

Agenda Report

DATE: March 15, 1999

TO: CITY COUNCIL
FROM: CYNTHIA J. KURTZ, CITY MANAGER
SUBJECT: **Development Mitigation Policy**

RECOMMENDATION:

It is recommended that City Council:

- a) Adopt a policy to utilize future increased revenues to the city from certain development projects for public improvements in areas subjected to unmitigated development impacts; and,
- b) Apply this policy to the South Lake Retail Development Project if the project is approved.

BACKGROUND:

This policy serves to balance the impact of projects that are beneficial to the city as a whole with the impacts of development on surrounding neighborhoods. While the city strives to mitigate negative impacts on all new development during the review and approval process, there are some cases where it may not be possible to mitigate impacts during the development process or the full impact may not be clear until after construction. In some areas, the cumulative impacts of multiple projects are not mitigated from the review of each project singularly.

Staff recommends that when a development project meets specific criteria, a percentage of revenue from that project be set aside for future improvements in directly impacted neighborhoods. Suggested criteria for this category are projects that:

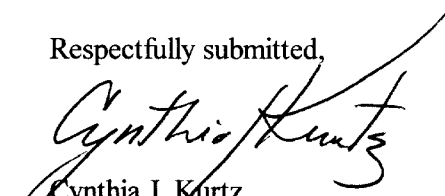
1. Meet the criteria for a "major project" as defined in the amended Predevelopment Plan Review administrative guidelines;
2. Provide a significant economic opportunity to the city;
3. Will result in increased revenue to the city; and
4. Impact a surrounding area in a way that cannot be directly mitigated through the development review and approval process.

It is recommended that the impacted area be defined by City Council on a case-by-case basis as the nature of the impact may vary by project. In addition, the appropriate amount of revenue may be determined in each case, with a policy cap of not more than one year of project revenue to the city.

FISCAL IMPACT


As a result of this policy, a percentage of new development revenue will be directed to specific improvements in specified neighborhoods for a set period of time.

Respectfully submitted,



Cynthia J. Kurtz,
City Manager

Prepared by:



Stephanie DeWolfe
Special Assistant to the City Manager