

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The Planning Department will collect the fee pursuant to its normal process for collecting fees due at building permit issuance. When necessary, the Transportation Department will work with the Planning Department to insure that the fee is calculated correctly.

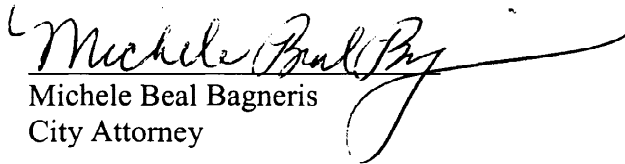
FISCAL IMPACT

At the current forecast for development through 2015, the fee is estimated to generate \$54 million. If actual development does not reach the forecasted level, revenue generated by the fee will be less, and it is assumed that in that case not all of the improvements identified in the ordinance will be needed.

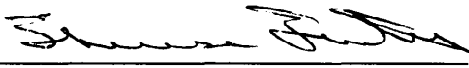
ENVIRONMENTAL DETERMINATION

The ordinance was determined to be exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15378(b)(4).

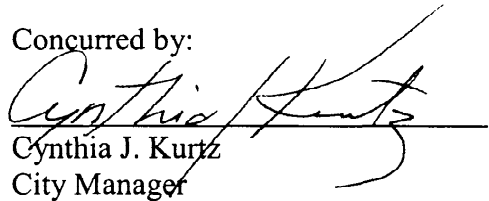
Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Theresa E. Fuentes
Deputy City Attorney

Concurred by:


Cynthia J. Kurtz
City Manager

Introduced by: _____

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 4
(REVENUE AND FINANCE) TO ESTABLISH A TRAFFIC REDUCTION AND
TRANSPORTATION IMPROVEMENT FEE**

WHEREAS, the City of Pasadena has adopted the Mobility Element of the Comprehensive General Plan which sets forth four Major Mobility Element Objectives to: (1) promote a livable and economically strong community; (2) encourage non-auto travel; (3) protect neighborhoods; and (4) manage multimodal corridors; and

WHEREAS, the Mobility Element analyzed the impact of the projected future development on the City's Transportation system and identified the need for seven key intersection improvements and two street extensions as well as the need for improvements to manage traffic on designated multimodal corridors. The Mobility Element also identified the need for significant enhancements the City's Area Rapid Transit System (ARTS) to encourage and accommodate non-auto travel throughout the City; and

WHEREAS, to promote the general health, safety and welfare of the residents of the City of Pasadena, it is necessary to assure an adequate level of service on the City's transportation system through the implementation of the street and transit improvements identified in the Mobility Element; and

WHEREAS, the Municipal Code, at Title 4, Chapter 4.19, imposes a "new development and impact fee" to address the traffic impacts of certain new industrial or commercial development only, and which does not necessarily go toward addressing the improvements identified in the Mobility Element and instead primarily goes toward

addressing narrow localized impacts from the new industrial or commercial development;
and

WHEREAS, the Transportation Advisory Commission recommended adoption of a new fee to replace the “new development and impact fee” and to fund the transportation improvements identified in the Mobility Element, and at its meeting on June 1, 2006, concurred with staff’s recommendation to adopt the fee as set forth in the Traffic Reduction and Transportation Improvement Fee Report (“Report”) prepared for the City and completed on July 10, 2006; and

WHEREAS, the fee is based on the dimension, location and type of development, the fee accurately charges new development for the new transportation infrastructure and facilities required to accommodate the new development, and in summary is calculated by dividing the cost of the local transportation improvements needed to mitigate the significant impacts of new development by the number of PM peak hour trips generated by net new development; and

WHEREAS, the results of the Report were presented to the City Council on July 17, 2006, and the full Report is attached hereto for Council’s reference; and

WHEREAS, the City Council finds: (1) the Report complies with California Government Code Section 66001 by establishing the basis for imposition of fees on new development; (2) the fees collected pursuant to this Ordinance shall be used to finance the improvements described in the Report; (3) the Report’s estimate of the cost of the improvements is reasonable as a basis for calculating and imposing the fee; and (4) assessment of the fee on new development will insure that the improvements identified in the Mobility Element necessary to address the impact of new development on the City’s

Transportation system are equitably shared by new development ; and (4) the Report is hereby adopted by the City Council.

