units.

Detached Dwelling	\$14.332 per sq. ft.
Attached Dwelling	\$10.746 per sq. ft.
Mobile Home	\$ 8.692 per sq. ft.
Commercial Lodging	\$ 5.659 per sq. ft.
Commercial/Office	\$12.819 per sq. ft.
Industrial	\$ 8.919 per sq. ft."

PASSED, APPROVED AND ADOPTED this 25th day of November, 2008

Penny Lilburn
Mayor

ATTEST:

Betty Hughes, CMC
City Clerk

H:\DIF Update\Amending Fees Reso 112508.doc

PROPOSED RESOLUTION

(QUIMBY ACT PARK FEE)

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HIGHLAND, CALIFORNIA
AMENDING A FEE APPLICABLE TO RESIDENTIAL NEW DEVELOPMENT
WITHIN THE CITY OF HIGHLAND ON PARK LAND ACQUISITION
AND PARK FACILITIES DEVELOPMENT,
PURSUANT TO SECTION 16.40.200 OF THE HIGHLAND MUNICIPAL CODE
AND THE QUIMBY ACT (GOVERNMENT CODE SECTION 66477)**

WHEREAS, the City Council adopted Ordinance No. 309 on October 24, 2006 establishing a comprehensive system of Development Impact Fees and providing for the annual adjustment of the fees based on cost adjustment indexes applicable to each category of fees; and

WHEREAS, the City Council adopted Resolution Nos. 2006-059 and 2007-061 establishing the amount of fees applicable to residential new development on park land acquisition and park facilities development, pursuant to the Highland Municipal Code and the Quimby Act; and

WHEREAS, the City Council has adopted the California Construction Cost Index (CCCI) published by the State of California Department of General Services as the basis to adjust fees for Public Use (Community Center) Facilities; and

WHEREAS, the percentage increase of CCCI from October 2007 to October 2008 has been determined to be 9.1%; and

WHEREAS, the basis for calculating and imposing park fees set forth in Resolution Nos. 2006-059 and 2007-061 remains true and accurate;

WHEREAS, the City Council held a duly-noticed public hearing on this issue on November 25, 2008, at which the City Council received and considered evidence, both written and oral.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND AS FOLLOWS:

1. That Section 1 of Resolution 2007-061 be amended as follows:

“That Section 2 of Resolution 2006-059 be amended as follows:

SECTION 2 PARK AND RECREATION FEE SCHEDULES

The following schedule of Park and Recreation fee is hereby established, adopted and imposed for each of the specified infrastructure categories:

Pursuant to Section 4 of Ordinance 309, the Park and Recreation Fees shall be adjusted annually based on the annual change of the California Construction Cost Index (CCCI) published by the State of California Department of General Services.

Detached Dwelling

\$3,724.05

Attached Dwelling	3,583.33
Mobile Home	2,567.29
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A”

2. That Section 2 of Resolution 2007-061 be amended as follows:

“That Section 4 of Resolution 2006-059 be amended as follows:

SECTION 4 FEES FOR BUILDING EXPANSION

Except as provided in Section 5A, the following Park and Recreation Fees shall be imposed on new additions, expansion, or incidental construction to existing buildings. Fees imposed shall be based on the gross square footage of the enclosed structures which require a building permit to construct. The per square footage fees for residential land uses are calculated by dividing the total fees of all nine (90) improvement categories by one thousand five hundred (1,500) square feet which is assumed to be the average square footage of various types of dwelling units.

Detached Dwelling	\$2.483 per sq. ft.
Attached Dwelling	\$2.389 per sq. ft.
Mobile Home	\$1.712 per sq. ft.
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A”

PASSED, APPROVED AND ADOPTED this 25th day of November, 2008

Penny Lilburn
Mayor

ATTEST:

Betty Hughes, CMC
City Clerk

EXISTING ORDINANCE NO. 309
(SECTION 4 - ANNUAL FEE ADJUSTMENT)

The City Council shall periodically review these fees to determine whether the fee amounts are reasonably related to the impacts of development and whether the described public facilities are still needed. The City Council shall make findings with respect to any portion of the fee remaining unexpended or uncommitted in its account five (5) or more years after deposit of the fees to identify the purpose to which the fees are to be put and to demonstrate a reasonable relationship between the fee and the purpose for which they were charged, consistent with the requirements of Government Code Section 66001(d), (e) and (f).

