

## City of Visalia Agenda Item Transmittal

**Meeting Date:** June 7, 2010

**Agenda Item Number (Assigned by City Clerk):** 10

**Agenda Item Wording:** Adoption of Resolution 2010-25 which allows the City of Visalia to place Miscellaneous Special Assessments on the Tulare County secured property tax roll for Sewer Connection, Business Incentive Zone, Curb & Gutter, Landscape and Lighting, Northeast Improvement District, Sewer, Weed & Lot Clearing, Code Enforcement, and Los Rios/Casa Blanca.

**Deadline for Action:** June 7, 2010

**Submitting Department:** Finance

**Contact Name and Phone Number:** Eric Frost – x4474,  
Jason Montgomery – x4425

### Department Recommendation

After holding the Public Hearing, it is recommended that the Visalia City Council adopt Resolution 2010-25 which allows the City of Visalia to place Miscellaneous Special Assessments on the Tulare County secured property tax roll for collection.

This is an annual process that allows the City to collect fees for three general categories:

1. Agreements entered into at the property owners request (Sewer Connection, Curb and Gutter, Business Incentive Zone)
2. Special assessments (Landscape and Lighting, Northeast Improvement District, and Los Rios/Casa Blanca)
3. Delinquent service charges (Weed and Lot Clearing, Code Enforcement, Sewer)

**Summary:** Each year, the Council considers a Resolution to place assessments on the property tax roll for collection. The preliminary amount for fiscal year 2010-11 is \$3,380,864, an increase of \$773,113 over last year's tax roll amount of \$2,607,751. The increase is primarily due to Landscape and Lighting assessments which increased by \$454,749 with the addition of 1,425 parcels to this year's assessments and Code Enforcement assessments which increased by \$223,788 with the addition of 54 parcels.

### For action by:

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

### For placement on which agenda:

Work Session  
 Closed Session

### Regular Session:

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 10

### Review:

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required  
or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Discussion:** Table I. Tax Roll Summary, compares the current year assessment with the prior year. The table is followed by descriptions of the categories, the types of assessments within each category, and the *preliminary amounts* expected to roll to taxes in FY2010/11 for each assessment.

**Table I**  
**Tax Roll Summary**

	FY 2009/10		Preliminary FY 2010/11		Inc/(Dec) No. of Parcels	Inc/(Dec) \$ Amount
	No. of Parcels	Amount	No. of Parcels	Amount		
<b>Owner Requested Services</b>						
Sewer Connection	49	26,628	53	29,285	4	2,657
Curb & Gutter	8	7,656	12	11,165	4	3,509
Business Incentive Zone	3	77,680	3	77,680	-	-
Subtotal	60	111,963	68	118,129	8	6,166
<b>Special Assessments</b>						
Landscape & Lighting Dist.	14,088	2,142,867	15,513	2,597,616	1,425	454,749
Northeast Improvement Dist.	2,956	143,007	2,956	143,007	-	-
Los Rios Assessment Dist.	249	63,466	249	63,466	-	-
Subtotal	17,293	2,349,340	18,718	2,804,090	1,425	454,749
<b>Delinquent Service Charge</b>						
Weed & Lot Abatement	60	31,708	131	107,353	71	75,645
Code Enforcement	83	110,169	137	333,957	54	223,788
Sewer	21	4,570	62	17,335	41	12,764
Subtotal	164	146,448	330	458,645	166	312,197
<b>Total</b>	<b>17,517</b>	<b>2,607,751</b>	<b>19,116</b>	<b>3,380,864</b>	<b>1,599</b>	<b>773,113</b>

1. **Agreements entered into at the property owner's request.** The assessments below are supported by an agreement between the City of Visalia and the property owner.

- Sewer Connection:** 53 Parcels totaling \$29,285  
 These special assessments are for the construction of the main line and lateral for connection to the Visalia Waste Water Treatment Plant for the specific parcel (Public Works Department). The annual roll of this type of Special Assessment would be for property owners that opted to pay connection costs through their property tax bill over a five or ten year period. A 7% interest rate is charged on the outstanding principal balance each year.
- Curb & Gutter:** 12 Parcels totaling \$11,165  
 These special assessments are for the construction of curb and gutter or sidewalk for the specific parcel (Public Works Department). The annual roll of this type of Special Assessment would be for property owners that opted to pay for the construction costs through their property tax bill over a period of up to ten years. A 7% interest rate is charged on the outstanding principal balance each year.
- Business Incentive Zone:** 3 Parcels totaling \$77,680  
 These special assessments are for certain eligible companies whose operations meet specific guidelines established by City Ordinance. The ordinance allows these companies to elect to pay their development impact fees over five years on the property tax roll.

2. **Special assessments.** The next four categories represent annual Special Assessments districts that are placed on the Tulare County secured property tax roll. Proposition 218 requires that any increase be approved by a vote of the property owners unless the district was created with or has implemented a benefit assessment increase allowance.
- Landscape & Lighting Districts (L&L): 15,513 Parcels totaling \$2,597,616. These special assessments are for the maintenance of improvements in L&L Maintenance Districts (Public Works Department). This assessment is for the annual cost of maintaining common area real property improvements in and around specific subdivisions. Each subdivision parcel shares equally in the annual cost of the landscape maintenance.
  - Northeast Improvement District: 2,956 Parcels totaling \$143,007. This special assessment is for the Northeast Open Space and the assessments are used to develop and maintain the Northeast Area Specific Plan (Public Works Department). This includes the maintenance of the landscape and lighting along the medians in St. Johns Parkway, Mill Creek Parkway, Lovers Lane and improvements along Houston Ave.
  - Los Rios Assessment District: 249 Parcels totaling \$63,466. These special assessments are for the costs and expenses to construct certain improvements benefiting the specific Special Assessment District (Engineering Division). Bonds were issued to pay for streets, lights, water, sanitary sewer, block walls and landscaping. The annual debt service payments are collected from the property owners within the district through the annual tax roll process. These bonds originated in 1994 with a principle balance of \$1.545 million and were refinanced in December 2001 with a principle balance of \$637,000 at a reduced interest rate saving the property owners over \$120,000 over the life of the debt. The debt is scheduled to be paid off in 2019.
3. **Delinquent service charges.** The following categories are collection assessments which provide a means for the City of Visalia to annually collect money owed for services rendered that the City has not been able to collect through the normal billing process.
- Weed and Lot Clearing: 131 Parcels totaling \$107,353. These special assessments are for the clearing of weeds and/or other material from properties by the Fire Department.
  - Code Enforcement: 137 Parcels totaling \$333,957. These special assessments are for code enforcement cost recovery fees.
  - Sewer: 62 Parcels totaling \$17,335. These special assessments are used for sewer accounts that have delinquent service charges for refuse and/or sewer service that are billed for city services only and where the service is provided to the property owner in the property owners name at the specific parcel (Finance Department).

This Public Hearing is intended to include all fees, charges, and assessments administered by the City of Visalia. The City departments are responsible for calculating and setting the charges and fees. The property owners are notified of the tax roll assessment through a Public Hearing Notification advertisement placed in the newspaper by the City Clerk and individually at: 1) the time of the agreement, as in the case of the owner requested services; 2) through a balloting process,

as in the case of Landscape and Lighting District Assessments; and 3) by mail, as in the case of delinquent service charges. All notifications and public hearings are in accordance with the Visalia Ordinance Code and Proposition 218.

A preliminary listing of the parcel numbers to be assessed is on file with the City Clerk. This listing changes up until the final filling in August with the Tulare County Assessors' office due to payments received and parcel number exceptions. A final listing will be available August 31, 2010.

**Prior Council Actions:** Council has authorized the roll to taxes for many years to ensure collection of special assessment fees and delinquent service charges.

**Committee/Commission Review and Actions:** n/a

**Alternatives:** Do not authorize Finance to roll to taxes. This will negatively affect several funds and could potentially require increased fees and charges to subvent non-collectable accounts through alternative billing methods.

**Attachments:** Resolution No. 2010 – 25

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** Adoption of Resolution 2010-25 which allows the City of Visalia to place Miscellaneous Special Assessments on the Tulare County secured property tax roll for Sewer Connection, Business Incentive Zone, Curb & Gutter, Landscape and Lighting, Northeast Improvement District, Sewer, Weed & Lot Clearing, Code Enforcement, and Los Rios/Casa Blanca.

***Financial Impact***

**Funding Source:**

**Budget Recap:**

Total Estimated cost: \$	New Revenue:	\$
Amount Budgeted: \$	Lost Revenue:	\$
New funding required:\$	New Personnel:	\$
Council Policy Change: Yes___ No__X__		

**Tracking Information:** (Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)

**RESOLUTION NO. 2010- 25**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA  
CERTIFYING TO THE COUNTY THE VALIDITY OF THE LEGAL PROCESS  
USED TO PLACE MISCELLANEOUS SPECIAL ASSESSMENTS ON THE SECURED TAX  
ROLL**

**WHEREAS**, the Section 25831 of Chapter 12 of the Government Code establishes the procedure for collection of fees remaining unpaid to the local agency for 60 days or more, and

**WHEREAS**, the written notices have been mailed to all delinquent accounts, and the required public hearings have been held as specified by the Visalia Ordinance Code; and

**WHEREAS**, the City is placing miscellaneous special assessments on the Tulare County secured property tax roll for collection; and

**WHEREAS**, the City has complied with all laws pertaining to the levy of the special assessments to be collected; and

**WHEREAS**, the special assessments have been levied in accordance with a particular benefit to each parcel to be assessed without regard to its assessed valuation; and

**WHEREAS**, the Sewer Connection special assessments are for the construction of the service lateral and for connection to the Visalia Waste Water Treatment Plant for the specific parcel; and

**WHEREAS**, the Curb and Gutter special assessments are for the construction of curb and gutter or sidewalk for the specific parcel; and

**WHEREAS**, the Business Incentive Zone special assessments are for the development impact fees of eligible companies whose operations have met the specific guidelines established by City Ordinance; and

**WHEREAS**, the Landscape and Lighting special assessments are used for maintenance and operation of the improvements situated in the specific Maintenance District; and

**WHEREAS**, the Northeast Improvement District special assessments are used to develop and maintain the Northeast Area Specific Plan; and

**WHEREAS**, the Weed & Lot Clearing special assessments are used for the clearing of weeds and other materials from lots; and

**WHEREAS**, the Code Enforcement special assessments are used for the cost recovery of Code Enforcement Fees for the specific parcel; and

**WHEREAS**, the Sewer special assessments are used for the payment of delinquent sewer accounts; and

**WHEREAS**, the Los Rios Assessment District special assessments are for the repayment of debt associated with the costs and expenses to construct certain improvements benefiting the specific special assessment district.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Visalia that the list submitted with parcel numbers, and amount are certified as being correct, the Administrative Services Director is hereby directed to give the list to the Tulare County Auditor for placement on the secured tax roll for collection:

1. The Sewer Connection special assessment,
2. The Curb and Gutter special assessment,
3. The Business Incentive Zone special assessment,
4. The Landscape and Lighting special assessment,
5. The Northeast Improvement District special assessment,
6. The Weed and Lot Clearing special assessment,
7. The Code Enforcement special assessment,
8. The Sewer special assessment,
9. The Los Rios Assessment District special assessment,

**PASSED AND ADOPTED:**

STATE OF CALIFORNIA )  
COUNTY OF TULARE ) ss.  
CITY OF VISALIA )

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** June 7, 2010

**Agenda Item Number (Assigned by City Clerk):** 11

**Agenda Item Wording:**

Public hearing for:

1. **Public Hearing and Introduction of Ordinance 2010-03;** for Zoning Text Amendment No. 2010-05: Amending Portions Of Titles 16 And 17 Of The Visalia Municipal Code Pertaining To The Review Of Planning Commission Decisions By The City Council.

