

**MINUTES
SPECIAL WORKSHOP
CITY COUNCIL & REDEVELOPMENT AGENCY
CITY OF YUBA CITY
SEPTEMBER 11, 2007 – 3:00 P.M.**

Call To Order

The City Council of the City of Yuba City was called to order by Mayor Miller at 3:06 p.m.

Roll Call

Present: Councilmembers Gill, Maan, McBride, Ramirez, and Mayor Miller
Absent: None

Public Communication on Items on the Agenda

1. **Appearance of Interested Citizens** – none.

General

2. **Impact Fee Presentation**

Community Development Director Aaron Busch said today's presentation will deal primarily with non-residential fees. Recommendations on residential impact fees were presented to Council at the July 23, 2007 Special Workshop.

It is difficult to estimate a flat fee on non-residential projects due to use type, size and infrastructure demands. Mr. Busch compared impact fees on three projects—a 12,000 square foot office building, a 10,000 square foot retail building, and an 8,000 square foot industrial building. He compared proposed fees against current fees. Fees were then adjusted to apply a 50% reduction in traffic fees and for the utilization of the Gilsizer drainage fee, thereby reducing the impact fees substantially. Mr. Busch compared Yuba City's recommended impact fees to the nine other jurisdictions that were used for the residential fee comparison. For all three non-residential project types (office, retail, and industrial), Yuba City's adjusted fees were lower than the average fees of the nine jurisdictions. He reviewed the City's "Building Permit Fee Calculation Sheet" which is used by the stakeholders to calculate their project's fees. Presently, this form identifies the City's impact fees as a cost per square foot line item that does not include water, sewer, or drainage fees in the calculation.

To be consistent with the methodology currently used by the stakeholders, staff adjusted the proposed numbers to exclude water, sewer, drainage and County fees. Water, sewer and drainage fees can vary significantly based on the design of the project and therefore they will continue to be calculated separately. County fees were excluded from the calculations since the City has no control over these fees. The initial adjusted fees were presented as follows: \$7.43/square foot for office, \$9.21/sqaure for retail, and \$3.59/square foot for industrial. However, the Ad-hoc Committee is recommending a reduction in the fee for office projects, and no fee increases for industrial projects in order to encourage new economic growth within the community. Mr. Busch then presented the final revised fee numbers supported by the Ad-hoc Committee and the stakeholder's group as follows: retail \$9.21/s.f.; office \$4.00/s.f.; industrial \$0.85/s.f.

The Committee is recommending continuation of existing impact fees for a minimum of one year due to the slow economy. The one exception would be levee fees, which are to be collected as soon as Council approves the impact fees and a start date is set. At the end of that one year period, the Council would re-evaluate the state of the economy and determine if the existing fees should continued to be used, or if the new fees should begin. If the new fees are to be implemented, then the fees would be phased in one-third each year for three years. Mr. Busch would like to see January 1, 2008 as the starting date.

Mr. Busch noted the Ad Hoc Committee recommends an annual review of fees, including an inflationary adjustment, and a five year review to look at the model assumptions for General Plan consistency. These are important aspects of the plan.

Mayor Miller asked if there was any public comment. The following citizens spoke:

Tom Tucker, Harter Packing, 1321 Harter Road, Yuba City
Russ Clark, 631 Daniel Drive, Yuba City
Darin Gale, North State Building Industry Assn., 1153 Franklin Ave., Yuba City
Edward Baker, Consolidated Housing Authority of Sutter Co., 448 Garden Hwy., Yuba City
Virgil Atkinson, 1104 Cotton Rosser Way, Yuba City

Mr. Jepsen noted that it has been a long process, and it will be a good model for other communities. He thanked Ad Hoc Committee members. He commented we have to be sensitive to the market but the affordable housing component has been adopted on a regional basis as part of the SACOG model.

Mayor Miller and all the Councilmembers thanked the Ad Hoc Committee Members, Councilmembers Ramirez & McBride, the stakeholders, and the public for their hard work.

In addition, Councilmember Gill noted this is about economics and fairness. Councilmember McBride said Councilmember Ramirez kept the Ad Hoc Committee on track. There was a lot of participation of the stakeholders, the public and staff. Councilmember Maan said the costs of development should be paid by the development community. He is very comfortable with the fees presented. Councilmember Ramirez thanked Mr. Busch and staff who provided accurate information necessary to establish the impact fees. Mayor Miller thanked the building community. He felt everyone involved did an outstanding job in reaching an agreement. He would like to see approval of the impact fees before the Council in October, if possible.

Adjournment

Mayor Miller adjourned the Special Workshop of the City Council of the City of Yuba City at 4:25 p.m.

John S. Miller
Mayor

ATTEST:

Terrel Locke
City Clerk