SECTION 4 Annual Fee Adjustment

The fees imposed by this Ordinance shall be adjusted annually in November of each year, beginning November 2007. The City Council shall, by Council Resolution, set forth the cost adjustment index applicable to each category of fee. This adjustment shall not apply to fees which are based on variable factors which result in automatic adjustments or those which specifically indicate otherwise, and shall be subject to the requirements of Government Code Section 66018 or otherwise as required by law.

SECTION 5 Specific Fee Adjustment

The amount of each category of fee established pursuant to this Ordinance may be more specifically set and adjusted periodically by resolution of the City Council, with this Ordinance being considered as enabling and directive.

SECTION 6 Creation of Special Accounts

Each fee collected pursuant to this Ordinance shall be deposited in a special account created to hold the revenue generated by each such fee, consistent with the requirements of Government Code Section 66006. Monies within each such account may be expended only by appropriation by the City Council for specific projects which are of the same category as that for which the money was collected.

SECTION 7 Land Use to Compute Fee

The land uses designated in the Council Resolution that set forth the specific amount of the fee shall be used in the computation of the fees required to be paid by any property. Public properties shall be classified into the category of use as between residential, commercial, or industrial, and shall pay the fee pursuant to that classification, as determined by the City Planner.

EXISTING RESOLUTION NO. 2007-060

(DEVELOPMENT IMPACT FEE)

RESOLUTION NO. 2007-060

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,
CALIFORNIA, AMENDING DEVELOPMENT IMPACT FEES FOR ALL
DEVELOPMENTS WITHIN CITY OF HIGHLAND**

WHEREAS, the City Council adopted Ordinance No. 309 on October 24, 2006 establishing a comprehensive system of Development Impact Fees and, providing for the annual adjustment of the fees based on cost adjustment indexes applicable to each category of fees; and

WHEREAS, pursuant to the San Bernardino County Congestion Management Plan, the City must adjust Development Impact Fee for Regional Circulation Facilities based on an adjustment index adopted by the SANBAG Board; and

WHEREAS, the SANBAG Board, in July 2006, adopted the rolling 5-year average of the Caltrans Highway Construction Items Index as the basis for fee adjustment, and such rolling 5-year average for calendar year 2006 has been determined to be 12.7%; and

WHEREAS, in September 2006, the Finance Subcommittee recommended that the same rolling 5-year average of the Caltrans Highway Construction Items Index be also used to adjust the Development Impact Fees for Local Circulation Facilities and Regional Flood Control Facilities; and

WHEREAS, the Finance Subcommittee also recommended to use the California Construction Cost Index (CCCI) published by the State of California Department of General Services to adjust Development Impact Fees for all other infrastructure categories including Law Enforcement Facilities; Fire Suppression Facilities, Vehicles and Equipment; General Facilities, Vehicles and Equipment; Library Facilities and Collection; Public Use (Community Center) Facilities; and Park Land Acquisition and Park Facilities Development; and

WHEREAS, the percentage increase of CCCI from October 2006 to October 2007 has been determined to be 1.56%; and

WHEREAS, the City Council held a duly-noticed public hearing on this issue on November 13, 2007 at which the City Council received and considered evidence, both written and oral; and

WHEREAS, the basis for calculating and imposing Development Impact Fees set forth in Resolution 2006-058 remains true and accurate.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND AS FOLLOWS:

1. That Section 2 of Resolution 2006-058 be amended as follows:

SECTION 2 ADOPTION OF DEVELOPMENT IMPACT FEE SCHEDULES

The following schedule of development impact fees is hereby established, adopted and imposed for each of the specified infrastructure categories:

A. Law Enforcement Facilities

Detached Dwelling	\$206.17
Attached Dwelling	326.01
Mobile Home	176.71
Commercial Lodging	137.11
Commercial/Office	0.118
Industrial	0.006

B. Fire Suppression Facilities, Vehicles & Equipment

Detached Dwelling	\$ 732.25
Attached Dwelling	237.65
Mobile Home	767.79
Commercial Lodging	1,163.88
Commercial/Office	0.179
Industrial	0.052

C. Local Circulation System

Detached Dwelling	\$3,186.03
Attached Dwelling	2,126.65
Mobile Home	1,667.96
Commercial Lodging	1,675.85
Commercial/Office	2.992
Industrial	2.082

D. Regional Circulation System

Detached Dwelling	\$8,198.93
Attached Dwelling	5,473.84
Mobile Home	4,291.62
Commercial Lodging	4,313.03
Commercial/Office	7.702
Industrial	5.356

