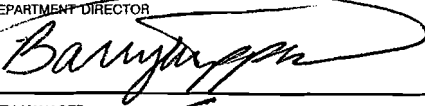



ITEM NO.	6-3
MEETING DATE	May 5, 2009
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

CITY OF REDDING

REPORT TO CITY COUNCIL

DATE: April 24, 2009
T-100-375

FROM: Barry Tippin, Assistant City Manager

SUBJECT: Public Hearing to Consider an Ordinance, a Resolution, and a Memorandum of Understanding and Operating Agreement in Relation to the Shasta County Regional Improvement Program Fee

Recommendation

It is recommended that the City Council conduct a Public Hearing regarding the Shasta County Regional Improvement Program (SCRIP) fee.

Background

For the past three years the Shasta County Regional Transportation Planning Agency (SCRTPA) has been developing a program to implement a development impact fee to address projected Interstate 5 congestion, the resultant need for additional freeway capacity, and the expected shortfall in State and Federal transportation revenues to fully fund the improvements. Initially this program was referred to as the "Fix 5" effort and only included mainline improvements on the portion of Interstate 5 from the City of Corning in Tehama County to the City of Shasta Lake.

After a series of public meetings and community input, the program was altered to include both Interstate 5 and important local transportation facilities. For the City of Redding, these facilities include the Bonnyview Road and Oasis Road interchanges and the Airport Road Corridor. The program provides that fees would be collected by each agency and 90 percent of the impact fees would be maintained for the local facilities and 10 percent would be utilized for mainline Interstate 5 improvements. The SCRTPA has provided that this 10 percent portion of the fee, coupled with the funds it receives from the State Transportation Improvement Program (STIP), would leverage additional State and Federal transportation funds; and, in aggregate, these funds would expand Interstate 5 to three lanes in each direction from Cottonwood to the City of Shasta Lake. This updated version of the impact fee program, referred to as the Shasta County Regional Improvement Program, or SCRIP, was presented to the City Council on March 17, 2009.

The fee amount, as established by the attached SCRIP Fee Nexus Study, would be \$1,697 per equivalent dwelling unit (EDU) or single-family home. The fee would be allocated to commercial and industrial development following standardized principles as illustrated in the following table.

Proposed Regional Improvement Fees

Land Use	Fee per EDU	EDU Factor	Fee ¹	Fee/Sq.Ft.
	A	B	C = A x B	= C ÷ 1,000
<i>Residential</i>				
Single Family	\$ 1,697	1.00	\$ 1,697	N/A
Multi-Family	1,697	0.80	1,357	N/A
<i>Nonresidential</i>				
Neighborhood Commercial ²	\$ 1,697	1.05	\$ 1,782	\$ 1.78
Regional Commercial ³	1,697	2.51	4,262	4.26
High-Generation Commercial ⁴	1,697	4.34	7,364	7.36
Office	1,697	2.20	3,730	3.73
Industrial	1,697	0.81	1,370	1.37

¹ Fee per dwelling unit for residential or per 1,000 building square feet for nonresidential.

² Refers to stand-alone commercial establishments up to 10,000 building square feet; stand-alone supermarkets and drug stores; and shopping centers up to 100,000 combined building square feet, with three or more stores

³ Refers to stand-alone commercial establishments exceeding 10,000 building square feet; shopping centers up to 100,000 combined building square feet with fewer than three stores, and shopping centers that exceed 100,000 building square feet.

⁴ Refers to 24-hour convenience markets; gas stations; fast-food, with and without drive-throughs; and banks with drive-throughs.

The fee program, as proposed, provides partial funding for the Oasis Road Interchange. This project is also currently contained at the same level within the citywide Traffic Impact Fee (TIF) program. As such, should the SCRIP be approved, staff will return to the Council with an item to reduce the current fee in the citywide TIF and NRTBD programs to eliminate the duplication.

