

STAFF REPORT
City of Lancaster, California

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03/25/08
MVB

Date: March 25, 2008

To: Mayor Hearn and City Council Members

From: Barbara Boswell, Finance Director

Subject: **Annual CPI Adjustment of Fee Schedule Relating to Cost of Services and Annual CCI Adjustment of Development Impact Fees**

Recommendations:

Adopt Resolution No. 08-31, rescinding Resolutions 07- 91 and 05-174 in their entirety and establishing fee schedules relating to cost of services.

Adopt Resolution No. 08-32, rescinding Resolution 06-93 in its entirety and establishing new development impact fee schedules for the installation and upgrade of traffic signals, traffic impact, planned drainage facilities and urban structure program – parks.

Fiscal Impact:

Based on projected service levels, it is estimated the adjustment will increase General Fund revenue by approximately \$80,000 and revenue in other funds by approximately \$210,000 for a total increase to projected 08/09 revenues of \$290,000.

Background:

On May 8, 2007 the City Council adopted Resolution 07- 91 establishing a citywide fee schedule relating to cost of services for both development and non-development services. Included in the resolution was allowance for an annual adjustment based on the March Los Angeles-Riverside-Orange Co – All Urban Consumers (CPI-U) annual percentage change. The annual average percentage change for 2007 was 3.3%. Adjusting fees incrementally by the CPI results in the fees keeping pace with the cost of providing those services.

There are three new fees proposed as part of this action: Large Print Copies \$8.00 per page, Extra Large Print Copies \$25 per page and a GIS Mapping Fee \$113 per tract map + fully allocated rate for over 4 hours.

On April 25, 2006 the City Council adopted Resolution 06-93 establishing development impact fees. Included in the resolution was allowance for an annual adjustment based on the Engineering News Record, which for 2006 was 3.5% and 2007 was 3.9%. The most recent adjustment of fees was effective July 1, 2006, no adjustment was made in July 2007 in anticipation of a revision of the development impact fees. This revision has been delayed, as a result staff recommends implementing a two year adjustment, taking into account the rate that

would have gone into effect July 1, 2007 and the adjustment for July 1, 2008, resulting in a net adjustment to the fees of 7.1%.

If adopted, the attached fee schedules will go into effect July 1, 2008.