NOW, THEREFORE, the people of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and corresponding cost of publication will be published by title and summary as permitted in Section 508 of the Charter of the City of Pasadena. The approved summary of this ordinance is as follows:

“SUMMARY

Ordinance No. _____ amends Title 4, Chapter 4.19, of the Pasadena Municipal Code, creating the “Traffic Reduction and Transportation Improvement Fee.” The Ordinance establishes a new fee for new industrial, office, retail, and residential development, to insure that the transportation improvements identified in the Mobility Element necessary to address the impact of new development on the City’s transportation system are equitably shared by all new development.

Ordinance No. _____ shall take effect 60 days from its publication.”

SECTION 2. Title 4, Chapter 4.19 is amended by:

A. Renaming Chapter 4.19 as follows: “TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE NEW DEVELOPMENT AND IMPACT FUND AND FEE”

B. Amending Section 4.19.010 as follows:
“This chapter may be designated and cited as ‘the Traffic Reduction and Transportation Improvement Fee new development impact fund ordinance.’”

C. Renaming Section 4.19.020 as follows: “Definitions New development defined”

D. Deleting the entire text of the current Section 4.19.020, and replacing its text as follows:

~~“New development” as used in this chapter means any of the following:~~

- ~~A. — New industrial or commercial construction;~~
- ~~B. — The addition, extension or enlargement of an existing commercial or industrial structure;~~
- ~~C. — The conversion of a residential structure to industrial or commercial uses;~~
- ~~D. — The conversion of an industrial structure to commercial uses;~~
- ~~E. — The conversion of parking structures or facilities to industrial or commercial uses.~~

A. “New Industrial Use” shall mean any net new industrial construction, including but not limited to additions, expansions, or enlargements of industrial structures, and the conversion of a preexisting structure to an industrial use.

B. “New Office Use” shall mean any net new office/commercial construction, including but not limited to additions, expansions, or enlargements of office/commercial structures, and the conversion of a preexisting structure to an office/commercial use.

C. “New Retail Use” shall mean any net new retail construction, including but not limited to additions, expansions, or enlargements of retail structures, and the conversion of a preexisting structure to a retail use.

D. “New Residential Use” shall mean shall mean any new construction of residential units, including but not limited to the addition of new unit(s), and the conversion of a preexisting non-residential structure to residential use.”

E. Amending Section 4.19.030 as follows:

“There is created a special fund to be known as the “Traffic Reduction and Transportation Improvement ~~new development impact~~ fund” to account for fees paid pursuant to this chapter.”

F. Amending Section 4.19.040, subparagraph A, as follows:

“A. Except as specifically excepted in this chapter, all new development shall pay into the Traffic Reduction and Transportation Improvement ~~new development impact~~ fund a fee in an amount as set forth below equal to \$2.00 per square foot of ~~new development~~. The fee shall be paid prior to the issuance of any building permit for new development.

1. New Industrial Use: \$3.10 per square foot.
2. New Office Use: \$3.72 per square foot.
3. New Retail Use: \$8.62 per square foot.
4. New Residential Use: \$2,480 per new unit.

G. Creating a new Section 4.19.040, subparagraph C, as follows:

“C. Fee Schedule Escalation. The Traffic Reduction and Transportation Improvement fee may annually escalate by the same percentage as the Consumer Price Index (CPI). Such escalation, if any, shall be presented annually prior to July 1st of the first year after the effective date of the ordinance enacting this chapter, and each year thereafter for approval by the Council.”

H. Amending Section 4.19.050 as follows:

“The following new developments are excepted from payment of the fee required by this chapter:

~~A. New commercial developments which are less than 2,000 square feet and which are not additions, extensions, or enlargements of projects having more than 2,000 square feet;~~

~~B. New industrial developments which are less than 10,000 square feet and which are not additions, extensions or enlargements of projects having more than 10,000 square feet;~~

AC. The reconstruction of any building destroyed or damaged by fire, explosion, natural catastrophe or Act of God to the extent that the reconstruction does not add to the floor area of the structure prior to its being damaged or destroyed;

BD. Any development for which a building permit has lawfully been issued prior to the effective date of the ordinance codifying the Traffic Reduction and Transportation Improvement Fee ~~in this chapter~~;

CE. Developments with plans complying with all of the following:

1. The plans were deemed complete by on file with the building official and code enforcement officer prior to the effective date of the ordinance codifying the Traffic Reduction and Transportation Improvement Fee, or by this chapter; and

2. Project entitlements were issued prior to the effective date of the ordinance codifying the Traffic Reduction and Transportation Improvement Fee. The plans were in compliance with the laws existing at the time of filing; and

~~3. For which plans a building permit is actually issued within 6 months of the effective date of the ordinance codified in this chapter.~~

DF. Parking structures, facilities and areas.