E. Regional Flood Control Facilities

Detached Dwelling	\$ 742.69
Attached Dwelling	317.81
Mobile Home	261.46
Commercial Lodging	121.72
Commercial/Office	0.165
Industrial	0.197

F. General Facilities, Vehicles & Equipment

Detached Dwelling	\$ 914.04
Attached Dwelling	914.04
Mobile Home	914.04
Commercial Lodging	155.39
Commercial/Office	0.215
Industrial	0.215

G. Library Facilities & Collection

Detached Dwelling	\$ 840.92
Attached Dwelling	809.43
Mobile Home	578.89
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

H. Public Use (Community Center) Facilities

Detached Dwelling	\$1,048.10
Attached Dwelling	1,008.49
Mobile Home	722.09
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

I. Park Land Acquisition & Park Facilities Development

Detached Dwelling	\$3,413.43
Attached Dwelling	3,284.45
Mobile Home	2,353.15
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

NOTE: Residential and Commercial Lodging projects will be charged on a per dwelling/lodging unit basis. Commercial Lodging projects will be charged on the square footage of the building's gross floor area. For purposes of this Resolution, "Gross Floor Area" means the total enclosed area of all floors of a building measured to the inside face of the exterior walls, including halls, stairways, elevator shafts at each floor level, service and mechanical equipment rooms, garage and basement or attic areas having a height of more than seven (7) feet.

Pursuant to Section 4 of Ordinance 309, the Development Impact Fees set forth in categories C, D and E shall be adjusted annually based on the rolling 5-year average of the Caltrans Highway Construction Items Index as adopted by the SANBAG Board, and the Development Impact Fees set forth in Categories A, B, F, G, H, and I shall be adjusted annually based on the annual change of the California Construction Cost Index (CCCI) published by the State of California Department of General Services.

2. That Section 4 of Resolution 2006-058 be amended as follows:

SECTION 4. DEVELOPMENT IMPACT FEES FOR BUILDING EXPANSION

Except as provided in Section 5A, the following Development Impact Fees shall be imposed on new additions, expansion, or incidental construction to existing buildings. Fees imposed shall be based on the gross square footage of the enclosed structures which require a building permit to construct. The per square footage fees for residential land uses are calculated by dividing the total fees of all nine (90) improvement categories by one thousand five hundred (1,500) square feet which is assumed to be the average square footage of various types of dwelling units.

Detached Dwelling	\$12.855 per sq. ft.
Attached Dwelling	\$ 9.666 per sq. ft.
Mobile Home	\$ 7.823 per sq. ft.
Commercial Lodging	\$ 5.045 per sq. ft.
Commercial/Office	\$11.371 per sq. ft.
Industrial	\$ 7.908 per sq. ft.

3. That Section 5, Paragraph E of Resolution 2006-058 be amended as follows:

E. TIMING OF PERMIT APPLICATION

Development Impact Fees in effect at the time of building permit application shall continue to apply on any development project where the Building Official finds and determines that the development project has proceeded to a point that it is ready for building permit issuance, and a complete building permit application has been submitted and accepted by the City of Highland, and that through no fault of the developer, the permit was not issued prior to the effective date of the Development Impact Fees.

4. That Section 7 of Resolution 2006-058 be amended as follows:

The fees specified under Section 2 and Section 4 of this resolution shall take effect sixty (60) days following adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 13th day of November, 2007



Ross B. Jones
Mayor

ATTEST:



Betty Hughes, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HIGHLAND)

I, BETTY HUGHES, City Clerk of the City of Highland, California, do hereby certify Resolution No. 2007 - 060 was duly and regularly adopted by the City Council of the City of Highland, California, at a regular meeting thereof held on the 13th day of November, 2007, by the following vote:

AYES: Scott, Timmer, Mayor Jones

NOES: None

ABSTAIN: None

ABSENT: Lilburn, McCallon



BETTY HUGHES, CMC, CITY CLERK

EXISTING RESOLUTION NO. 2007-061

(QUIMBY ACT PARK FEE)

RESOLUTION NO. 2007-061

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HIGHLAND, CALIFORNIA AMENDING A FEE APPLICABLE TO RESIDENTIAL
NEW DEVELOPMENT WITHIN THE CITY OF HIGHLAND ON PARK LAND
ACQUISITION AND PARK FACILITIES DEVELOPMENT,
PURSUANT TO SECTION 16.40.200 OF THE HIGHLAND MUNICIPAL CODE
AND THE QUIMBY ACT (GOVERNMENT CODE SECTION 66477)**

