

RESOLUTION NO. 08-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, CONTINUING THE CITYWIDE TRAFFIC IMPACT FEE FOR NEW DEVELOPMENT IN THE CITY OF COSTA MESA AND THE RELATED ANNUAL REVIEW OF THE CITYWIDE TRAFFIC IMPACT FEE PROGRAM AND CAPITAL IMPROVEMENT PLAN FOR TRANSPORTATION IMPROVEMENTS.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, California Government Code Section 66000 et seq. enables cities to charge fees for transportation facilities; and

WHEREAS, the City Council adopted Ordinance Nos. 93-11 and 97-11 authorizing the adoption of a traffic impact fee; and

WHEREAS, the City Council adopted Resolution Nos. 93-43 and 93-53 to establish that the traffic impact fee shall be assessed upon all new development projects which have not received a building permit on or before August 6, 1993; and

WHEREAS, the City Council adopted Resolution Nos. 94-59, 95-35, 96-57, 97-51, 98-64, 99-35, 00-52, 01-34, 02-27, 03-62, 04-59, 05-70, 06-85, and 07-77, to re-establish the traffic impact fee and to conduct an annual review of the fee and capital improvement plans; and

WHEREAS, California Government Code Section 66001(d) requires the City Council to make specified findings every five years with respect to any portion of the traffic impact fees collected that remain unexpended or uncommitted in its account to identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged; and

WHEREAS, California Government Code Section 66002(b) also requires a separate annual review of the City's capital improvement plan for improvements to be paid for by the traffic impact fee; and

WHEREAS, California Government Code Section 66006(b) requires the City of Costa Mesa to make available to the public, certain information, including but not limited to the amount of the fee, the amount of fees collected and the interest earned thereon, and the beginning and ending balance of the traffic impact fee for the previous fiscal year; and

WHEREAS, the City Council has opted to conduct the review of traffic impact fees required by California Government Code Section 66001(d) on an annual basis in conjunction with its review of the capital improvement plan as required by California Government Code Section 66002(b) and the annual accounting as required by California Government Code Section 66006(b)(1); and

WHEREAS, the primary purpose of this resolution is to re-establish the traffic impact fees based on the updated 2005 Traffic Impact Fee Study and to enable the City to continue the traffic impact fee program and to comply with the eligibility requirements of the Orange County Measure M Program; and

WHEREAS, the secondary purpose of this resolution is to comply with the annual review requirements under California Government Code Section 660000 et seq.; and

WHEREAS, the traffic impact fee is necessary because new development increases the need for public transportation/circulation facilities in the City of Costa Mesa not only during peak periods, but throughout the day; the City

transportation/circulation system will be burdened by the demands of carrying vehicles of a larger number of persons and cargo due to new commercial, industrial, and residential uses; the 2002 General Plan, Environmental Impact Report No. 1049 and subsequent General Plan Amendments indicate that development of new commercial, industrial and residential uses is expected to exceed current commercial, industrial and residential uses and that the City transportation/circulation systems will need to be increased in capacity to carry the increase in the number of vehicles due to new commercial, industrial and residential uses; and

WHEREAS, the City's municipal code, Section 13-276, identifies projects that are exempt from traffic impact fee program; and

WHEREAS, the City conducted a new Traffic Impact Fee Study in 2005 to review the costs of public transportation facilities attributed to the development of new commercial, industrial and residential uses based on the 2002 General Plan and the Environmental Impact Report No. 1049; and

WHEREAS, the Public Services Department has conducted an audit of the accounts for the traffic impact fee program and the audit is attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the Traffic Impact Fee Study was available for public inspection and review fourteen (14) days prior to the public hearing held on October 21, 2008; and

WHEREAS, pursuant to Government Code Sections 66001, 66002, 66006, and 66018, notice was mailed to all interested parties on record fourteen (14) days prior to the public hearing held on October 21, 2008; and

WHEREAS, the City Council conducted a public hearing on October 21, 2008, received testimony and evidence from the developers in the City of Costa Mesa and has evaluated justification for establishment of the fee given economic and social factors, as well as average fees charged by surrounding cities; and

WHEREAS, the City Council does hereby make the following findings based on the 2002 General Plan, Environmental Impact Report No. 1049, the 2005 Traffic Impact Fee Study, public testimony, opinions of its traffic engineers, and other evidence received at the public hearing held on October 21, 2008:

1. The purpose of the fee is to fund transportation/circulation improvements within the City of Costa Mesa which are related directly to the incremental traffic/vehicle burden imposed upon the City transportation/circulation system by the development of new commercial, industrial and residential uses as permitted by the 2002 General Plan and identified in Environmental Impact Report No. 1049, and to comply with eligibility requirements of the Orange County Measure M Program; and

2. There is a reasonable relationship between the traffic impact fee's use and the development projects on which the fee is imposed because the transportation/circulation facilities funded by the fee are needed to accommodate the incremental new traffic/vehicle burdens generated by the development of new commercial, industrial and residential uses upon which the fee is imposed; and

