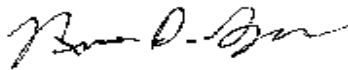


City of Calistoga Staff Report

TO: Honorable Mayor and City Council
FROM: Lynn Goldberg, Planning & Building Director
DATE: April 2, 2013
SUBJECT: Authorization of Professional Services Agreement with Economic & Planning Systems, Inc. for a Comprehensive Update of Development Impact and In-Lieu Fees

APPROVAL FOR FORWARDING



Richard D. Spitler, City Manager

1 **ISSUE:** Consideration of a resolution authorizing the execution of a professional
 2 services agreement with Economic & Planning Systems, Inc. for a comprehensive
 3 update of the City's development impact and in-lieu fees

4 **RECOMMENDATION:** Adopt resolution

5 **BACKGROUND:** The City of Calistoga charges a number of impact fees to new
 6 development that is intended to reflect its proportionate share of public facilities. It also
 7 assesses a fee on non-residential development to offset its impact on the community's
 8 affordable housing needs.

9 The following fees were adopted 15 to 20 years ago:

- 10 Public safety facilities fee
- 11 Quality of life fee (parks, recreation and cultural facilities)
- 12 Traffic signal mitigation fee
- 13 Affordable housing fee

14 The City also allows projects to pay fees, under specific circumstances, in-lieu of
 15 meeting the affordable housing and downtown parking required by the Municipal Code.

16 These fees need to be updated to reflect the actual costs of public facilities and
 17 improvements, as well as affordable housing. Fee adoption is required by state law to
 18 be based on a demonstrable, clear and reasonable relationship between new
 19 development and improvements needed to serve it. The fees also need to be sufficient

20 to fund capital facilities, while being responsive to economic realities. A major concern is
21 that the updated fees could create too great of a burden on new development. As part
22 of the update, a fee-burden analysis comparing the City's proposed updated fees to
23 fees assessed by surrounding and comparable cities is needed to determine the
24 reasonableness, consistency, and feasibility of its fees.

25 There is a need to broaden the traffic signalization mitigation fee to a citywide
26 transportation fee that would be used to fund all types of transportation improvements,
27 including those related to walking and bicycling.

28 **DISCUSSION:** Staff solicited proposals from four qualified firms to update its fee
29 programs, and two proposals were received. It is recommended that the City award the
30 contract to Economic & Planning Systems, Inc., who is partnering with transportation
31 consulting firm W-Trans. These firms have a wide range of in-depth experience in
32 formulating all of the fees that need to be updated and have demonstrated an
33 understanding of the City's needs. Staff confirmed with another jurisdiction client the
34 firms' abilities to complete the work in a timely and responsive manner.

35 The EPS/W-Trans proposal is included as Attachment 2. The contract will include
36 meetings between the consultants and City staff, as well as meetings with or
37 presentations to stakeholders and the City Council. It is estimated that the work will take
38 four months to complete.

39 The fee update is consistent with numerous General Plan actions, including:

- 40 • Housing Element Actions H-3.1/A2, H-3.1/A3 and H-6.1/A2
- 41 • Circulation Element Action CIR-1.1/A2 and CIR-2.1/A2
- 42 • Public Services Element Actions SER-1.1/A3 SER-2.3/P1 and SER-5.1/A1
- 43 • Open Space and Conservation Element Action OSC 4.1/A3
- 44 • Community Identity Element Action CI-3.5/A1, Public Services Action

45 **ENVIRONMENTAL REVIEW:** The proposed contract is not a project and is therefore
46 not subject to environmental review.

47 **FISCAL IMPACT:** The cost estimates included in the two proposals were within \$1,000
48 of each other; therefore, cost was not a factor in determining Staff's recommendation.
49 The EPS/W-Trans contract has an associated cost of \$103,100, which will be paid for
50 by the Community Development Fund. This cost could be considered an investment in
51 the ultimately higher impact fees that may be charged as a result of the study.

52 **ATTACHMENTS:**

- 53 1. Draft resolution
- 54 2. EPS/W-Trans proposal