



AGENCY: City Council  
MEETING DATE: May 22, 2017  
DEPARTMENT: Public Works  
PRESENTED BY: T. Varga  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**RECEIVE RECOMMENDATION FROM FINANCE & ADMINISTRATION COMMITTEE REGARDING STORM DRAINAGE FEES AND PROVIDE DIRECTION TO STAFF**

### **ISSUE:**

Storm Drainage Impact Fees are assessed on only new development and calculated by using the area of the lot being improved. This methodology to calculate these fees is established in the Fort Bragg Municipal Code and should be updated.

### **RECOMMENDED ACTION:**

The Finance and Administration Committee recommended that the methodology for calculating storm drainage impact fees as described in Chapter 12.14 of the FBMC should be revised to more accurately reflect the incremental impacts of parcel development. This calculation should be based on the increase in impervious area rather than the lot size on which the development takes place.

Since the methodology for calculating storm drainage fees is formally part of the municipal code, the code needs to be changed before the fees can be updated. This item presents to Council the information on storm drainage fees, the recommended changes, and requests Council direction on how it wishes to proceed.

### **ALTERNATIVE ACTION(S):**

The current Storm Drainage Impact Fee calculation method can be kept. Other modifications to the method of calculating this fee can be developed. If some other alternative or modification is desired, Council should provide guidance to staff as to how it wishes to proceed.

### **ANALYSIS:**

Prior to 2008, the City operated its storm drain system as part of the Wastewater Enterprise. After passage of Proposition 218 and subsequent court cases interpreting the statute, the City moved its storm drainage expenses to the General Fund in 2008.

### **Updating the City's Storm Drainage Impact Fees**

Chapter 12.14 of the Fort Bragg Municipal Code (FBMC) addresses storm drainage improvements and fees. Storm drainage fees are assessed on new development and are based on the improvements identified in the 2004 Storm Drainage Master Plan (SD Master Plan). In general, new construction covering more than 120 square feet is subject to drainage fees. Primary exceptions include in-kind replacement of structures lost to fires or similar disasters, minor flat work (e.g. pools, patios, driveways), or construction on lots greater than 20 acres in size.

Presently, the fee is calculated based on the area of the entire parcel on which the development occurs rather than being correlated to the increase in impervious area. The applicable portions of 12.14.030 (paragraphs B, D, and E) are underlined below.

B. The City official having jurisdiction, shall not issue a building permit for construction resulting in a 120-square-foot or more increase in ground coverage, within the Fort Bragg Drainage Area until the fees as set forth in this [Drainage] ordinance have been paid. The official having jurisdiction may accept cash, or other

consideration (in the form of actual construction of a part of drainage facilities by the applicant or his or her principal) in lieu of the fee when authorized to do so by the City Engineer. This fee shall not be required if the requested permit is to perform one (1) of the following.

1. To replace a structure destroyed or damaged by fire, flood, wind, or acts of God. This exception is only to the extent that the resultant structure has the same or less ground floor square footage as the original structure; if the ground floor square footage is increased, the square footage of the additional ground floor area shall be used to determine if the fee is due.
2. To construct a swimming pool, patio, or driveway.
3. To construct facilities (including dwellings) on lots greater than twenty (20) acres in area, provided less than 10% of the lot area is covered by impervious surfaces.
4. If the subdivision is for the conveyance of land to a government agency, public entity, public utility, or abutting property owner where a new building lot or site is not created as a result of the conveyance.

D. The base fee, used to determine drainage fees, shall be established, from time to time, by City Council resolution. The fees will be adjusted annually, for implementation January 1 of each year, based on the change in the Engineering News-Record 20-City Construction Cost Index over the prior year.

1. Agricultural land (twenty (20)-acre minimum) shall not be assessed an acreage fee.
2. Rural land (five-acre minimum) shall only be assessed an acreage fee for one (1) acre in any parcel split. Additional acreage shall not be charged an acreage fee.
3. For individual existing structures, costs of additions will be determined by multiplying the base fee per acre by the areas of the lot and multiplying this product by the runoff coefficient "C" designated to this individual structure. Additions under 120 square feet are exempt.
4. For individual lots, the drainage fee shall be determined by multiplying the base fee per acre by the area of the lot, excluding the area falling within the public street right-of-way, calculated to the nearest hundredth of an acre, and multiplying this product by the runoff coefficient "C" designated to the lot.
5. For subdivisions, the drainage fee shall be determined by multiplying the base fee per acre by the gross area of the subdivision excluding the area falling within the public street right-of-way prior to the land being subdivided, and multiplying this product by the runoff coefficient "C" designated to this subdivision.
6. Runoff coefficients shall be determined from the Land Use Designation Map of the Fort Bragg General Plan or as actually zoned. The runoff coefficients (C values) for each of the various land use designations shall be as follows: [TABLE-IV 1 deleted]
7. Fee amounts are applicable to the proposed use. For example, a commercial use occurring in a residential zone shall pay a fee according to the commercial land use schedule.