**Deadline for Action:** None.

**Submitting Department:** City Attorney and Community Development Department – Planning Division

**Contact Name and Phone Number:**

Chris Young, Community Development Director/City Engineer  
(559) 713-4392

Alex Peltzer, City Attorney, (559) 636-0200

Paul Scheibel, AICP, Planning Service Manager, (559) 713-4369

Paul Bernal, Senior Planner (559) 713-4025

**Department Recommendation:** It is recommended that the City Council consider the information contained in this report and hold a public hearing and introduce Ordinance No. 2010-03 for the first reading of Zone Text Amendment No. 2010-05 amending portions of Titles 16 and 17 of the Visalia Municipal Code (VMC).

**Background on Zone Text Amendment No. 2010-05:** On January 16, 2007, Council adopted Ordinance 2006-18 amending the appeal procedures for various development permits. As part of this update, Council added a provision which enabled a single Council Member to call for Council review of a Planning Commission decision on a tentative map application by making the request in writing to the City Manager within 10 days of the Commission's decision (See Section 16.04.040 on page 2 of Ordinance 2006-18).

During the strategic workshop on February 5, 2010, the City Council discussed whether the procedures for placement of the Planning Commission Action Agenda on the Council agenda and the Council Member review process for land division maps are still worthwhile. At that time, Council expressed interest in deleting these processes to make the City's planning entitlement process more streamlined and business friendly.

On March 15, 2010, the City Council took the first step in this direction by deleting the Planning Commission Action Agenda from the City Council agenda as a consent calendar item. At the April 5, 2010 Joint City Council/Planning Commission Worksession, the City Council directed staff to initiate this amendment to eliminate the Council review component from the appeal process.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.):10mins

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Committee/Commission Review and Actions:** The Planning Commission held a public hearing on May 10, 2010, and recommended approval of Zone Text Amendment No. 2010-05 by a 5-0 vote. During the public hearing no persons spoke to the item and no further discussion by the Planning Commissioners was requested.

**Prior Council/Board Actions:** During the strategic workshop on February 5, 2010, the City Council discussed whether the procedures for placement of the Planning Commission Action Agenda on the Council agenda and the Council Member review process for land division maps was still warranted. During the March 15, 2010, meeting, the City Council took the first step in this direction by deleting the Planning Commission Action Agenda from the City Council agenda as a consent calendar item. On April 5, 2010, during the Joint City Council/Planning Commission Worksession, the City Council directed staff to initiate this amendment to eliminate the Council review component from the appeal process.

**General Description of Changes:** Attached for the Council's consideration is Ordinance No. 2010-03. This ordinance would implement the direction provided by the City Council at recent meetings to reverse certain provisions that were created by Ordinance 2006-18, adopted in early 2007.

The attached ordinance deletes subsection B of Municipal Code Section 16.04.040 of the Visalia Municipal Code, pertaining to appeal procedures applicable to planning commission decisions made pursuant to Title 16 (Subdivisions). The ordinance also makes changes to later subsections of that section in order to delete procedures related to councilmember appeals, which would no longer be necessary. Finally, the ordinance deletes references in two other Municipal Code sections that refer to "City Council review" of Planning Commission decisions.

With these deletions, the only mechanism for review of Planning Commission decisions by the City Council is through the "appeal" procedures, which can be triggered by the project proponent or any "interested party."

This removes the ability of a councilmember to request review of a Planning Commission decision without creating a disqualifying conflict. With these changes, a councilmember may still decide to personally appeal a Planning Commission decision as an interested party (subject to payment of any applicable appeal fee), but in doing so, would be taking a position on the matter and would therefore be precluded from also participating in deciding the matter as a member of the City Council.

The attached ordinance does not reverse the entire Ordinance 2006-18: certain provisions of that ordinance instituted conforming changes to other sections of the Municipal Code that created a uniform process for appeals of all Planning Commission decisions. Those conforming changes do not relate to council member review, and therefore are not proposed for revision at this time.

**Alternatives:** The City Council may approve, modify, or not approve the Subdivision and Zoning Ordinance Text Amendments. The City Council may alternately return the matter to staff with further direction as the City Council deems appropriate.

**Attachments:**

- Exhibit A – Ordinance No. 2010-03.
- Exhibit B – Planning Commission Staff Report from May 10, 2010.



**Recommended Motion:** I move to introduce Ordinance No. 2010-03 for Zone Text Amendment No. 2010-05, amending portions of Titles 16 and 17 of the Visalia Municipal Code pertaining to the review of Planning Commission decisions by the City Council, for the first reading.

***Environmental Assessment Status***

**CEQA Review:** The project is considered Categorically Exempt under Section 15305 of the Guidelines for the Implementation of the California Environmental Quality Act (CEQA). (Categorical Exemption No. 2010-19)

**NEPA Review:** None Required

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

Planning Commission  
Home Builders Association  
Visalia Chamber of Commerce  
Tulare/Kings County Hispanic Chamber of Commerce

EXHIBIT "A"

ORDINANCE NO. 2010-03

AMENDING PORTIONS OF TITLES 16 AND 17 OF THE VISALIA MUNICIPAL CODE  
PERTAINING TO THE REVIEW OF PLANNING COMMISSION DECISIONS BY THE CITY  
COUNCIL

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

**Section 1 – Appeals of Decisions of Planning Commission Pertaining to Maps:** Section 16.04.040 of the Visalia Municipal Code, pertaining to appeal procedures applicable to planning commission decisions made pursuant to Title 16 (Subdivisions), shall be amended to read as follows (italics indicate new provisions; strikethrough indicates deleted provisions):

**16.04.040 Appeals.**

A. The subdivider or any interested person adversely affected may, upon payment of an appeal fee as may be established by resolution of the city council, appeal any decision, determination or requirement of the planning commission by filing a notice thereof in writing with the city clerk, setting forth in detail the action and the grounds upon which the appeal is based within ten (10) days after the action which is the subject of the appeal. Such notice shall state specifically where it is claimed there was an error or abuse of discretion by the planning commission.

~~—B.— A member of the city council may call for the review of a planning commission decision on a tentative map application made pursuant to Chapter 16.16 by making such request in writing to the city manager within 10 days of the planning commission's action. Such request shall state the policy issues related to the tentative map to be addressed upon the council's review of the tentative map application, but the council member shall not take a position regarding support for or opposition to the application. Upon receipt of such request from any single council member, the matter shall be considered to be under appeal, and the city council shall set the matter for hearing in the manner prescribed by subparagraph C. below. If the tentative map for which further review is sought by the council is conditioned upon the approval of any other development entitlement whether pursuant to this Title or other municipal code provisions, such as a conditional use permit, and such entitlement was approved by the Planning Commission in conjunction with the tentative map approval, such other entitlement shall also be considered to be under appeal, and shall be reviewed by the City Council pursuant to this section.~~

~~B.C.~~ Upon the filing of an appeal, or upon the receipt by the city manager of a call for review of the matter from any one city council member, the city council shall set the matter for hearing. Such hearings shall be held within thirty (30) days after the date of filing the appeal or receipt of council member request. The city clerk shall give notice of the hearing according to the procedure required by the Visalia Municipal Code for the initial action by the planning commission.

~~C.D.~~ In holding the hearing on the matter, the council may receive any and all information pertinent to the matter, regardless of whether such information was first presented to the planning commission. ~~In the case of appeals that result from a council member request to review the matter, the requesting council member shall be entitled to fully participate in the deliberation and decision on the matter unless such council member has a disqualifying conflict.~~ In the case of decisions by the planning commission that followed a public hearing, the city council shall hold a new public hearing on the matter. Upon the close of the hearing, the Council shall vote to either confirm the decision of the planning commission, overturn the decision, or confirm the decision with modifications, and the Council may continue the item to the next meeting if necessary to direct staff to prepare a conforming resolution with findings, which shall be

considered by the Council at the next scheduled Council meeting. In the case of tentative maps, the Council may also take any action identified in Chapter 16.16, including specifically those actions identified in Section 16.16.120. In the case of a tie vote, the planning commission decision shall stand, and shall be considered final as of the date of the Council vote.

**Section 2 – Appeals of Decisions of Planning Commission Pertaining to Zoning Law**

**Ambiguities:** Section 17.02.050 of the Visalia Municipal Code, pertaining to ambiguity decisions of the planning commission, shall be amended to read as follows (strikethrough indicates deleted provisions):

**17.02.050 Ambiguity.**

Except as otherwise expressly provided pursuant to other provisions of this title, if ambiguity arises concerning the appropriate classification of a particular use within the meaning and intent of this title, or with respect to height, yard requirements, area requirements or zone boundaries, as set forth herein and as they may pertain to unforeseen circumstances, including technological changes in processing of materials, it shall be the duty of the planning commission to ascertain all pertinent facts and by resolution, set forth its findings and interpretations, and thereafter such interpretations shall govern unless appealed to the city council ~~or review of such interpretation is requested to be reviewed by the city council~~ pursuant to section 17.02.145. Upon review, such interpretation may be approved, disapproved or modified by the city council.

**Section 3 – Appeals of Site Plan Review Committee Determinations:** Section 17.28.050 of the Visalia Municipal Code, pertaining to planning commission decisions on appeals of site plan review committee decisions, shall be amended, and 17.128.060 shall be deleted, to read as follows (italics indicate new provisions; strikethrough indicates deleted provisions):

**17.28.050 Appeals to the planning commission.**

The applicant or any interested person may appeal, in writing, setting forth his reason for such appeal to the commission. Such appeal shall be filed with the city planner within ten days after notification of such decision. The appeal shall be placed on the agenda of the commission's next regular meeting. If the appeal is filed within five days of the next regular meeting of the commission, the appeal shall be placed on the agenda of the commission's second regular meeting following the filing of the appeal. The commission shall review the site plan and shall approve, approve with conditions, or disapprove, based on the findings set forth in Section 17.28.040. The decision of the commission shall be final unless appealed to ~~or reviewed by~~ the council pursuant to Section 17.02.145.

**Section 4: Effective Date:** This ordinance shall become effective thirty days after passage hereof.

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** June 7, 2010

**Agenda Item Number (Assigned by City Clerk):** 12

**Agenda Item Wording:**

**a) Certification of Negative Declaration No. 2010-22.  
(Resolution 2010-26 required)**

**b) Initiation of Proceedings for Annexation No. 2009-01  
(Doe):** a request by Russell Doe to annex and amend LAFCO Sphere of Influence for two parcels totaling approximately 156 acres into the City limits of Visalia for the purpose of facilitating future heavy industrial development on the property. **(Resolution 2010-27 and 2010-28 required)**

**c) Authorization for City Manager to sign and enter into a Pre-Annexation Agreement.**

**d) Detachment of property from County Service Area No. 1.**

The property is located at the northwest corner of Plaza Drive and Riggan Avenue, adjacent to the City of Visalia, and inside the County of Tulare. (APN: 077-120-012, 015)

**Deadline for Action:** None

**Submitting Department:** Community Development – Planning

**Contact Name and Phone Number:**

Chris Young, Community Development Director 713-4392  
Brandon Smith, AICP, Senior Planner 713-4636

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 20

**Review:**

Dept. Head \_\_\_\_\_  
(Initials & date required)

Finance n/a  
City Atty 6-2 kr  
(Initials & date required or N/A)

City Mgr \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Recommendation:** The Planning Commission and staff recommend that the City Council:

1. adopt Negative Declaration No. 2010-22.
2. initiate proceedings on Annexation No. 2009-01 with the Tulare County Local Agency Formation Commission (LAFCo).
3. authorize the City Manager to enter into a Pre-Annexation Agreement between the City of Visalia and property owner Russell Doe, subject to the terms discussed herein.
4. authorize detachment of the annexing property from County Service Area No. 1, in accordance with State and County requirements.

If approved by Council, staff would then file an application for an annexation and minor Sphere of Influence amendment with the Local Agency Formation Commission.

