



Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: March 10, 2008

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE CREATING THE SEWER FACILITY CHARGE

TITLE OF PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY OF PASADENA TO CREATE A SEWER FACILITY CHARGE, AND TO AMEND TITLE 4 (REVENUE AND FINANCE) TO ESTABLISH CHAPTER 4.53 TITLED "SEWER FACILITY CHARGE"

RESPONSES TO COUNCIL QUESTIONS OF MARCH 3, 2008

This ordinance was originally presented for first reading on March 3, 2008, at which time Council posed a few questions to staff and the City Attorney.

1. The definition of "discharge credit" in proposed Section 4.53.2.B was deleted.

~~B. "Discharge credit" shall mean the highest sewer discharge existing on a lot within the City limits over the five years before the new development.~~
2. Proposed Section 4.53.3.B has been revised to make it clear that new projects or additions to existing structures only pay a fee for the sewer demand added as a result of the new construction. The following changes were made:

~~The charge shall be reduced by a discharge credit iff the new development is replacing an existing structure, or increasing existing demand on the system, the charge shall only apply to the net increase in the average daily flow attributable to the new development.~~
3. The exemption section includes projects that have submitted complete applications, which is consistent with Council's past direction to exempt such projects from other recent fees (including the residential impact fee and traffic reduction and transportation improvement fees). Previously, the Council seemed concerned about fairness to applicants in view of their reasonable expectations and having consistency

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regarding the rules once an application was complete. If Council desires, it can change its policy in this regard so that the trigger for an exemption is not a complete application, but rather a later point in the approval process. However, certain projects whose development rights were vested, either through a vesting tentative tract map or through more traditional vesting as set forth in legal case law, would remain exempt.

4. The segregation of the charge, and accounting and expenditure limits set forth in Section 4.53.4 are specifically required by California Government Code Section 66013. To fail to include this provision would likely result in the adoption of a facially invalid charge.

PURPOSE OF ORDINANCE

This ordinance implements the direction given by Council at its regular meeting on October 22, 2007. This ordinance adds a Sewer Facility Charge chapter to Title 4 (Revenue and Finance) of the Pasadena Municipal Code.

REASON WHY LEGISLATION IS NEEDED

This legislation gives the City the authority to charge a Sewer Facility Charge of \$6.19 per gallon per day on new development, as a one time charge for current and future infrastructure cost. The money collected through the charge will be set aside in a sewer facility charge fund, and will be spent on sewer operational and maintenance projects identified in the Master Sewer Plan as necessary to serve new development. Projects that have submitted complete building plans and paid all plan check fees prior to the effective date of the ordinance are exempt, as are projects subject to appropriate vesting tentative tract maps. Projects outside the City limits but served by the City system will be required to negotiate a charge directly with the City, to be approved by Council.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The Public Works Department will be responsible for implementing the ordinance.

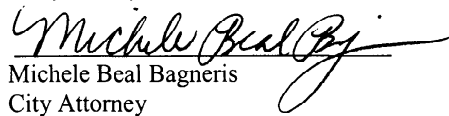
FISCAL IMPACT

Based on projections for the build-out of the City, and assuming a constant rate of development growth, the charge is projected to generate \$314,000 in the first year, and increase in subsequent years.

ENVIRONMENTAL DETERMINATION

Council has already found that the adoption of the charge is exempt from the California Environmental Quality Act and the State CEQA Guidelines pursuant to Section 15378(b)(4) of the State CEQA Guidelines as a funding mechanism which does not involve commitment to any specific project.

Respectfully submitted,


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Concurred by:



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