In addition to generating funding for the above mentioned transportation facilities, Caltrans has generally agreed that the adoption of the fee would serve as meeting its California Environmental Quality Act (CEQA) concerns related to future development and the impact to Interstate 5.

Recognizing the poor economy, the SCRTPA is recommending that the fee not be implemented until the County's population growth is at least one percent, year-over-year, and in no event prior to June 30, 2011. Additionally, once imposed, the fee would be phased in over a four-year period at 25 percent in each of the four years.

The SCRIP is envisioned to be a regional fee with full participation from all jurisdictions. To that end, the attached Ordinance and Resolution would have no force or effect until and unless the County of Shasta and the Cities of Anderson, Shasta Lake, and Redding adopt the proposed program. On Tuesday April 21, 2009, the Cities of Anderson and Shasta Lake held separate public hearings to consider the SCRIP. The Shasta Lake Council approved the program. The Anderson Council did not approve the program. Consequently, the proposed SCRIP is academic unless the Anderson Council reconsiders its previous decision.

Issue

Should the City Council introduce an Ordinance for first reading, adopt a Resolution, and authorize the Mayor to sign a Memorandum of Understanding and Operating Agreement in relation to the SCRIP fee?

Alternatives; Implication of Alternatives

1. Introduce the Ordinance for first reading by title only making the necessary findings and establishing a citywide zone of benefit for a new development impact fee to fund transportation improvements on Interstate 5, including the interchanges at South Bonnyview Road and Oasis Road; and Airport Road, including the Interchange at State Route 44. Adopt the attached Resolution establishing the SCRIP transportation impact fee and authorize the Mayor to sign a Memorandum of Understanding and Operating Agreement with the SCRTPA, Caltrans, the County of Shasta, and the Cities of Anderson and Shasta Lake for the purpose of administering the SCRIP. This alternative will approve the imposition of a new fee intended to provide funding for improvements to Interstate 5 and other important local transportation facilities.
2. Modify the program such that the City of Redding can proceed without participation from all jurisdictions and introduce the Ordinance for first reading by title only making the necessary findings and establishing a citywide zone of benefit for a new development impact fee to fund transportation improvements on Interstate 5, including the interchanges at South Bonnyview Road and Oasis Road; and Airport Road, including the Interchange at State Route 44. Adopt the attached Resolution establishing the SCRIP transportation impact fee and authorize the Mayor to sign a Memorandum of Understanding and Operating Agreement with the SCRTPA, Caltrans, and other participating jurisdictions, if any. This alternative will approve the imposition of a new fee intended to provide funding for improvements to Interstate 5 and other important local transportation facilities.
3. Do not adopt the Ordinance or Resolution. The City would not implement the SCRIP fee. The City would continue to work cooperatively with the SCRTPA, Caltrans, the County of Shasta, and the Cities of Shasta Lake and Anderson in identifying other potential solutions for anticipated regional traffic congestion issues.
4. Provide other direction to staff.

Fiscal Impact

The SCRTPA estimates that the proposed regional traffic impact fees would provide approximately \$115,887,500 in aggregate development fee revenues within the four Shasta County local government jurisdictions through 2030.

Conclusion

The SCRTPA, in cooperation with local area agencies, has been working for three years on the development of a fee program to generate funds for the primary purpose of improving Interstate 5 and other important local transportation facilities. All necessary studies have been completed and the SCRTPA has requested that the City Council consider the adoption of the SRCRIP.

Attachments

- Exhibit A — Shasta County Regional Improvement Program Impact Fee Nexus Study
- Exhibit B — Resolution
- Exhibit C — Ordinance
- Exhibit D — Memorandum of Understanding
- Exhibit E — SCRIP Program Summary

BT:ls

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- c: Larry Lees, Shasta County Administrative Officer
- Dan Little, SCRPTA Executive Director
- Scott Morgan, Anderson City Manager
- Carol Martin, City of Shasta Lake City Manager
- Jim Hamilton, Development Services Director
- Brian Crane, Transportation & Engineering Director