This document last revised 6/3/10 12:20 PM

By author: Brandon Smith

File location and name: H:\(1) AGENDAS for Council - DO NOT REMOVE\2010\6-7-2010\Item 12 Annex 2009-01 Doe REVISED.doc

The Planning Commission recommendation is based on the following findings which were made at the meeting on May 24, 2010:

- The Annexation is consistent with the goals, objectives, and policies of the City's General Plan.
- The Annexation will assist the City in positioning ready-to-develop land in the Industrial Park to satisfy the demand of potential industrial prospects and to maintain Visalia as a regional manufacturing center in the southern San Joaquin Valley (G.P. Land Use Objective 3.7.C).

**Site Description:** The property consists of approximately 156 acres of privately-owned property located on the northwest corner of Plaza Drive and Riggan Avenue. The site predominately contains land that is being farmed for row crops. There is an inhabited mobile home and house with accessory structures located on approximately 1.50 acres on the southern portion of the site facing Riggan Avenue. To the north, west, and east is vacant land and to the south is the VF Corporation distribution center. The land to the north and east, owned by the Vargas family and managed by MSJ Partners, came into the City limits in 2008 for the purpose of future industrial development. Existing City limits are located to the south, east, and north.

**Summary / Background:** This is the second request by property owner Russell Doe for annexation of the 156 acres (including 2 acres of Riggan Ave. right-of-way) on the northwest corner of Plaza and Riggan. The initial request was filed with the City in 2005, and in 2006 the request was considered by the City Council. When the proponent was informed that a 40-acre minimum parcel size would be enforced on the site, the proponent decided to withdraw the request citing that such a requirement would render the site undesirable to develop and not cost-effective for users needing less than 40 acres.

In August 2009, Mr. Doe submitted a letter expressing renewed interest to move forward with the annexation. Mr. Doe has not given any petition for master-planning the site at this time, nor has he indicated any potential users wanting to locate on the site. In discussions with staff, Mr. Doe understood that restrictions similar to those placed on the Vargas property would be recommended. Several months later however, in April 2010, the City Council voted to remove such restrictions from the Vargas annexation.

Staff recommends that the City Council initiate annexation of the 156 acres owned by Russell Doe without placing additional restrictions pertaining to parcel sizes or agriculture fees. The recommendation is based on the City Council's direction at the Strategic Workshop in February and action taken towards the Vargas annexation in April. At these meetings, the Council voiced a direction to not impose requirements that aren't policy or ordinance-backed.

**Relation to General Plan and Zoning:** The property has a General Plan Land Use Designation of Heavy Industrial, and will therefore come into the City limits under the I-H (Heavy Industrial) Zoning upon annexation. The designation has been in place since the 1991 General Plan Land Use Element Update. The entire site is located within the current 129,000 Population UDB.

## **Discussion:**

This document last revised 6/3/10 12:20 PM

By author: Brandon Smith

File location and name: H:\(1) AGENDAS for Council - DO NOT REMOVE\2010\6-7-2010\Item 12 Annex 2009-01 Doe REVISED.doc

Parcel Sizes. Parcel sizes allowed in the annexation area would be subject to the typical development standards for the Heavy Industrial (I-H) Zone. The Zoning Ordinance standards for the I-H zone (contained in Visalia Municipal Code Section 17.30.230) require a five-acre minimum parcel size. However, parcels less than the minimum site area can be created upon approval of an acceptable master plan by the Site Plan Review Committee and by providing a common or joint storm drainage pond for use by all of the parcels being created.

Agriculture Mitigation Fees. The City had previously shown interest in developing an Agriculture Mitigation Program that considers methods for preserving agriculture land and open space around Visalia. The City Council's recent direction is that the consideration of Agriculture Mitigation is most appropriate in connection with the General Plan Update. The City Council directed that no money should be collected from future annexation requests towards agricultural mitigation until a formal policy associated with an Agriculture Mitigation Program is adopted. In addition, the Council agreed to return a payment made in connection with the Vargas Annexation for agriculture mitigation, since no fee was formally established at the time. If an Agriculture Mitigation Program were to emerge before full development of the site, then staff would recommend the undeveloped portions of the property be subject to the program and any fees adopted in accordance with the program. The Pre-Annexation Agreement contains a condition to this effect.

Williamson Act. The parcels in the project area contain separate Williamson Act Agricultural Preserves and Land Conservation Contracts. A Notice of Full Nonrenewal was filed with both Contracts and took effect starting in 2002. Thus, both Contracts will automatically dissolve in 2011, effectively lifting any development restrictions for non-agriculture uses from the site. The Contract associated with the easterly 60-acre parcel has a valid City protest on file, meaning that the Contract will dissolve at the time of annexation. The westerly parcel will be subject to the City's adopted policy (Resolution No. 2001-03, passed 2/5/01) governing the administration of Agriculture Preserves inside the City until the Contract expires in 2011.

Sphere of Influence Amendment. The site is within the 129,000 Population Urban Development Boundary but is located outside of the Sphere of Influence which is established and maintained by the Tulare County Local Agency Formation Commission (LAFCO). The Sphere of Influence is a boundary established by Tulare County LAFCO to regulate annexations to cities and to identify a City's growth area over the next 20 years. LAFCO adopted a Municipal Service Review in 2006 which concluded that the City has the necessary resources to serve the site. The amendment to the Sphere of Influence will be processed simultaneously with the annexation application.

**Pre-Annexation Agreement:** Consistent with the City's current practices for annexations, staff is recommending the property owners enter into a Pre-Annexation Agreement which will memorialize the following conditions:

- Indemnification to the City and County to defend these agencies harmless from any possible action brought on by the State Department of Conservation regarding the site's protested Williamson Act designation;
- Payment of all associated impact fees at the time that building permits are issued in association with the proposed project;
- Compliance with the policies and fees contained within the Groundwater Mitigation Ordinance;

- Payment of the General Plan Maintenance Fees upon approval of the annexation by Tulare County LAFCO. A total of \$52,360 in fees would be associated with the annexation, based on 154 acres of developable land in the annexation area assessed at a rate of \$340 per developable acre. The fee would be collected with building permits.

**Consistency with other Plans & Policies:**

Visalia Airport Master Plan. Heavy Industrial land uses at this site would be consistent with the land use compatibility map of the adopted Visalia Airport Master Plan. According to the map, a portion of the site is located in Compatibility Zone D, which does not place development restrictions for industrial uses that attract people at congregate in a density exceeding 125 persons an acre. The proposed project will not require review by the City or County Airport Commissions.

County Zoning. The property has a Tulare County zoning designation of AE-40 and a General Plan Land Use Designation of Heavy Industrial. (A resolution approved by the County in 1992 allowed the County's General Plan designations to be consistent with the City's General Plan designations for properties inside the UDB.) The County zoning of AE-40, which is an agricultural-based zoning, would not allow for the industrial uses that the City's zones permit. However, due to the County's industrial designation for the area, it is possible for the applicant to request a zone change in the County so that zoning is consistent with its General Plan, thereby allowing industrial development that would require utility service agreements by the City.

**Consistency with Annexation Policies:** On October 20, 2008, the City Council accepted several annexation policies touching upon themes of master-planning, higher residential densities, and facilitation of orderly growth. The policies have not yet been formally adopted and integrated into the General Plan. The following points explain the draft policies' bearing on the proposed annexation:

- Draft Policy 2 states that "all annexations shall be contiguous to existing developed areas in the City, adjacent to services and infrastructure, and facilitate orderly growth." The proposed annexation is bound by City limits on three sides and is adjacent to the developed VF Corporation warehouse. The site at Plaza and Riggin also represents an orderly progression from existing heavy industrial development that is consistent with the City's 129,000 Population UDB.
- Draft Policy 3 states that private party annexation requests excepting County islands and industrial lands be accompanied by a specific or master plan. The annexation being of industrial land is therefore not subject to this policy.

**Environmental Findings:** An Initial Study was prepared for the Annexation and Sphere of Influence Amendment consistent with the California Environmental Quality Act (CEQA). The Initial Study disclosed that environmental impacts are determined to be not significant. Therefore, Negative Declaration No. 2010-022 was prepared for adoption at the time that the project is acted upon by the City Council.

**Prior Council/Board Actions:** The City Council considered a request for annexation of this site on March 20, 2006. However, no action was taken on this request based on the owner's desire not to comply with a recommended 40-acre minimum parcel size.

This document last revised 6/3/10 12:20 PM

By author: Brandon Smith

File location and name: H:\(1) AGENDAS for Council - DO NOT REMOVE\2010\6-7-2010\Item 12 Annex 2009-01 Doe REVISED.doc

**Committee/Commission Review and Actions:** On May 24, 2010, the Planning Commission on a 4-0 vote found Annexation No. 2009-01 to be consistent with the General Plan.

**Alternatives:** None.

**Attachments:**

- Ownership Disclosure Form
- Resolutions
- Exhibit "A" – Location Map of Annexation Site
- Exhibit "B" – Draft Pre-Annexation Agreement
- Exhibit "C" – City Council report & Resolution No. 1260 protesting Preserve No. 3051
- Exhibit "D" – LAFCO Resolution No. 74-32 upholding City protest of Preserve No. 3051
- Exhibit "E" – Negative Declaration No. 2010-022
- **Aerial Photo (Colored map)**
- **General Plan Land Use Map (Colored map)**

**Recommended Motion (and Alternative Motions if expected):**

I move to

- a) adopt Resolution No. 2010-26 certifying Negative Declaration No. 2010-022,
- b) adopt Resolution No. 2010-27 and 2010-28 initiating Annexation No. 2009-01 and authorizing the detachment of property from County Service Area No. 1, and
- c) authorize the City Manager to enter into a Pre-Annexation Agreement between the City of Visalia and the property owners, subject to the terms discussed herein.

***Environmental Assessment Status***

**CEQA Review:** An Initial Study and Negative Declaration have been prepared for use with this project, consistent with the California Environmental Quality Act (CEQA). It must be certified prior to the initiation of the annexation.

**NEPA Review:** None

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Certified copies of the resolutions must be prepared prior to the LAFCO project submittal deadline of June 21, 2010.



RESOLUTION NO. 2010-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA,  
ADOPTING NEGATIVE DECLARATION NO. 2010-022, WHICH EVALUATES  
ENVIRONMENTAL IMPACTS FOR ANNEXATION NO. 2009-01 (DOE)

**WHEREAS**, Annexation No. 2009-01 (Doe) is a request by Russell Doe to annex 156 acres into the City limits of Visalia and to amend Tulare County's LAFCO Sphere of Influence by 156 acres (hereinafter "Project"). The property is located on the northwest corner of Plaza Drive (Road 80) and Riggins Avenue (Avenue 312) in the County of Tulare. (APN: 077-120-012, 015); and

**WHEREAS**, the City Council of the City of Visalia, after twenty (20) days published notice, held a public hearing before said Council on June 7, 2010 for the Project; and

**WHEREAS**, an Initial Study was prepared which disclosed that no significant environmental impacts would result from this Project, and that no mitigation measures would be required for the Project; and

**WHEREAS**, on the basis of this Initial Study, a Negative Declaration has been prepared for the Project pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended; and

**WHEREAS**, the Initial Study and Negative Declaration for the Project were prepared and noticed for review and comment; and

**WHEREAS**, any comments received during the advertised comment period were reviewed and considered in accordance with provisions of CEQA; and

**WHEREAS**, the City Council of the City of Visalia considered the Initial Study and Negative Declaration and found that the Initial Study and Negative Declaration contain and reflect the independent judgment of the City of Visalia.

**NOW, THEREFORE, BE IT RESOLVED** that a Negative Declaration was prepared consistent with the California Environmental Quality Act (CEQA) and the City of Visalia Environmental Guidelines.

