

City of Costa Mesa

Inter Office Memorandum

To: City Council

From: Kimberly Brandt, Principal Planner 

Date: December 11, 2006

Subject: NORTH COSTA MESA RESIDENTIAL HIGH-RISES AND ASSOCIATED IMPACTS ON PARKS AND RECREATION

You recently received a correspondence from a citizen regarding the proposed North Costa Mesa Residential High-Rises project that contained a request to impose a development impact fee that is specifically earmarked for lighted athletic fields. As you are aware, the City has a park impact fee that was adopted pursuant to State Law. This one-time impact fee is required in conjunction with all new residential subdivision approvals, and the City may only use the fee for capital improvements to the City's parks, not ongoing operational costs. Lighted athletic fields qualify as a capital improvement.

City Council recently updated the park impact fee in July 2005, and the fee is currently \$10,829 per multiple family unit. The fee will increase to \$13,829 per multiple family unit on July 16, 2007. The fee is collected at the time of building permit issuance.

The North Costa Mesa Residential High-Rises project includes a maximum of 1,269 units, and based on the anticipated phasing of the five different projects, the City may collect a total of \$16,799,000 in park impact fees. Additionally, the City recently approved The Enclave apartment community at a total of 890 units. This new apartment community is located just east of the high-rise residential project sites. Although it is an apartment community with many onsite recreational amenities, the City entered into a development agreement with the property owner several years ago, which includes a requirement that the developer pay park impact fees, regardless if the project is ownership condominiums or apartments. Thus the City will receive \$1,697,890 in park impact fees for The Enclave.

If Council ultimately approves the high-rise residential project, the Council will also determine at a later date how these one-time fees (approximately \$18.5 million) will be expended towards the capital improvements identified in the City's Parks, Recreation, and Open Space Master Plan. State law also requires that impact fees be spent on park improvements that will benefit the residents of the new residential projects.

If you have any questions, please telephone me at 754-5604.

cc: Parks and Recreation Commission
Allan Roeder, City Manager
Tom Hatch, Assistant City Manager
Don Lamm, Deputy City Mgr., Dev. Svs. Director
Bill Morris, Public Services Director