E. Affordable housing incentives:

1. The Traffic Reduction and Transportation Improvement fee is waived for all for-sale or rental affordable housing units built on-site. Affordable housing units built off-site shall receive a 50 percent discount on the Traffic Reduction and Transportation Improvement fee.

2. For-sale or rental workforce housing units shall receive a 50 percent discount on the Traffic Reduction and Transportation Improvement Fee when at least 15 percent of a development is within the price range of 121 to 150 percent of Average Median Income (AMI) for Los Angeles County.

3. For-sale or rental workforce housing units shall receive a 35 percent discount on the Traffic Reduction and Transportation Improvement fee when at least 15 percent of a development is within the price range of 151 to 180 percent of Average Median Income (AMI) for Los Angeles County.”

I. Renaming Section 4.19.060 as follows: List of Improvements Use and disbursement of fees.

J. Deleting the entire text of the current Section 4.19.060, and replacing it with the following text:

~~A. Fees from each new development shall be appropriated and disbursed only for the following:~~

~~1. Street improvements, including storm drains, and traffic control and management projects whose nearest point is located within 1,320 feet of lot boundaries in the new development.~~

~~2. Street improvements, including storm drains, and traffic control and management projects located within the impact zone of the new development as determined by Section 4.19.070.~~

~~3. Street improvements, including storm drains, and traffic control and management projects which are found pursuant to Section 4.19.080 to benefit the new development and mitigate its traffic impacts.~~

“The Council shall disburse the funds collected under this chapter to implement or construct the following transportation improvements:

- A. Net increase in annual ARTS operating costs.
- B. Additional ARTS buses.
- C. Miscellaneous bus stop improvements.
- D. Additional Dial-A-Ride vans.
- E. Transit maintenance facility/bus yard.
- F. Transit intelligent transportation system (ITS).
- G. Multimodal corridor safety/mobility enhancements.
- H. Intelligent transportation system (ITS) master plan.
- I. Arroyo Parkway and Del Mar Boulevard intersection improvements.
- J. Arroyo Parkway and California Boulevard intersection improvements.
- K. Del Mar Boulevard and Hill Avenue intersection improvements.
- L. Foothill Boulevard and Rosemead Boulevard intersection improvements.
- M. Foothill Boulevard and Sierra Madre Avenue intersection improvements.
- N. Lake Avenue and Maple Street intersection improvements.
- O. Lake Avenue and Walnut Street intersection improvements.

P. Kinneloa Street Extension – Colorado Boulevard to Foothill Boulevard.

Q. Walnut Street Extension – Sunnyslope Avenue to Kinneloa Street.”

K. Deleting the entire text of the current Section 4.19.070.

~~Determination of impact zones.~~

~~A. — The director of public works may recommend to the board of directors a map indicating impact zones within which any new development will cause a traffic or street impact, and within which any new development will benefit from street improvements or traffic control and management projects. The proposed map shall be accompanied by a report justifying the zone boundaries recommended by the director of public works.~~

~~B. — Prior to approving any impact zones, the board of directors shall hold a public hearing on the proposed map. The hearing shall be noticed as follows:~~

~~—— 1. — A notice of the time and place of such hearing and the purpose thereof shall be given by publication of a notice 3 times in the official newspaper of the city, the first publication to be not less than 10 days prior to the date of the hearing and the last publication to be not more than 3 days prior to the date of the hearing.~~

~~—— 2. — The notice shall contain:~~

~~—— a. — The time, place and purpose of the public hearing;~~

~~—— b. — The times and places where copies of the proposed map and the report of the director of public works are available for inspection by the public; and~~

~~—— c. — That any interested person may appear in person or by agent and be heard.~~

~~C. — After the public hearing by the board, the board may approve the recommendation of the director of public works or may modify or reject, wholly or partly, the recommendation of the director. If the determination of the board varies from the~~

~~recommendation of the director the board shall make written findings setting forth the reasons and justification for the changes, unless the board rejects the recommended map completely, in which case no findings shall be required.~~