**BE IT FURTHER RESOLVED** that the City Council of the City of Visalia hereby finds, on the basis of the whole record before it, that there is no substantial evidence that the project will have a significant effect on the environment and hereby adopts Negative Declaration No. 2010-022 which evaluates environmental impacts for Annexation No. 2009-01 (Doe). The documents and other material which constitute the record of the proceedings upon which the decisions based are located at the office of the City Planner, 315 E. Acequia Avenue, Visalia, California, 93291.

RESOLUTION NO. 2010-27

A RESOLUTION OF APPLICATION BY THE CITY OF  
VISALIA REQUESTING THE TULARE COUNTY LOCAL  
AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS  
FOR ANNEXATION NO. 2009-01 (DOE) AND DETACHMENT OF PROPERTY FROM  
COUNTY SERVICE AREA NO. 1

**WHEREAS**, the City Council of the City of Visalia desires to initiate proceedings for annexation to said city of territory illustrated on the location map attached herein as Exhibit "A"; and

**WHEREAS**, the Council of the City of Visalia desires to annex said territory to the City of Visalia for the following reasons: The annexation will contribute to and facilitate orderly growth and development of both the City and the territory proposed to be annexed; will facilitate and contribute to the proper and orderly layout, design and construction of streets, gutters, sanitary and storm sewers and drainage facilities, both within the City and within the territory proposed to be annexed; and will provide and facilitate proper overall planning and zoning of lands and subdivision of lands in said City and said territory in a manner most conducive of the welfare of said City and said territory; and

**WHEREAS**, this proposal is made pursuant to the Cortese-Knox-Hertzburg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code of the State of California; and

**WHEREAS**, the territory proposed to be annexed is uninhabited; and

**WHEREAS**, the Visalia Planning Commission reviewed this proposal on May 24, 2010, and found it to be consistent with the General Plan; and

**WHEREAS**, the City Council hereby makes the following findings with regard to the project:

1. The annexation is consistent with the policies and intent of the General Plan.
2. An Initial Study was prepared for this project, consistent with CEQA, which disclosed that environmental impacts are determined to be not significant, and Negative Declaration No. 2010-022 was adopted by the Council pursuant to City Resolution No. 2010-26.
3. The site is currently within an Agricultural Preserve and Land Conservation Contract.
4. There is evidence in the public record to show that a successful protest by the City of Visalia applies to California Land Conservation Act (the "Williamson Act") Contract No. 8813, covering the eastern 56 acres of the site and located within Williamson Act Preserve No. 3051.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Visalia as follows:

1. The potential environmental effects of the proposed annexation have been reviewed and the Environmental Coordinator of the City of Visalia has determined that the proposal falls within the scope of issues and impacts addressed in Negative Declaration No. 2010-022, and that no mitigation measures are required.
2. Application is hereby made to the Executive Officer of the Local Agency Formation Commission, County of Tulare, State of California, for an annexation of territory illustrated in the map attached as Exhibit "A".
3. Proceedings shall be taken for this annexation proposal pursuant to Title 5, Division 3, Part 3 of the California Government Code and other relevant provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
4. In conjunction with the proceedings being taken for this annexation proposal, application is also hereby being made to the Executive Officer of the Local Agency Formation Commission, County of Tulare, State of California, for a Sphere of Influence Amendment and detachment from County Service Area No. 1.
5. The Council hereby requests waiver of the conducting authority proceedings in accordance with Government Code Section 56663(c).
6. The Council hereby exercises its option to uphold the protest associated with Williamson Act Preserve No. 3051 and not succeed to the eastern 56 acres associated with Williamson Act Preserve No. 3051 / Contract No. 8813 encumbering the site.
7. Upon annexation, the territory shall be zoned Heavy Industrial (I-H), consistent with the pre-zoning designated by the General Plan Land Use Map, although ongoing agricultural use of the property shall be permitted as a legal non-conforming use, in accordance with the Visalia Municipal Code. To the extent any portion of the site, upon annexation, remains subject to a Williamson Act contract, use of such portion in a manner incompatible with said contract shall be prohibited until such time as said contract expires, terminates, or is cancelled in accordance with the Williamson Act.
8. The City Clerk of the City of Visalia is authorized and directed to file a certified copy of this resolution with the Executive Officer of Tulare County LAFCO.
9. The applicant(s) shall enter into a Pre-Annexation Agreement with the City which memorializes the required fees, policies, and other conditions applicable to the annexation. The Pre-Annexation Agreement is attached herein as Exhibit "B". The agreement is subject approval as to form by the City Attorney and subject clerical and form modifications as approved by the City Manager.

RESOLUTION NO. 2010-28

A RESOLUTION OF APPLICATION BY THE CITY OF  
VISALIA REQUESTING THE TULARE COUNTY LOCAL  
AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS  
FOR A SPHERE OF INFLUENCE AMENDMENT  
IN ASSOCIATION WITH ANNEXATION NO. 2009-01 (DOE)

**WHEREAS**, the City Council of the City of Visalia desires to initiate proceedings for a Sphere of Influence Amendment for the City of Visalia to include territory illustrated on the location map attached herein as Exhibit "A"; and

**WHEREAS**, the Council of the City of Visalia desires to include said territory to the City of Visalia Sphere of Influence for the following reasons:

- The request is consistent with the City's General Plan, Urban Development Boundaries, and land use designations;
- The request will facilitate and contribute to the proper and orderly layout, design and construction of streets, gutters, sanitary and storm sewers and drainage facilities, both within the City and within the territory proposed to be included in the Sphere of Influence;
- The request will provide and facilitate proper overall planning and zoning of lands and subdivision of lands in said City and said territory in a manner most conducive of the welfare of said City; and

**WHEREAS**, this proposal is made pursuant to the Cortese-Knox-Hertzburg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code of the State of California; and

**WHEREAS**, the Visalia City Council has reviewed the request for Annexation No. 2009-01 (Doe) of territory which includes area to be included by the amendment on June 7, 2010, and found it to be consistent with the General Plan; and

**WHEREAS**, the City Council hereby makes the following findings with regard to the project:

1. The annexation is consistent with the policies and intent of the General Plan.
2. An Initial Study was prepared for this project, consistent with CEQA, which disclosed that environmental impacts are determined to be not significant, and Negative Declaration No. 2010-022 was adopted by the Council pursuant to City Resolution No. 2010-26.
3. The site is currently within an Agricultural Preserve and Land Conservation Contract.
4. There is evidence in the public record to show that a successful protest by the City of Visalia applies to California Land Conservation Act (the "Williamson Act") Contract No. 8813, covering the eastern 56 acres of the site and located within Williamson Act Preserve No. 3051.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Visalia as follows:

1. The potential environmental effects of the proposed Sphere of Influence Amendment have been reviewed and the Environmental Coordinator of the City of Visalia has determined that the proposal falls within the scope of issues and impacts addressed in Negative Declaration No. 2010-022, and that no mitigation measures are required.
2. Application is hereby made via written request to the Executive Officer of the Local Agency Formation Commission, County of Tulare, State of California, for a City of Visalia Sphere of Influence Amendment to include territory illustrated in the map attached as Exhibit "A".
3. Proceedings shall be taken for this amendment proposal pursuant to Title 5, Division 3, Part 2, Chapter 4 of the California Government Code and other relevant provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
4. Proceedings shall continue for the Annexation of said territory if the Sphere of Influence Amendment is approved by the Local Agency Formation Commission.
5. The City Clerk of the City of Visalia is authorized and directed to file a certified copy of this resolution with the Executive Officer of Tulare County LAFCO.

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** June 7, 2010

**Agenda Item Number (Assigned by City Clerk):** 13

**Agenda Item Wording:** Presentation of impact fee analysis and the following recommendations from staff:

- Consider reduction of Transportation Impact Fees (TIF) by 15% “across the board”
- Consider reduction of Park Acquisition Impact Fees by 15%
- Consider reduction of Waterways Acquisition Fees by 15%
- Establish a “Special Downtown TIF Credit Zone” with a TIF credit of 25%
- Increase the “Infill Credit” from the current 15% to 25%
- Amend the Gas Station TIF fees by utilizing a tiered fee structure.
- Waive the 2009 ENRCCI increase of 6.5% for fiscal year 2010 – 2011.
- Affirm that other Impact Fees to remain at current levels

**Deadline for Action:** N/A

**Submitting Department:** Community Development Department/  
Engineering Division

**Contact Name and Phone Number:**

Chris Young, Community Development Director, 713-4392  
Adam Ennis, Engineering Services Manager, 713-4323  
Chris Tavarez, Management Analyst, 713-4540

**For action by:**

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

**For placement on which agenda:**

- Work Session
- Closed Session

**Regular Session:**

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): 45

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Department Recommendations:** Staff requests that Council accepts the following evaluation, provides any comments or direction it deems appropriate, and staff recommends that the following changes to impact fee programs be approved by Council:

- 1) Consider reduction of Transportation Impact Fees (TIF) by 15% “across the board”
- 2) Consider reduction of Park Acquisition Impact Fees by 15%
- 3) Consider reduction of Waterways Acquisition Fees by 15%
- 4) Establish a “Special Downtown TIF Credit Zone” with a TIF credit of 25%
- 5) Increase the “Infill Credit” from the current 15% to 25%
- 6) Amend the Gas Station TIF fees by utilizing a tiered fee structure.
- 7) Waive the 2009 ENRCCI increase of 6.5% for fiscal year 2010 - 2011
- 8) Affirm that other Impact Fees to remain at current levels

### **Summary of recommendations**

- 1) Consider reduction of TIF fees by 15% “across the board” by doing the following:
  - Deferring \$10.5 million in projects (see Exhibit #1) bordering or just outside of the 165,000 UDB. These projects would be constructed after 2031 or as other funding is identified to complete them. These projects are listed below:
    - SR 216 (Houston Avenue) from Road 148 to Road 152 (State will continue improvements to the east of their recent improvements in the area)
    - Camp Drive from Hurley to Goshen (improvements to existing two-lane roadway)
    - Goshen Avenue from Camp Drive to Road 76 (improve existing two-lane to widened four-lane roadway)
    - Hurley Avenue from Camp Drive to Road 76 (not existing/new two-lane roadway)
    - Shirk Street from Whitendale alignment to Caldwell (widen from existing two-lane to four-lane roadway)
  - City to utilize \$3.4 million from the State’s Corridor Mobility Improvement Account Fund (CMIA) (previously unknown project specific revenue) to be used for the Plaza Drive Interchange Project.
  - Reduce the right of way acquisition costs by 65% to reflect current market conditions (a \$30 million reduction). Staff is recommending this reduction in spite of the approximately 25% increase in present day construction costs (compared to the costs used to calculate the TIF Program) in recognition of the current economic situation.
  - By utilizing the \$43.9 million shown above and distributing equally toward all the land uses identified in the TIF Program, fees can be reduced by 15% “across the board”.

Prior Vested Tentative Maps and projects with existing Reimbursement Agreements will continue to be assessed per the impact fee schedule effective at the date of Vesting or Reimbursement Agreement.

- 2) Consider reduction of the Park Acquisition Fee by 15%. A recent analysis shows that land acquisition costs have dropped and staff would suggest at most a reduction of 15%. The second part of the Park Impact Fee, the ‘Park Development Fee’ should not be lowered because this fund actually shows a deficit based on the amount of fees collected and significant rise in park construction costs. These increased construction costs result from having to provide ADA compliant equipment and access, following all state/federal park guidelines, costs of shade structures, smart irrigation controllers, interactive water features and other amenities that residents find desirable.  
Prior Vested Tentative Maps and projects with existing Reimbursement Agreements will continue to be assessed per the impact fee schedule effective at the date of Vesting or Reimbursement Agreement.
- 3) Consider reduction of the Waterway Acquisition Fee by 15% reflecting the decrease in land costs since the fees last update in 2005.
- 4) Establish a “Special Downtown TIF Credit Zone” (see Exhibit #2) with a TIF credit of 25%. The “trend toward walkability” between downtown venues has proportionately decreased the “trip count” for projects in this area. It follows that the cost of future street improvements in this area will be significantly less because of the “trend toward walkability” (less vehicle trips). This credit would be in addition to any “Infill Credit” given. The District would be bordered on the north and south by Murray and Mineral

King Avenues and on the east and west by Conyer Street and the Tipton Street alignment, respectively.

