



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Confirm that the Impact Fee Ordinance Controls Over Any Conflicting Ordinances Setting Forth a Water Impact Fee
MEETING DATE: April 16, 2014
PREPARED BY: City Manager

RECOMMENDED ACTION: Confirm that the Impact Fee Ordinance controls over any conflicting ordinances setting forth a water impact fee.

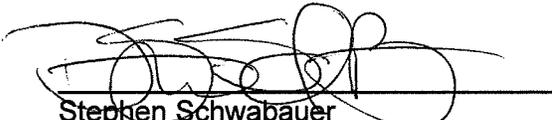
BACKGROUND INFORMATION: Ordinarily, impact fees can only be charged if they exist at the time the discretionary permits for the project are approved. In the case of the water impact fee, the City faced a unique quandary. It had a water impact it knew it needed to mitigate but did not yet have a fee program in place to provide the mitigation. To address that mitigation, the Lodi City Council approved several projects with a set impact fee. Resolution 2009-58 states:

The City is currently developing a Water Capacity Impact Fee to pay for the costs to construct a water treatment plant necessary to provide water to the Project. In lieu of paying the fee as ultimately adopted, Project has agreed to pay a current fee estimate of \$765,050 (1.43 times project Sewer Service Units (SSU's) times \$5,000) prior to the development of the first parcel. The purpose of paying a fee now is to obtain certainty of costs and the Project shall not be subject to future assessment or refund in the event the fee is ultimately higher or lower than the amount set forth above.

The projects subjected to the fee include the Lodi Shopping Center and Reynolds Ranch, though the Reynolds Ranch project has largely been released of the obligation through termination of the Development Agreement. Subsequent to those approvals, the water impact fee was calculated at a much lower rate than set in the project approvals in Ordinance 1870. Although we do not currently know the size of the meters at the Lodi Shopping Center, staff estimates that the fee would be approximately one-third of the fee calculated in Resolution 2009-58.

Staff supports imposition of the actual impact fee adopted by Ordinance 1870. As Council knows, AB 1600 tightly controls the imposition of impact fees and it would be difficult to support an impact fee in excess of the after-calculated fee.

FISCAL IMPACT: Project will pay for its fair share of the impact fee program.


Stephen Schwabauer
Interim City Manager

APPROVED: 
Stephen Schwabauer, Interim City Manager