



CITY COUNCIL AGENDA REPORT

DATE: 1/18/2017

AGENDA OF: 1/24/2017

DEPARTMENT: Finance

SUBJECT: FY 2016 Traffic Impact Fee Annual Report (FN)

RECOMMENDATION: Motion to accept and approve the attached FY 2016 Traffic Impact Fee Annual Report.

BACKGROUND: In April, 2004, the City Council adopted the Beach /South of Laurel Traffic Impact Fee Ordinance and in June, 2005, the City Council adopted the Citywide Traffic Impact Fee Ordinance. In November, 2012 the City Council amended the Traffic Impact Fee Ordinances to combine the Beach/South of Laurel and Citywide areas resulting in a single Traffic Impact Fee as of FY2013. In addition, the fee is now based on PM peak hour trips rather than daily trips. This fee complies with California Government Code Section 66006.

Section 66006 provides the annual reporting requirements for development impact fees. It requires that within 180 days after the close of the fiscal year the City shall produce a report on the developer impact fees and make it public at least 15 days prior to the regularly scheduled City Council meeting. In addition, for anyone who provided a written request to be notified, the City shall mail them notice of the time and place of the meeting at least 15 days prior to the meeting. Staff has compiled and made available at the Finance Public Counter 15 days prior to the meeting the FY 2016 Traffic Impact Fee Annual Report, which is attached. Staff recommends acceptance and approval of the report.

DISCUSSION: The City began collecting Traffic Impact fees in FY 2006. The amount collected in FY 2016 is \$1,418,395 and is detailed in the attached report.

FISCAL IMPACT: The Traffic Impact Fees were implemented to ensure that developers pay a fair share of circulation and alternative transportation improvements to address cumulative transportation impacts from new development, reducing the financial impact on other City transportation funding sources.

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Accountant I

City of Santa Cruz
2016 Traffic Impact Fee Annual Report
Development Impact Fees
For Fiscal Year Ending June 30, 2016

Government Code Sec. 66006(a) requires local agencies to produce an annual report, within 180 days of the fiscal year end. The annual report must be made available to the public and be presented to the public agency (City Council) at least fifteen days after it is made available to the public.

This report summarizes the following information for each of the development fee programs:

1. Description of fee
2. Amount of fee
3. Beginning and ending fund balances
4. Amount of fees collected and interest earned
5. Identification of projects on which fees were expended and the amount for each improvement that was expended
6. The total percentage of the cost of the public improvement that was funded with fees
7. The approximate date by which construction of the improvements will commence for any incomplete improvements for which sufficient funds to complete financing for the improvements have been collected
8. The amount of refunds paid
9. Description of each interfund transfer or loan made from the fund, if any

The following fee programs are included in this report:

Section A – Citywide Traffic Impact Fee

Section B – Beach/South of Laurel Traffic Impact Fee (inactive in FY15 and FY16)

**Section A – Citywide Traffic Impact Fee
For Fiscal Year Ending June 30, 2016**

Description: A Traffic Impact Fee is assessed in connection with the issuance of any development permit for development in areas of the City designated by City Council Resolution NS-26,943 on June 28, 2005. In accordance with the General Plan, the Fee shall be used to pay costs associated with the mitigation of traffic impacts attributable to the development that is the subject of the permit. On November 27, 2012 City Council adopted Resolution NS-28,574 rescinding Resolution NS-26,943, combining the Beach/South of Laurel and Citywide areas and revising the Traffic Impact Fee Estimate Form to include new uses and PM peak hour rates.

Amount of Fee: The Traffic Impact Fee in FY 2016 was defined to be \$3,850 per peak hour trip as determined on the Traffic Impact Fee Estimate Form.

Beginning Balance, July 1, 2015	2,752,338 ¹	
<u>Receipts</u>		
Fees Collected	1,418,395	
Interest Earned	23,024	
Total	1,441,419	
<u>Disbursements</u>		
C400805 State Route 1/9 Intersection Impr.	(119,530)	100%
C401001 Branciforte Creek Bike/Pedestrian Bridge	(21,480)	100%
C401417 Ocean St. Adaptive Signal Control	(2,966)	100%
Admin Expenses	(43,096)	100%
Total Disbursements	(192,450)	
Ending Balance, June 30, 2016	4,001,307 ²	

¹ Beginning fund balance does not include allowance for FV of invest w/City-cur unrstr

² Ending fund balance does not include allowance for FV of invest w/City-cur unrstr

**Section B – Beach/South of Laurel Traffic Impact Fee
For Fiscal Year Ending June 30, 2016**

Description: With the introduction of Ordinance 2012-20 in FY 2013, the Beach/South of Laurel area was combined with the Citywide area resulting in a single Traffic Impact Fee assessed by the City. The balance in the Traffic Impact Fee - Beach/South of Laurel Fund will be transferred to the Traffic Impact – Citywide Fund.

Beginning Balance, July 1, 2015	105,918 ³	
<u>Receipts</u>		
Fees Collected	0	
Interest Earned	868	
Total	868	
<u>Disbursements</u>		<u>% of Cost Funded</u>
N/A	-	N/A
Ending Balance, June 30, 2016	106,786 ⁴	

³ Beginning fund balance does not include allowance for FV of invest w/City-cur unrstr

⁴ Ending fund balance does not include allowance for FV of invest w/City-cur unrstr