- 5) Increase the existing “Infill Credit” from the current 15% to 25%. The infill credit encourages development in pre-developed areas of the City. The cost of this credit program is estimated by staff to be \$1.75 million. This credit would be in addition to any “Special Downtown TIF Credit Zone” credit. The current Infill Credit Policy is shown in Exhibit #3.
- 6) Amend the Gas Station TIF fees by utilizing the tiered fee structure shown below based on the number of positions. Each tier is reduced by 25% to give “credit” for underutilized “gas positions” during non-peak hours. Staff believes this reduction is fair and reasonable when considering the number of pass-by trips. For example, Transportation Impact Fees for an 18-position station would appropriately be reduced from \$405,504 to \$265,408.
  - \$22,528 per position (first 4 positions)
  - \$16,896 per position (5<sup>th</sup> – 8<sup>th</sup> positions)
  - \$12,672 per position (9<sup>th</sup> – 12<sup>th</sup> positions)
  - \$9,504 per position (13<sup>th</sup> position and beyond)
- 7) The other impact fees were reviewed and found to be reasonable and commensurate with current market costs. Ordinances adopting these fees were approved prior to the “boom” in construction and land costs.
- 8) Waive the 2009 ENRCCI increase of 6.5% for fiscal year 2010 - 2011. City Council previously deferred this increase in 2009 thru May of 2010. In May of 2010, the impact fees were all reduced by .28% per the new ENRCCI. The deferral of the 6.5% increase saved developers an estimated \$390,000 in 2008/2009. This waiver would be for FY 2010 – 2011 only, and Council could consider implementing this increase after that time if appropriate.

### **Summary of Transportation Impact Fees**

In recent months, the Chamber of Commerce and representatives of the “business and development community” have asked the City Council to consider a number of proposals aimed at providing economic stimulus to the “industry”. In consideration of one these proposals, Council directed staff to review the current impact fees and to recommend appropriate adjustments to these fees (“right-size” them) based on current construction and land costs. Staff has completed their review and has recommended a number of significant cost reductions to these fee programs. Staff agrees that it “makes sense” to adjust or “right-size” some of the impact fees to reflect current construction industry conditions.

Even though the Transportation Impact Fee Program Study (of 2008) was widely “vetted” to the development community and resulted from over 18 months of complex analysis, staff has recommended the program changes contained in this staff report in light of current economic conditions. With this in mind, staff focused on analyzing any changes to the costs of construction and land acquisition between 2008 and the present. Staff worked to identify reasonable and appropriate changes to the program while keeping in mind the current and future infrastructure needs of the City of Visalia.

Another issued raised by the development community, is whether or not the vacancy rate used in the TIF Study is accurate. In the study, a vacancy rate of 20% was used to help fund consistent street widths and prevent a “saw-tooth road pattern”. The saw-tooth pattern occurs



when adjacent road segments have two lanes in each direction adjacent to developed areas and only one lane in each direction adjacent to undeveloped areas. Saw-tooth patterns can impede efficient traffic flows and result in potentially unsafe merging conditions. The City must ensure connectivity and a Level of Service (LOS) D or higher.

Over the last several weeks, the GIS and Engineering staffs have verified their original analysis (completed just over 18 months ago) and found that the vacancy rate used in the TIF Study is accurate and should not be changed at this time. The vacancy rate of 20% which assumes 20% of available land in the UDB will not be developed falls within past trends and our latest 2010 GIS analysis. This also corresponds with the General Plan's assumption for vacancy for moving out to the next UDB. If the program were to assume too low of a vacancy rate, then the program could be grossly under funded. The shortfall would result in inadequate revenues being available to construct the travel lanes of new roads.

Council could also determine that additional changes need to be made to the TIF Program and has the authority to implement a "Policy-Based Reduction" of the impact fees, however, any further "reductions" of the Transportation Impact Fees will significantly delay necessary street and traffic signal improvements and/or require "financing" of some of these projects. It will be very important to re-evaluate these fees as the economy begins to improve and costs of projects again increase to ensure that the City programs becomes adequately funded.

#### **Key Points - Transportation Impact Fee Analysis**

- a) The 2008 construction costs used to calculate TIF fees are already 25% lower than current construction costs. Construction costs make up 88% of the TIF Program costs. Analysis of several recently constructed City Capital Improvement Program projects and private development projects indicate that the current actual construction costs are about 25% higher than the planning estimates used to develop the TIF Program costs. The construction cost estimates used to develop the TIF program costs were based on planning estimates only. "Right-sizing" the TIF would result in an increase in fees. Recognizing the current economic conditions, staff is not recommending an increase at this time. Instead, fee reductions are recommended based on cost savings to be realized from removing selected projects from the TIF Program, reduced right of way costs, and one-time CMIA funding.
- b) Land costs represent only 12% of the total TIF Program costs. An analysis of land values shows that values have dropped approximately 65% since the values included in the last update. Staff recommends that these values be adjusted to be commensurate with current market conditions and reduce the projected TIF right of way acquisition costs by 65% or approximately \$30 million. It is important that land costs should be re-evaluated in the future as land costs increase to eliminate a future funding shortfall for projects.
- c) TIF Program Discretionary Revenue funding sources (other than impact fees) such as Measure R, gas tax, VLF, STIP, etc. are either dropping below projected levels or no longer exist likely resulting in TIF Program funding shortfall. Also, it is widely expected that grant opportunities will decline substantially in upcoming years and a second round of American Recovery and Reinvestment Act funding is not anticipated. Measure R Local revenue was originally projected to bring almost \$62 million of revenues to the City. Based on current trends, revenues may be approximately 10% less resulting in a \$6 million shortfall.

- d) As part of the TIF Program adopted by Council, approximately \$83 million of the Discretionary Revenues was set aside. Over \$41.5 million of it is allocated for local street projects not already included in the TIF Program and the remaining \$41.5 million is being used to “buy down” the Transportation Impact Fees charged to developers. There are no “additional discretionary funds” available. There is no “extra” money.
- e) The 20% vacancy rate (used in the TIF Program analysis) is based on historical trends and is definitely at the low end of the 18.75% to 31.27% range and well below the 25% average.
- f) The Transportation Impact Fee (TIF) Fund will be “cash starved” beginning in 2010/2011 due to major projects such as the Mooney Intersections, \$6 million in outstanding developer reimbursements, and the \$3.5 million that is the City’s share of the Betty Drive improvements. The TIF Fund could see a \$12 million shortfall by 2015/2016 unless revenues increase. Inevitably, because of these TIF Fund shortfalls, future streets and signal projects could be delayed unless the City “finances” these costs or revenues increase.

**Summary of Analysis for “Other Impact Fees”**

The following summarizes staff’s analyses of the City’s other impact fees that new development currently must pay to support the City’s long-term plans to deliver infrastructure, vital services and planned amenities to Visalia residents:

- Staff’s review of the impact fees for Civic Center/Public Facilities, Trunkline Capacity, and Storm Drain shows that the most recent significant update to the fees was based on approximate land values at the time of implementation in September of 2005. Because the land acquisition costs of 2005 and 2009 are comparable, no adjustment to these fees is warranted. Based on an analysis done by The Hopper Company in June 2009, some land values are not within the same range of values as adjusted in 2005. The impact fees that should be reduced are the Parks Acquisition Fee and the Waterways Impact Fee.
- During review of each impact fee the preliminary analysis done by Staff suggests that several impact fees need to remain at current levels or may need to be increased.
  - The Storm Drain Fee Fund currently has a “poor fund condition”. The Master Plan has not been updated since 1994 and should reflect significantly more construction costs.
  - Park Development Fees show a deficit based on the amount of fees collected and recent Park Construction costs. ADA compliance and other state/federal park guidelines, shade structures, smart irrigation and interactive water features are amenities that the public greatly appreciates and a decrease in this fee could greatly inhibit future projects. Although the land acquisition costs have decreased by approximately 40%, the construction costs have increased substantially. With this in mind, instead of increasing the Parks Development Fee a “balanced” decrease of 15% to the Park Acquisition Fee has been recommended.
  - Staff would recommend postponing increases or phasing in the increases gradually in the future as the economy “recovers”.

The table below (Table 2) shows when the ordinances were adopted and last updated (update other than CPI or ENRCCI). The year shown (top of row) indicates the ordinance was adopted. The year shown (bottom of row) shows year (if any) land costs were updated.

**Table 2**

<ul style="list-style-type: none"> <li>• <b>Impact Fees</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ordinance Update</b></li> <li>• <b>Update (not CPI or ENRCCI)</b></li> </ul>
<ul style="list-style-type: none"> <li>• Civic Center</li> </ul>	<ul style="list-style-type: none"> <li>• 2005</li> <li>• Not applicable</li> </ul>
<ul style="list-style-type: none"> <li>• Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• 2008</li> <li>• Not applicable</li> </ul>
<ul style="list-style-type: none"> <li>• Trunkline Capacity</li> </ul>	<ul style="list-style-type: none"> <li>• 2001</li> <li>• Not applicable</li> </ul>
<ul style="list-style-type: none"> <li>• Treatment Plant</li> </ul>	<ul style="list-style-type: none"> <li>• 2001</li> <li>• Not applicable</li> </ul>
<ul style="list-style-type: none"> <li>• Storm Drainage</li> </ul>	<ul style="list-style-type: none"> <li>• 2001</li> <li>• 2005</li> </ul>
<ul style="list-style-type: none"> <li>• Park Acq. And Development</li> </ul>	<ul style="list-style-type: none"> <li>• 2004</li> <li>• 2005</li> </ul>
<ul style="list-style-type: none"> <li>• Waterways Acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• 2001</li> <li>• 2005</li> </ul>
<ul style="list-style-type: none"> <li>• Groundwater Mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• 2005</li> <li>• Not applicable</li> </ul>
<ul style="list-style-type: none"> <li>• Fire Facilities</li> </ul>	<ul style="list-style-type: none"> <li>• 2001</li> <li>• 2005</li> </ul>
<ul style="list-style-type: none"> <li>• Police Facilities</li> </ul>	<ul style="list-style-type: none"> <li>• 2006</li> <li>• Not applicable</li> </ul>

**History TIF Programs and the Need for Change**

Council has recently been advised by the development community that the Transportation Impact Fees have increased substantially since 2004. It should be recognized that these fees were increased as a result of fundamental changes being made to the reimbursement program. The cost to the developer of each program cannot be compared directly because of the fundamental differences of each program. The following summary outlines three major ‘lives’ of the TIF Program:

- Prior to 2004: The fee was substantially lower because developers were only reimbursed for the construction of inner travel lanes and not the land cost of right-of-way along their project’s frontage (on collector and arterial programmed streets). In 2004 Council directed the fee program be changed in order to help eliminate “saw-tooth” street development throughout the City.
- October 2004 to December 2008: The TIF Program helped to eliminate “saw-tooth street development” and was intended to pay for construction and right of way costs from curb to curb on collector and arterial programmed streets. This program had a major funding gap because the actual cost of construction, utility relocation and right of way acquisition was more than the program estimated. This problem was compounded because there was no cap on reimbursements to the developers which in most cases exceeded the TIF program estimates. The City still has over \$8 million in cash reimbursement obligations and fee credits pending from this time period. This program did not generate enough revenue to fund road improvements because the trip costs were “significantly deferred” by Council and never fully implemented.

