

CAPISTRANO BAY DISTRICT  
AGENDA REPORT  
March 31, 2015

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*Development Impact Fee Report*

## **ITEM 12**

Review of District Development Impact Fee Program/ORDINANCE NO. 05-206

The District recently received a complaint letter from a homeowner disputing the legality, fairness and rationality of the impact fee program, a copy of which is provided under Agenda Item 14. The purpose of this agenda item is to allow the Board to review the origin and development of the fee program in light of the dispute letter.

In 2003 the community formed an Assessment District and generated \$1.4M to fund a major capital improvement project to rebuild the roadway and storm drains.

When the project was completed the Board created Ordinance No. 05-206, recognizing that improvements to private property in the District regularly involve the use of heavy trucks and other construction equipment, increased traffic and other physical activities which damage and cause additional wear and tear to the roadway well beyond what is incurred due to normal daily use.

The Board found it necessary to impose a user fee on homeowners who engage in remodeling and rebuilding projects in order to recover money to repair the cumulative damages to its property and facilities caused by such projects.

The Government Code authorizes the District to charge fees for the use of its property, as researched by Rutan & Tucker LLP, with a fee methodology developed by LaBelle-Marvin Engineers, a professional pavement engineering firm in Orange County.

On the following two pages are the impact fee matrix showing how the District's fee is calculated, based on the project valuation as determined by the City when a permit is processed and a fee comparison spread sheet showing the recent Beach Road projects, the project valuation, the City's permit fees and the District's impact fees. To aid in comparing the project valuation to the amount of fees being assessed, a column showing the percentage of valuation (% of value) has been provided.

**ORDINANCE NO. 05-206  
CBD DEVELOPMENT IMPACT FEE**

**FEE MATRIX**

*Project  
Valuation*

Development (in \$) between	Development (in ft <sup>2</sup> )	Admin Fee	Supervision Fee	Estimated Direct Impact on Infrastructure	Traffic Control Fee	Contingency Fee (20% of traffic control fee)
\$1,001 and \$2,500	Minor repairs requiring city permit	\$30 or 2% of cost whichever is greater	N/A	N/A	N/A	N/A
\$2,501 and \$10,000	Structural repair (w/permit) only of an area up to 100 ft <sup>2</sup>	\$55	N/A	\$125 <b>PLUS</b> 5.00% of cost greater than \$2,501	N/A	N/A
\$10,001 and 50,000	Repair or remodel of area up to 200 ft <sup>2</sup>	\$75	N/A	\$500 <b>PLUS</b> 3.50% of cost greater than \$10,001	N/A	N/A
\$50,001 and 100,000	Remodel between 200 and 350 ft <sup>2</sup>	\$110	\$65	\$1,900 <b>PLUS</b> the greater of either 1.20% of remodel cost greater than \$50,001 or \$4.00 per ft <sup>2</sup> greater than 200 ft <sup>2</sup>	N/A	N/A
\$100,001 and 500,000	Remodel and/or new construction between 350 and 2000 ft <sup>2</sup>	\$165	\$100	\$2,500 <b>PLUS</b> the greater of either 0.87% of cost greater than \$100,001 or \$2.12 per ft <sup>2</sup> new construction greater than 350 ft <sup>2</sup>	\$45	\$9
\$500,001 and \$1,000,000	New construction on single lot up to 4000 ft <sup>2</sup>	\$165	\$100	\$6,000 <b>PLUS</b> the greater of either 0.70% of cost over \$500,001 or \$1.75 per ft <sup>2</sup> greater than 2,000 ft <sup>2</sup>	\$90	\$18
\$1,000,001 and 2,000,000	Construction greater than 4000 ft <sup>2</sup> on a single lot or construction on more than single lot up to 7500 ft <sup>2</sup>	\$165	\$135	\$9,500 <b>PLUS</b> the greater of either 0.54% of cost over \$1,000,001 or \$1.53 per ft <sup>2</sup> greater than 4,000 ft <sup>2</sup>	\$120	\$24
\$2,000,001 and above	Construction on more than one lot exceeding 7500 ft <sup>2</sup>	\$165	\$170	\$14,850 <b>PLUS</b> the greater of either 0.50% of cost over 2,000,001 or \$1.50 per ft <sup>2</sup> greater than 7500 ft <sup>2</sup>	\$150	\$30

# ITEM 12

## Impact Fees Charged on Recent Beach Road Projects

<u>Address</u>	<u>Description</u>	<u>Valuation</u>	<u>City Fees/% of value</u>		<u>District Fees/% of value</u>	
35093	Re-roof	8000	322	.04	455	.06
35175	Re-roof	8000	226	.03	455	.06
35405	Re-roof	9500	254	.03	530	.06
35127	Re-roof	2500	627	.25	50	.02
35777	Re-roof	12,000	609	.05	645	.05
35527	Remodel	75,000	1494	.02	2375	.03
35093	Remodel	69,194	3253	.05	2305	.03
35571	Remodel	66,412	3074	.05	2272	.03
35567	Remodel	75,000	3272	.04	2375	.03
35561	Remodel	30,942	1988	.06	1308	.04
35271	Remodel	30,000	1040	.03	1275	.04
35361	New Home	930,472	26,070	.03	9386	.01
35167	New Home	1,273,660	32,743	.03	11,421	.01
35411	New Home	1,200,000	32,775	.03	10,874	.01
35511	Exterior Stairs	10,000	575	.06	555	.06
35565	Exterior Work	5000	237	.05	305	.06
35567	Exterior Work	30,000	601	.02	1275	.04

## Sample of Permit Fees Charged on Projects Outside Beach Road With District Fees Calculated for Comparison

<u>Description</u>	<u>Valuation</u>	<u>City Fees/% of value</u>		<u>District Fees (hypothetical)</u>	
Block Wall	5000	223	.05	305	.06
Re-roof	4536	164	.04	282	.06
Re-roof	6500	674	.10	380	.06
Re-roof	6000	655	.11	355	.06
Re-roof	12,500	772	.06	662	.05
Windows/Doors	5500	232	.04	330	.06
Bath Remodel	15,000	607	.04	750	.05
Bath Remodel	30,000	848	.03	1275	.04
Bath Remodel	4216	266	.06	266	.06
Deck Repairs	1500	256	.17	30	.02
Remodel	96,438	3884	.04	2632	.03
New Home	775,000	22,496	.03	8190	.01
New Home	1,403,282	32,083	.02	11,998	.01
Kitchen/Bath	24,031	1048	.04	1066	.04
Kitchen/Bath	32,500	960	.03	1363	.04