E. No lot shall be subject to payment of the full amount of fee, under the terms of this ordinance, more than once.

This methodology is different from the practice of most jurisdictions where the size of the added impervious area caused by the new development is used as the basis of impact fee calculations. Further, once a parcel of land in the City pays a storm drain fee it is not required to pay another storm drain fee later regardless of how often or how much it is subsequently improved or developed. By way of example, consider the construction of a new 1,800 square foot home on a standard City lot of 7,500 square feet. Using the residential fee of \$0.084527/square foot the City fee covering the entire parcel would be \$633.95. If the increase in impervious area caused by building only the new house were to be used instead, then the fee is \$152.15. If the new development is only a 400 square foot addition, the City's current fee calculation remains \$633.95; the increase in impervious area calculation is \$33.81.

It is recommended that the City's storm drainage fees be revised to a calculation based on the area of additional impervious area with a modification in the formula to maintain the revenue stream.

Continuing with the example of the single family residence above, increasing the \$0.084527/square foot amount to \$0.34514/square foot would change the \$152.15 fee (for the construction of a new 1,800 square foot home) to \$621.25 restoring the amount collected to nearly the previous level. Nevertheless, the amounts collected for smaller scale additions would decrease. The following table summarizes the situation.

Sample Storm Drainage Calculations						
Sample Project	Lot size (sq ft.)	Increase in impervious area (sq. ft.)	SD Fee, current (\$/sq. ft.)	Total Fee, current	SD Fee, example of a new fee (\$/sq. ft.)	Total Fee, example of a new fee
Build a new 1,800 sq. ft. house	7,500	1,800	\$0.084527	7,500 sf x \$0.084527/sf = <b>\$633.95</b>	\$0.34514	1,800 sf x \$0.34514/sf = <b>\$621.25</b>
400 sq. ft. addition	7,500	400	\$0.084527	7,500 sf x \$0.084527/sf = <b>\$633.95</b>	\$0.34514	400 sf x \$0.34514/sf = <b>\$138.06</b>

Different assumptions were used for updating the other land uses excluding those that accommodate single family residential units. Single family residential development tends to focus on the structure and less on lot size. The other land uses, multi-family residential, commercial, industrial, and other special purpose uses, focus on maximizing lot usage. These projects tend toward full lot build out. For this reason, the other land uses were adjusted by the typical percentage of a lot covered by impervious surfaces as characterized with the associated "C-Factor." Briefly, "C-Factor" is a number representing the percentage of rainfall leaving a property as storm water run-off. The existing fees are applied to the entire, affected lot. The new fees are applied to only the estimated, impervious surface area at lot build out.

Attached is a summary of the Storm Drainage Fee Schedule with existing fees and proposed fees. Nearly all impervious area measurements are made on a square foot basis. The fee has been converted to a per square foot amount for ease of calculation. Some of the land use classifications have also been modified to improve consistency of application.

Attached is a redline version of FBMC, Section 12.040.030 with proposed modifications implementing the recommended changes. Storm Drainage Fees will be calculated by the increase in impervious area multiplied by the fee rate appropriate for the land use classification that applies to the parcel being developed. The 120 square foot threshold before such storm drainage fees are charged will be kept. Storm drainage fees will be applied each time development on a parcel increases impervious area. The one-time limit to paying storm drainage fees will be eliminated. Other edits have been made for consistency with the proposed methodology update.

### **Establishment of a Storm Drainage Enterprise Fund**

The Public Works & Facilities Committee also examined the potential creation of a Storm Drainage Enterprise Fund. The Committee noted that such an enterprise fund could be valuable. However, it would require a rate study to fully develop the applicable storm drain system capital, regulatory,

operations, and maintenance costs. At that time, the storm drain fees can be revisited for any further refinements.

**FISCAL IMPACT:**

The current storm drainage fees are calculated in a manner that does not accurately reflect the impacts to the City's storm drain system created by development. Changing to methodology based on changes to impervious areas corrects this situation. The changes to the fees will maintain the current revenue stream.

**IMPLEMENTATION:**

The methodology for calculating storm drainage fees is contained within Chapter 12.14 of the FBMC. To change this methodology requires a change to the municipal code. Such a code change is accomplished by Ordinance. A Resolution can accompany the Ordinance to revise the Fee Schedule containing the storm drainage fee rates.

**ATTACHMENTS:**

1. Proposed revised storm drainage fees
2. Proposed revision to FBMC Chapter 12.14
3. Proposed Resolution, storm drainage fee revisions

**NOTIFICATION:**

None.

**City Clerk's Office Use Only**

Agency Action      ☐ Approved      ☐ Denied      ☐ Approved as Amended

Resolution No.: \_\_\_\_\_ Ordinance No.: \_\_\_\_\_

Moved by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

Vote: \_\_\_\_\_

☐ Deferred/Continued to meeting of: \_\_\_\_\_

☐ Referred to: \_\_\_\_\_