~~D. — The approved map showing impact zones may be revised by the board after a public hearing as required by this section. The director shall file a report of recommended changes, if any, with the board prior to setting the date for hearing on revisions to an approved map.~~

~~E. — Certified copies of the approved map shall be filed with the director of finance and the building and code enforcement administrator by the city clerk after adoption.~~

L. Deleting the entire text of the current Section 4.19.080.

~~Determination of impact of special projects~~

~~A. — Whenever a street improvement or traffic control and management project may have benefits which extend beyond the impact zone established by section 4.19.070 in which the improvement or project is located, or if impact zones have not been established the director of public works may recommend to the board of directors the adoption of a special project map to show the boundaries of the area benefited by the project and which is made necessary, in whole or in part, by traffic generated by new development in the proposed boundary.~~

~~B. — A special project map shall be adopted, approved and revised following the same procedures used for adopting, approving and revising maps for impact zones.~~

M. Amending Section 4.19.090 as follows:

“The director of finance shall maintain records specifically identifying the origin of the funds used for any project or improvement funded, in whole or in part, by the Traffic

Reduction and Transportation Improvement new development impact fund. Such records shall enable the director to trace the fees from new development to specific projects funded by each development. Any interest accruing on account of time deposit of the fund, or otherwise, shall be deposited to the credit of the fund.”

N. Renumbering Section 4.19.100 to 4.19.070, and amending it as follows:

“A. Fees paid into the Traffic Reduction and Transportation Improvement new development impact fund which are not appropriated or disbursed within five 7 years of payment shall be returned to the payer, with all interest actually earned, if written request for return is filed with the director of finance during the fifth seventh year after payment. The request for return shall be verified, and shall state the date of the payment, the amount paid, ~~and the location of the new development for which the fee was paid,~~ and that the party requesting return of the fee is the payer of the fee or the payor’s assignee or successor.

B. In the case of subdivisions, such fees shall be committed within five years after payment of such fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If the fees are not committed, they shall be distributed and paid without any deductions to the then record owners of the subdivisions in the same proportion as the total number of lots in the subdivision.

CB. The right of a return of fees may be assigned in writing. No assignment shall be valid unless the assignment is acknowledged before a notary public in the same manner as is required for recording with the county recorder documents affecting title to land.

DC. If a request for return is not made within one + year of the date of request for return may first be filed, then the right to have fees returned shall terminate, and the fees and all interest earned shall revert to the Traffic Reduction and Transportation Improvement new impact development fund.”

O. Renumbering Section 4.19.120 to 4.19.080, and amending it as follows:

“All interest earned by the Traffic Reduction and Transportation Improvement new development impact fund shall be part of the fund. There shall be at all times reserved in the fund sufficient amounts of earned interest to enable the city to pay all potential obligations for the refund of interest earned on fees which may be eligible for refunds pursuant to Section 4.19.07100. Any amounts of interest earned by the fund which exceed the necessary reserve amount may be appropriated and disbursed for any of the improvements identified in Section 4.19.060 street improvements, including storm drains, and traffic control and management projects within 1,320 feet of the lot boundaries of the new development or within an impact zone established under Section 4.19.070 or with a special project zone established under Section 4.19.080 in the city of Pasadena.”

P. Deleting Section 4.19.130.

~~Special credits:~~

~~A. — Projects which were subject to discretionary zoning and design approvals prior to the effective date of the ordinance codified in this chapter, and which had such approvals conditioned upon payment of a fee of \$1.00 per square foot to mitigate the traffic or environmental impacts of the project, shall be deemed to have satisfied such condition upon payment of the fee required by this chapter.~~

~~B. — Except as expressly provided in subsection A of this section, nothing in this chapter shall excuse or exempt a new development from complying with all conditions of an exception, variance, use permit, certificate of appropriateness, or design approval.~~

SECTION 3. This ordinance shall take effect 60 days from its publication.

Signed and approved this _____ day of _____, 2006.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this _____ day of _____, 2006, by the following vote:

AYES:

NOES:

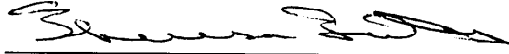
ABSENT:

ABSTAIN:

Date Published:

Jane L. Rodriguez, CMC
City Clerk

Approved as to form:



Theresa E. Fuentes
Deputy City Attorney

TEF Ordinances/Resolutions\Trans Impact Fee Ordinance (redlined)