- January 2009 to present: This program focused on eliminating the funding gap by placing a limit on reimbursement costs. This program has development responsible for more of the construction outside the travel lanes and does not reimburse for utility relocation work that is needed as a condition of development. Fees were calculated based on a simplified fee schedule. The current program has been in place less than 18 months and staff's analysis shows the programmed TIF planning estimates of construction costs are below current actual construction costs on City projects and developer reimbursed projects.

#### TIF Estimated Program Costs

Analysis by staff of updated land values from The Hopper Land Appraisal Company has shown that land values have gone down and should be adjusted down; however, these costs only represent 12% of the total program costs. However, the program's construction costs gathered for estimation of project costs are within range of costs reflected in today's bidding environment and even suggest they may be too low. During development of the 2008 update the bidding environment was currently seeing a low bid environment and with stakeholder feedback the estimated project costs appear to be on the low side and staff's analysis suggests a fee increase may be justified. However, at this time staff does not recommend increasing the fees based on increased estimated construction costs.

Due to the current bidding environment, staff has evaluated the current Transportation Impact Fee (TIF) construction costs versus actual final construction costs in an effort to determine if an adjustment to the fees would be warranted. The construction costs in the TIF Program are based on the total estimated cost of future transportation construction projects which are in the City's Circulation element, included in the TIF Program and anticipated to be constructed within the life of the current program. The estimates for each of the future projects were planning estimates only and were not based on actual designs and quantities.

Unit prices were assigned to each item included in the planning estimates used to determine the TIF Program Construction Costs. The same unit prices were also included in the reimbursement portion of the TIF Program. As projects have been designed, actual quantities have been developed for the projects. These quantities were used to develop an engineer's estimate which is based on far greater detail than the planning estimates of the TIF Program. The projects have then went out to bid, both in public City bids and private development bids. Bids prices are based on design quantities and current market conditions. In recent months, the construction bids have come in "low". This has raised questions regarding the costs to the TIF Program and the resulting fees.

However, when a bid is referred to as coming in "low" the reference is typically in comparison to the most recent engineer's estimate since it is the most up-to-date and accurate estimate for the project at the time. No one can create a perfect set of bid documents or reflect all possible situations that may be encountered during construction. Therefore, some change orders are typically expected. The final costs of projects are the actual costs after all unknown conditions, errors and/or omissions have been taken into account. The difference between the actual final construction costs and the original planning estimates used to develop the construction costs to the TIF Program is the "bottom line" to the program.

Several recently constructed projects, both public and private, have been evaluated to determine the "bottom line" to the TIF Program. The TIF Program planning estimates, including contingencies, were compared to the actual costs of the final construction of the projects. Table 3 shows the results of the analysis.

**Table 3**

**Summary Of TIF Construction Costs**

	<b>Actual Final Costs</b>	<b>TIF Program Estimates</b>	<b>% Overage</b>
<b>Houston Avenue</b>			
City Construction Costs	\$2,083,013	\$1,795,124	16%
<b>McAuliff Overcrossing</b>			
City Construction Costs	\$1,124,464	\$789,725	42%
<b>Plaza Drive Widening-Crowley to Hurley</b>			
City Construction Costs	\$902,694	\$615,402	47%
Developer Construction Costs	\$179,365	\$114,650	56%
Total Construction Costs	\$1,082,058	\$730,052	48%
<b>Crowley Avenue Widening-1000 feet</b>			
City Construction Costs	\$170,275	\$161,436	5%
Developer Construction Costs	\$159,372	\$166,878	-4%
Total Construction Costs	\$329,647	\$328,314	0.4%
<b>Total of All Projects</b>	<b>\$6,030,887</b>	<b>\$4,701,581</b>	<b>28.3%</b>

Although the same unit prices were used for the planning estimates as the reimbursements, and many actual construction unit prices were below the planning estimate unit prices, there were many items that came up during construction that were not included in the planning estimates. These items added to the cost of the projects **beyond** those accounted for in the TIF Program planning estimates, resulting in overages for costs of projects to the program. The average construction cost “overage” (percentage) compared to the TIF Program for these four projects was 28%. The “bottom line” to the TIF Program is that actual final construction appears to be costing the program about 25% more than the planning estimates used to develop the costs and fees of the program anticipated.

City of Visalia compared to surrounding cities

Based on analysis at the time of the 2008 update the City of Visalia was near the median or below median on most categories in the TIF schedule. However, even if Transportation Impact Fees are lower in other cities such as the City of Tulare, Tulare has a Utility User Tax and City Sales Tax (in addition to Measure R) that can be used towards street projects. In fact, there are at least four other cities in Tulare County (Tulare, Porterville, Exeter, and Dinuba) that have a utility tax or a higher special sales tax that can be used for infrastructure improvements. The City of Visalia does not have a Utility User Tax or a City Sales Tax for streets as other Cities may have. In addition, the basis for the programs can be very different due to variations in developer/City responsibility areas and land values. (See Exhibit #4A – 4D for a comparison of fees for update implemented in January 2009)

**Prior Council/Board Actions:**

3/15/10 – Referred item to CAC

4/19/10 – Council implemented majority of initial recommendations from staff

**Committee/Commission Review and Actions:** CAC reviewed stimulus package at a special meeting on 3/22/10. The CAC recommended that Chamber and City continue working on developing a joint recommendation but the CAC provided comments for Council.

**Alternatives:** - Implement Policy-Based Fee Reductions

**Attachments:** Exhibit #1 – Location map of additional deferred projects

Exhibit #2 – Special Downtown TIF Credit Zone

Exhibit #3 – Current Infill Policy

Exhibit #4A thru 4D – City of Visalia TIF costs compared to other area cities

Exhibit #5 – TIF Program responsibilities

Exhibit #6 – Impact Fees for 1800 S.F. single family residential

Exhibit #7 – Potential reductions to Impact Fees

**Recommended Motion (and Alternative Motions if expected):** That the City Council accepts this update and approves the following staff recommendations:

- 1) Reduce TIF fees by 15% “across the board”
- 2) Reduce the Park Acquisition Fee by 15%
- 3) Reduce the Waterways Acquisition Fee by 15%
- 4) Establish a “Downtown Business District TIF Credit” of 25%
- 5) Increase the “Infill Credit” from the current 15% to 25%
- 6) Amend the Gas Station TIF fees by utilizing a tiered fee structure
- 7) Affirm that other Impact Fees are to remain at current levels
- 8) Waive the 2009 ENRCCI increase of 6.5% for fiscal year 2010 - 2011

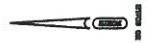
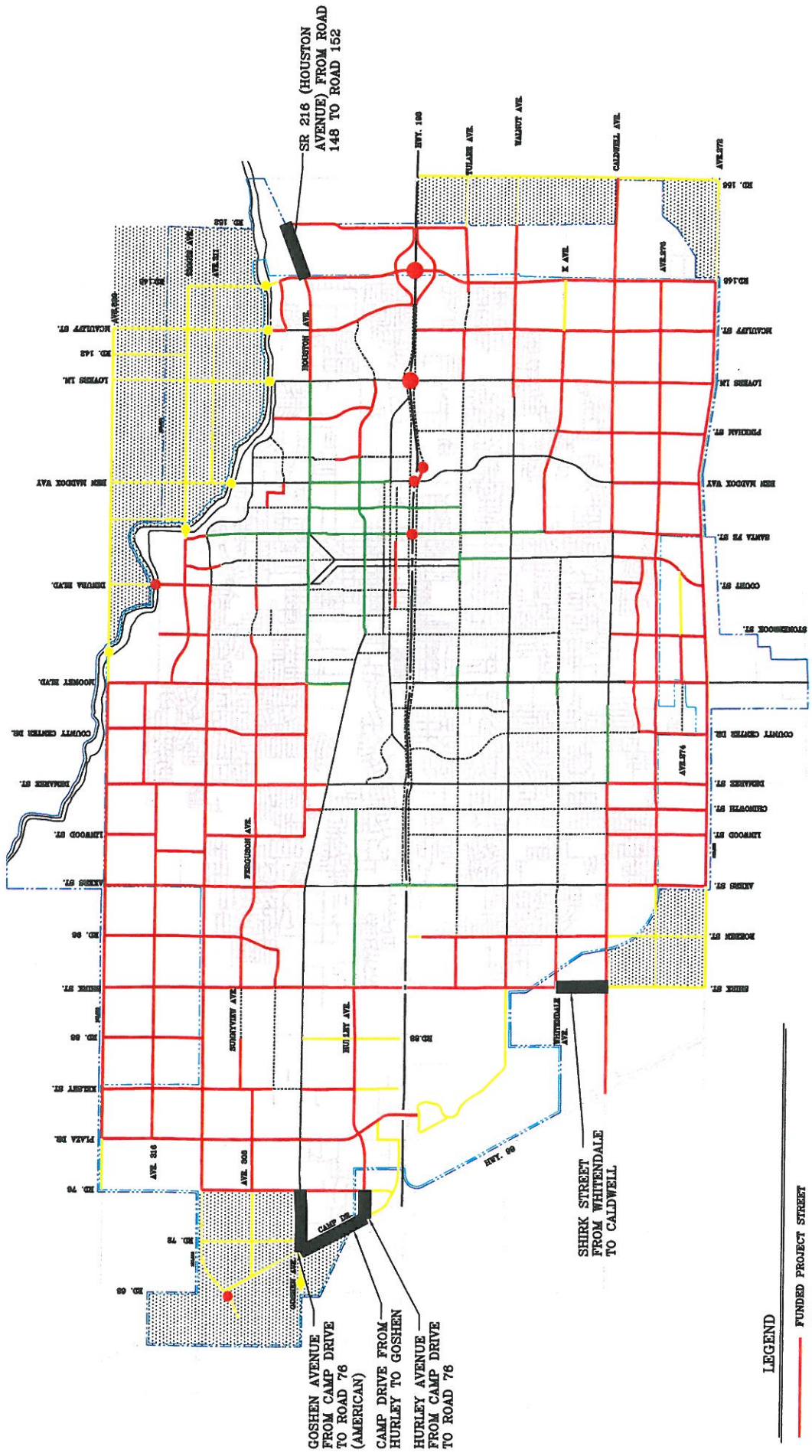
***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