3. There is a reasonable relationship between the need for the transportation/circulation facilities and the development of new commercial, industrial and residential projects upon which the fee is imposed because the new development projects paying the fee will receive a direct benefit from the transportation/circulation

facilities funded by the fee; the transportation/circulation facilities funded by the fee will increase traffic/vehicle circulation capacity on streets and highways directly burdened by the increase in traffic/vehicles generated by new development projects upon which the fee is charged; the cost of transportation/circulation facilities attributed to existing deficiencies, existing land uses and population, excess and reserve capacity, and regional transportation needs have been excluded from the fee calculation, and such costs are not included in the fee to be paid by the development; and

4. There does not exist any portion of the traffic impact fee imposed under Resolution Nos. 93-43, 94-59, 95-35, 96-57, 97-51, 98-64, 99-35, 00-52, 01-34, 02-27, 03-62, 04-59, 05-70, 06-85, and 07-77, remaining unexpended or uncommitted in the City of Costa Mesa traffic impact fee accounts five or more years after the deposit of the fee, and no refunds of the fee are required; the capital improvement plan adopted by this resolution is adequate to provide the facilities for which the traffic impact fee is charged and does not need to be amended; and the audit by the Public Services Department set forth in Exhibit "A" accurately reflects the balance of the traffic impact fee account on the fees collected, the interest thereon, and other income and amount of expenditures and refunds of the traffic impact fee made by the City of Costa Mesa during the prior fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Costa Mesa, California, does hereby incorporate by reference the foregoing recitations as findings and that said findings are true and correct.

BE IT FURTHER RESOLVED, that the City Council of the City of Costa Mesa, California, does hereby re-establish the traffic impact fee and traffic impact fee regulations as follows:

1. The traffic impact fee shall be a fee of \$181.00 per each new average daily vehicle trip end generated by all new commercial, industrial and residential developments.

2. The traffic impact fee established pursuant to this resolution shall be collected and administered to comply with all requirements of Ordinance Nos. 93-11 and 97-11.

3. Once the fee is deposited with the Finance Department of the City of Costa Mesa, the fee shall be deposited in an account separate from the General Fund with interest thereon deposited back to such account. Records of the deposits, interest, expenditures and refunds of the fees in the account shall be maintained by the Finance Department pursuant to Government Code Sections 66001 and 66006. The fee shall be used only for those transportation/circulation improvements and services identified in the 2005 Traffic Impact Fee Study. The fee shall be subject to review by the Director of Public Services every twelve (12) months to determine that the fee does not exceed the cost of transportation/circulation improvements to accommodate the traffic/vehicles generated by new commercial, industrial and residential development that pay the fee. Should the fee require adjustment, the Director of Public Services shall set the fee for public hearing and adjustment by City Council as required by Government Code Section 66018.

4. The traffic impact fee shall be assessed upon all development projects that have not received a building permit on or before August 6, 1993.

5. There is a need for a partial exemption from traffic impact fees consistent with Resolution 99-2 to serve as an incentive to allow the private market the capability of developing projects that result in community development consistent with the goals and objectives of the Costa Mesa 2002 General Plan.

BE IT FURTHER RESOLVED that the City Council of the City of Costa Mesa, California does hereby adopt an incentive for developments within Costa Mesa as follows:

1. The traffic impact fee for all new residential, commercial and industrial developments shall be assessed on an incremental basis as shown below:

Average Daily Trip Ends (ADT)	Traffic Impact Fee
0 to 25 ADT	\$ 0/ADT
26 to 50 ADT for incremental trips exceeding 25 ADT	\$ 50/ADT
51 to 75 ADT for incremental trips exceeding 50 ADT	\$ 75/ADT
76 to 100 ADT for incremental trips exceeding 75 ADT	\$100/ADT
> 100 ADT for incremental trips exceeding 100 ADT	\$181/ADT

2. The above incremental assessment is also available for expansion or modification of existing residential, commercial and industrial developments. However, the applicable increment to be used for expansion or modification of an existing development shall be based on the combined total of ADTs for the existing development plus any additional ADTs that the expansion or modification will generate. There shall be no reduction in traffic impact fees or incremental incentive for any existing development which already generates 100 ADTs or more and which is expanding or modifying the existing development.

3. The incentive for new developments shall be effective until the next annual review of the traffic impact fee program.

BE IT FINALLY RESOLVED that the City Council of the City of Costa Mesa, California, does hereby adopt the comprehensive transportation/circulation system capital improvement plan as identified in the 2005 Traffic Impact Fee Study pursuant to Government Code Section 66002.

PASSED AND ADOPTED this 21<sup>st</sup> day of October, 2008.

\_\_\_\_\_  
Eric Bever, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Julie Folcik, City Clerk

\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 08-\_\_\_\_ and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 21<sup>st</sup> day of October, 2008, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 21<sup>st</sup> day of October, 2008.

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JULIE FOLCIK, CITY CLERK

(SEAL)