



CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

2.

ENGINEERING DIVISION

August 19, 1986

THOMAS M. FINLEY
Engineering Division Manager

Budget and Finance Committee
Transportation and Development Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: KVIE Fee Waiver Request (P-86158)

SUMMARY

At the June 17, 1986 meeting of the City Council, KVIE requested that the City waive the development fees associated with their proposal in South Natomas. In response, staff was requested to review the development fees imposed on projects in the Natomas Corporate Center and determine which, if any, fees associated with the KVIE proposal could be waived. Staff has concluded that all exaction fees should be collected.

BACKGROUND

The development agreement between the City and owners of the Natomas Corporate Center requires the payment of fees at the time of obtaining building permits.

KVIE has requested that they be considered exempt from the development agreement fees. This request was made by KVIE based on the following:

1. The KVIE proposal is an addition to the entitlement granted to Natomas Corporate Center. Anticipated funds from the fees would not be lost by this waiver.
2. Traffic generation from the KVIE proposal is less than other land uses resulting in reduced impacts.
3. KVIE is a community enhancement in and of itself.

At the June 17th City Council meeting, waiver of the traffic mitigation fees (\$74,800) was specifically denied. Staff was then requested to review what options were available to relieve the developer from the remaining fees (totaling \$87,300) for community enhancements and landscape maintenance along Interstate 5 and the Citation Homes development.

After review, staff recommends that all fees required by the development agreement be collected. This is necessary to mitigate the impacts of development and to avoid establishing a precedence for the waiver of development fees. Once a fee waiver precedence is established, it becomes very difficult to avoid future fee waivers by other applicants. This, in turn, makes it difficult to collect sufficient fees to meet the original purpose of the fee. If the development proposal is in addition to that originally proposed, the additional fees are needed to fund additional mitigation measures. These are often more expensive than the original mitigation measures.

ALTERNATIVES

An alternative for reducing the financial impact of the exaction fees would be for the Committee to recommend a grant from the General Fund Contingency. This will be consistent with the source of funding which has been used to support other non-profit groups such as the Symphony, Camellia Center and Stanford Settlement. The Committee would need to determine the amount and timing of the grant to KVIE if it wishes to recommend such a grant.

FINANCIAL

The fees collected will be placed in the various South Natomas trust funds. Assuming analysis will show a net assessable building area of 64,500 square feet, the estimated fees are:


1. I-5 landscaping	\$ 35,800	(\$.555/sf)
2. Citation landscaping	\$ 14,100	(\$.219/sf)
3. SNCIF - Community Amenities	\$ 37,400	(\$.58/sf)
4. SNCIF - Traffic Mitigation	\$ 74,800	(\$1.16/sf)
Estimated Total Fee	\$162,100	(\$2.514/sf)

If the Committee recommends a donation to KVIE, it will be charged to the General Fund Administrative Contingency.

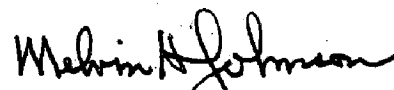
RECOMMENDATION

It is recommended that KVIE pay all SNCIF fees in accordance with City policy and as required by the development agreement.

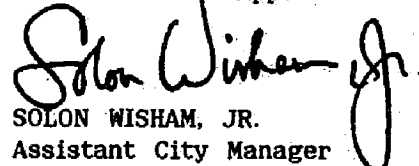
Respectfully submitted,


THOMAS M. FINLEY
Engineering Division Manager

Approved:


MELVIN H. JOHNSON
Director of Public Works

Recommendation Approved:


SOLON WISHAM, JR.
Assistant City Manager

JHB:vr
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District No. 1