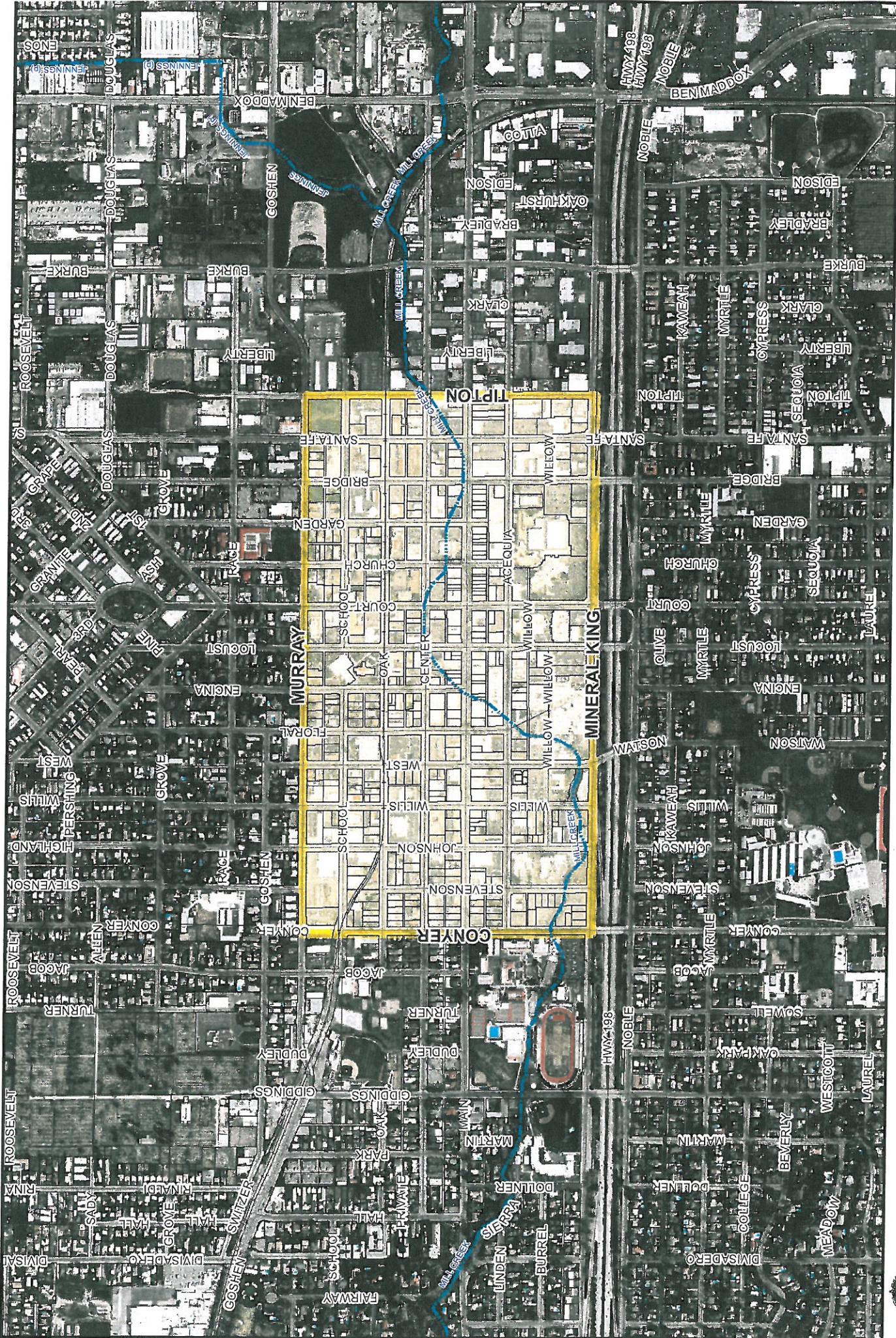


**CITY OF VISALIA**  
**ADDITIONAL DEFERRED ROADWAYS**  
**OUTSIDE 165,000 U.D.B.**

**EXHIBIT #1**

- LEGEND**
- FUNDED PROJECT STREET
  - FUNDED PROJECT STREET (INFILL)
  - DEFERRED PROJECT STREET
  - ADDITIONAL DEFERRED PROJECT STREETS
  - DEFERRED AREA FOR STREETS, TRIPS & POPULATION
  - 165,000 POPULATION U.D.B.
  - 128,000 POPULATION U.D.B.





Special Downtown TIF Credit Zone  
**EXHIBIT #2**



City of Visalia  
**TRANSPORTATION IMPACT FEES**

Resolution No. 08-32  
Resolution No. 08-58  
Stimulus Fee Reduction

Effective August 4, 2008  
Effective January 30, 2009  
Effective May 1, 2010

**INFILL CREDIT CRITERIA**

A reduction in the amount of Transportation Impact Fees will be provided to all Commercial and Office Projects that meet the following criteria:

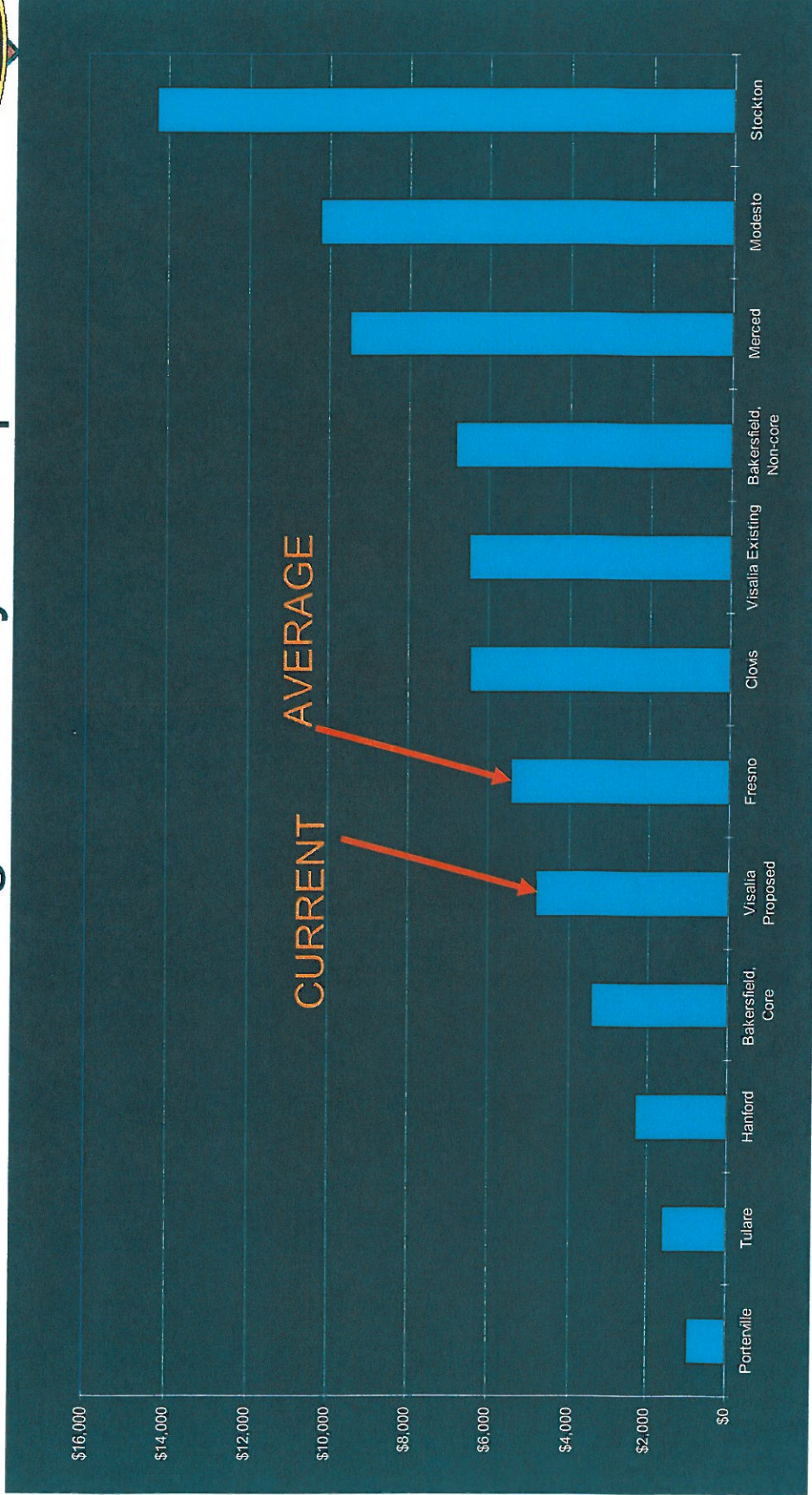
1. The project is in a location where the curb, gutter and sidewalk have been installed in the ultimate alignment.
2. The project is seventy-five percent surrounded by existing development that has been in place an average of fifteen years or more.
3. Any median islands that are planned on adjacent roadways have been installed.
4. The project was inside of the Visalia city limits prior to December 31, 1995.

Projects that meet the infill criteria:

1. Receive Transportation Impact Fee reductions not to exceed fifteen percent of the base fee.
2. Are not eligible for reimbursements or credits for any street improvements or repairs that are required by the City as a project condition.
3. The City Manager or his designee is authorized to determine whether a project meets the infill criteria.