WHEREAS, the City Council adopted Ordinance No. 309 on October 24, 2006 establishing a comprehensive system of Development Impact Fees and, providing for the annual adjustment of the fees based on cost adjustment indexes applicable to each category of fees; and

WHEREAS, the City Council adopted Resolution No. 2006-059 on October 24, 2006 establishing a fee applicable to residential new development on park land acquisition and park facilities development, pursuant to the Highland Municipal Code and the Quimby Act; and

WHEREAS, in September 2006, the Finance Subcommittee recommended to use the California Construction Cost Index (CCCI) published by the State of California Department of General Services to adjust fees for Public Use (Community Center) Facilities; and

WHEREAS, the percentage increase of CCCI from October 2006 to October 2007 has been determined to be 1.56%; and

WHEREAS, the City Council held a duly-noticed public hearing on the issue November 13, 2007, at which the City Council received and considered evidence, both written and oral.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND AS FOLLOWS:

1. That Section 2 of Resolution 2006-059 be amended as follows:

SECTION 2 PARK AND RECREATION FEE SCHEDULES

The following schedule of Park and Recreation fee is hereby established, adopted and imposed for each of the specified infrastructure categories:

Pursuant to Section 4 of Ordinance 309, the Park and Recreation Fees shall be adjusted annually based on the annual change of the California Construction Cost Index (CCCI) published by the State of California Department of General Services.

2. That Section 4 of Resolution 2006-059 be amended as follows:

Detached Dwelling	\$3,413.43
Attached Dwelling	3,284.45
Mobile Home	2,353.15
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

SECTION 4 FEES FOR BUILDING EXPANSION

Except as provided in Section 5A, the following Park and Recreation Fees shall be imposed on new additions, expansion, or incidental construction to existing buildings. Fees imposed shall be based on the gross square footage of the enclosed structures which require a building permit to construct. The per square footage fees for residential land uses are calculated by dividing the total fees of all nine (90) improvement categories by one thousand five hundred (1,500) square feet which is assumed to be the average square footage of various types of dwelling units.

Detached Dwelling	\$2.276 per sq. ft.
Attached Dwelling	\$2.190 per sq. ft.
Mobile Home	\$1.569 per sq. ft.
Commercial Lodging	N/A
Commercial/Office	N/A
Industrial	N/A

3. That Section 5, Paragraph E of Resolution 2006-059 be amended as follows:

E. TIMING OF PERMIT APPLICATION

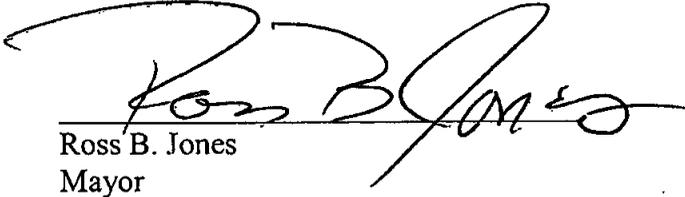
1. Park and Recreation Fees shall be imposed and shall be payable in accordance with Section 16.40.200 of the Highland Municipal Code.
2. Park and Recreation Fees in effect at the time of building permit application shall continue to apply on any development project where the Building Official finds and determines that the development project has proceeded to a point that it is ready for building permit issuance, and a complete building permit application has been submitted and accepted by the City of Highland, and that through no fault of the developer, the permit was not issued prior to the effective date of the Park and Recreation Fees.

Where an inconsistency or conflict arises in interpretation or application of the exemptions set forth herein and in Chapter 16.40.200 of the Municipal Code, the provisions of the Municipal Code shall control.

4. That Section 7 of Resolution 2006-05⁹~~8~~ be amended as follows:

The fees specified under Section 2 and Section 4 of this resolution shall take effect sixty (60) days following adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 13th day of November, 2007



Ross B. Jones
Mayor

ATTEST:



Betty Hughes, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HIGHLAND)

I, BETTY HUGHES, City Clerk of the City of Highland, California, do hereby certify Resolution No. 2007 - 061 was duly and regularly adopted by the City Council of the City of Highland, California, at a regular meeting thereof held on the 13th day of November, 2007, by the following vote:

AYES: Scott, Timmer, Mayor Jones

NOES: None

ABSTAIN: None

ABSENT: Lilburn, McCallon



BETTY HUGHES, CMC, CITY CLERK