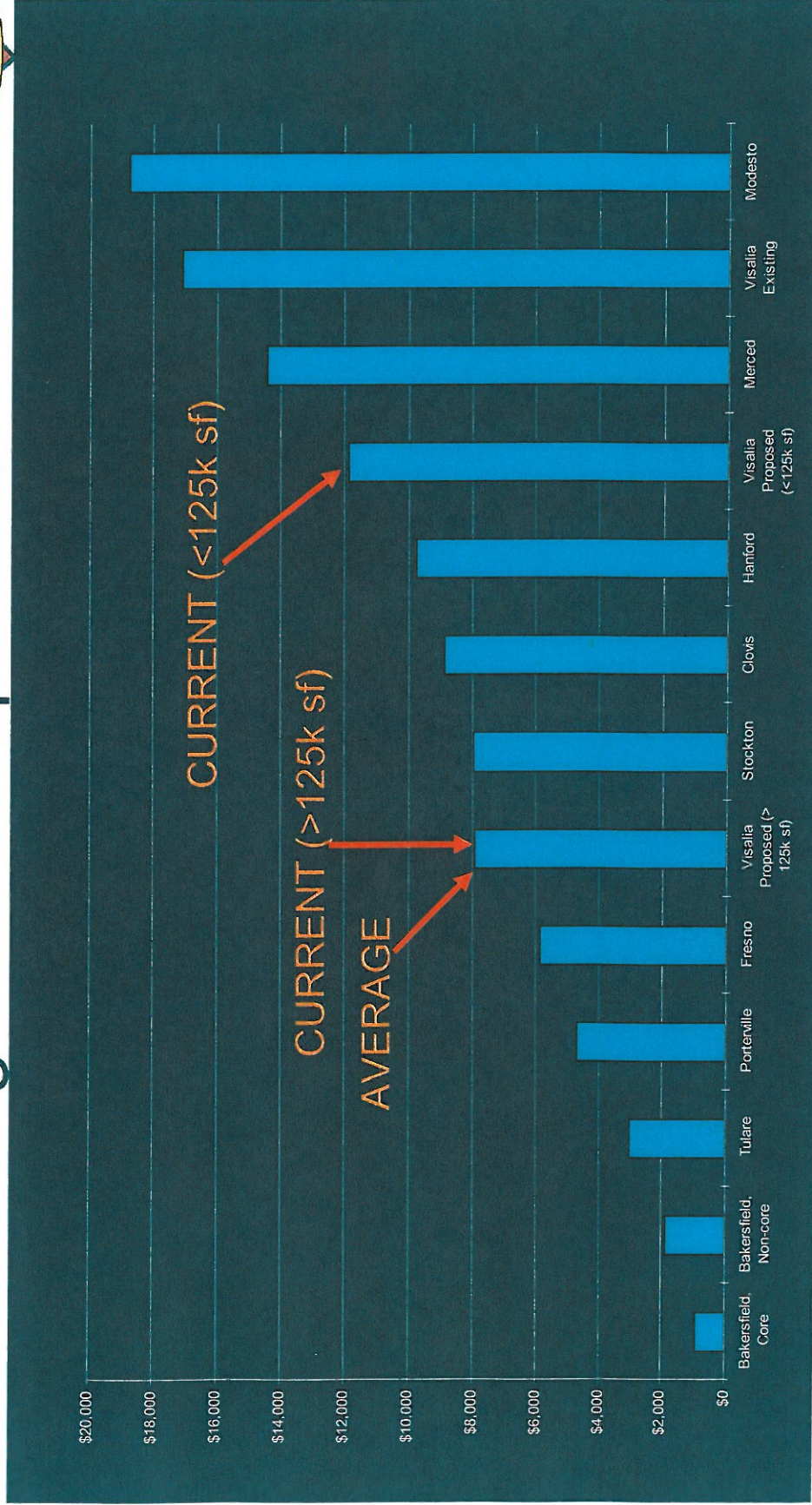


# January 2009 Implementation Residential – Single Family Comparison



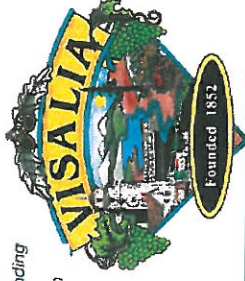


# January 2009 Implementation Retail Regional Comparison



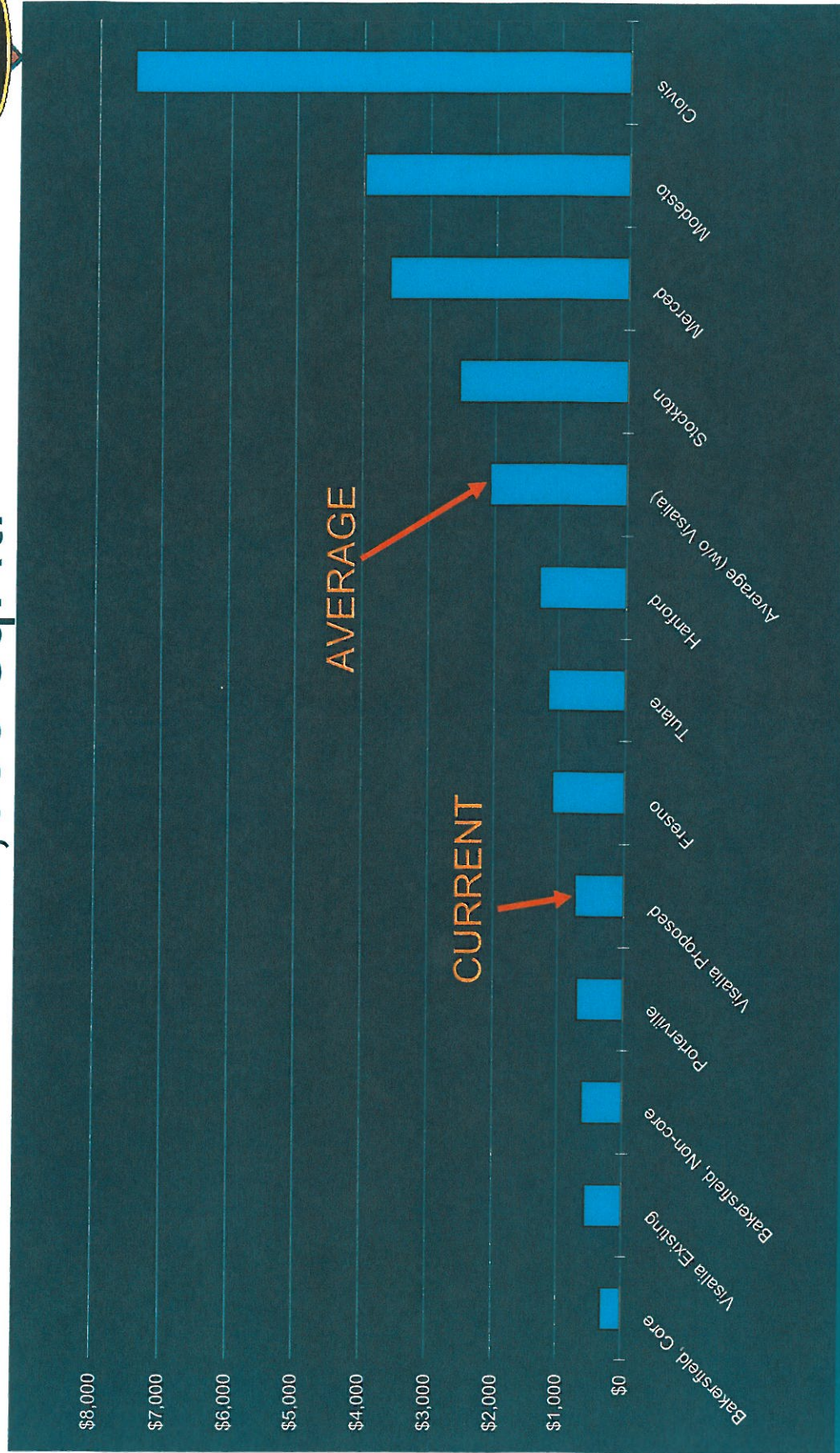
# January 2009 Implementation Office Regional Comparison

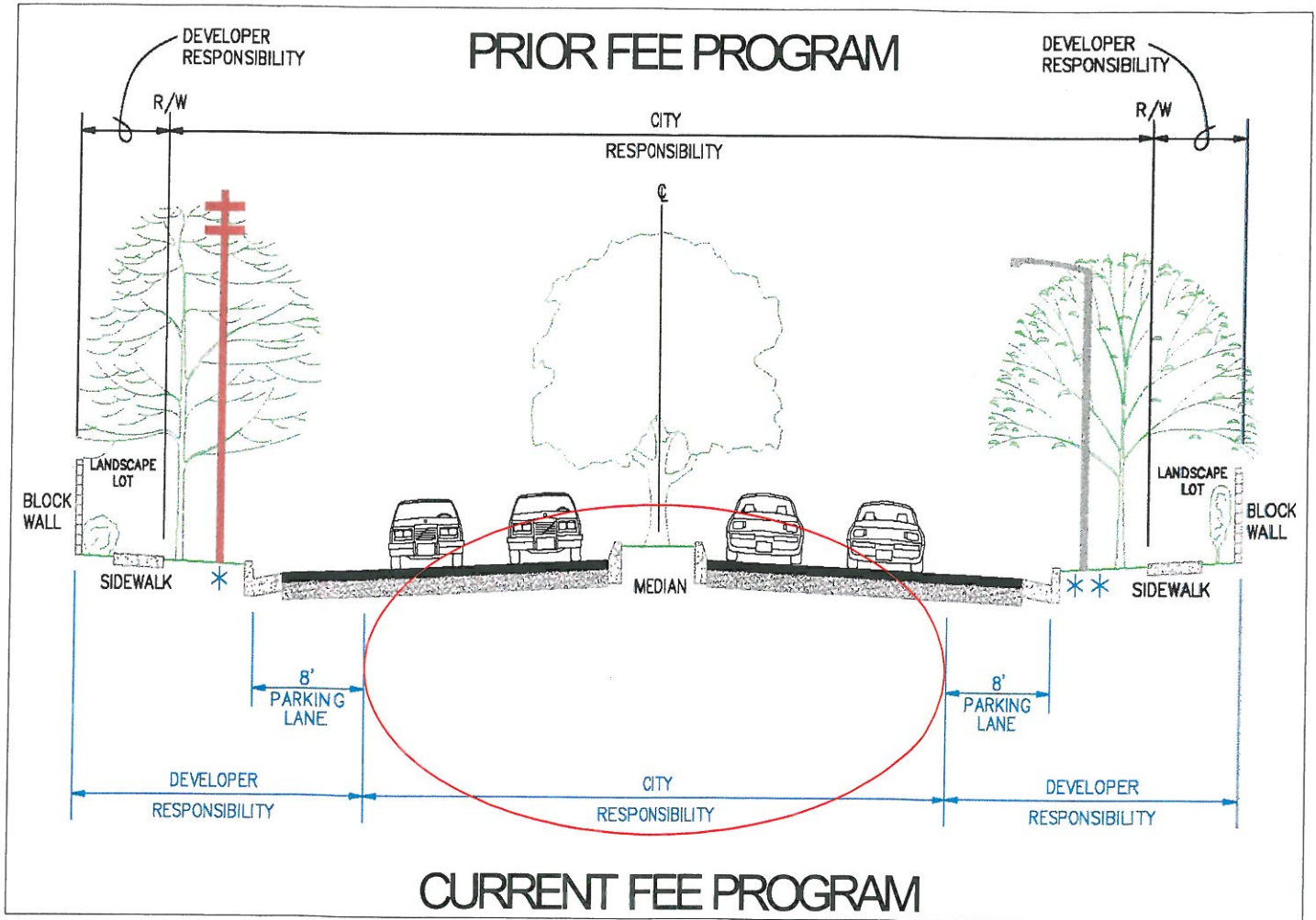
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# January 2009 Implementation Industrial > 100,000 sq. ft.





**EXHIBIT #5**

<b>City of Visalia</b>									
<b>Single Family Residence Impact Fee Estimate</b>									
Land Use Designation/Building Type: SF Residence Tract Development/Low Density									
Assumptions									
Square Feet		1800 SF		1 unit		9,000 sf lot			
		5-26-10 Fee Schedule		UNITS		Total Estimated Fee		Total Potential Fee	
BUILDING FEES		Average \$.83 sf		1		\$ 1,660.00		\$ 1,660.00	
IMPACT FEES									
Transportation Impact Fee:		\$ 4,790.00		1.00 per unit		\$ 4,790.00		\$ 4,071.50 with 15% decrease	
Trunk Line Capacity Charge:		\$ 645.07		1.00 per unit		\$ 645.07		\$ 643.00	
Treatment Plant Connection Capacity Charge:		\$ 639.64		1.00 per unit		\$ 639.64		\$ 638.00	
Storm Drainage Impact Fee:		\$ 2,673.94		0.21 Per Gross Acre		\$ 552.47		\$ 551.00	
Park Acquisition and Development Impact Fee:		\$ 3,206.44		1.00 per unit		\$ 3,206.44		\$ 2,982.57 with 15% acquisition decrease	
Waterways Acquisition Fee:		\$ 2,459.27		0.21 Per Gross Acre		\$ 508.11		\$ 431.90 with 15% acquisition decrease	
Groundwater Overdraft Mitigation Fee		\$ 1,054.00		0.21 Per Gross Acre		\$ 217.77		\$ 217.00	
Public Safety Impact Fee:		\$ 2,959.12		1.00 Per Gross Acre		\$ 611.39		\$ 610.00	
Public Facility Impact Fee:		\$ 465.19		1.00 per unit		\$ 465.19		\$ 464.00	
Total City Fees						\$ 13,296.08		\$ 12,268.96	
VUSD SCHOOL FACILITY FEES									
School Facility Fees		\$2.97 per sq/ft		1		\$ 5,940.00		\$ 5,940.00	
Total School Impact Fees						\$ 5,940.00		\$ 5,940.00	
TOTAL CURRENT CITY/SCHOOL FEES PAID						\$ 19,236.08		\$ 18,208.96	
								<b>Potential Fee Decrease \$ 1,027.12</b>	

# EXHIBIT #6



# Transportation Impact Fees - How Proposal Changes the Fees

	Original Max Justified	Current Fees	Revised Fees	% Reduction with Additional Deferred & Rev
<i>Residential (per dwelling unit)</i>				
Single Family	\$ 4,925	\$ 4,790	\$ 4,071	15%
Multi-family	3,458	\$ 3,364	\$ 2,859	15%
Senior/Assisted	1,792	\$ 1,743	\$ 1,482	15%
<i>Nonresidential (per thousand square feet)</i>				
Gen. Retail (< 125,000 sq. ft.)	12,158	\$ 11,825	\$ 10,051	15%
Gen. Retail (> 125,000 sq. ft.)	8,108	\$ 7,887	\$ 6,704	15%
Hotel/Motel (per room)	3,393	\$ 2,096	\$ 1,782	15%
Gasoline Service Station (per position)	23,161	\$ 22,528	\$ 19,149	15%
<i>General Office</i>				
General Office	6,298	\$ 5,290	\$ 4,497	15%
Medical/Dental Office	14,075	\$ 12,885	\$ 10,952	15%
Government Office	23,445	\$ 22,804	\$ 19,383	15%
<i>Industrial/Service Commercial</i>				
Warehouse/Distribution (0-20 KSF)	2,486	\$ 1,653	\$ 1,405	15%
Warehouse/Distribution (20-100 KSF)	2,942	\$ 1,653	\$ 1,405	15%
Warehouse/Distribution (100+ KSF)	749	\$ 729	\$ 620	15%
Mini-Storage	796	\$ 774	\$ 658	15%
<i>School</i>				
School	3,710	\$ 3,608	\$ 3,067	15%
<i>Church</i>				
Church	2,793	\$ 2,716	\$ 2,309	15%

This reflects fees after \$10,500,000 Deferred and \$3,400,000 CMIA \$ for Plaza & ROW Cost Decrease

**EXHIBIT #7**