

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, APRIL 19, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 19, 2011, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, and Mayor Johnson

Absent: Mayor Pro Tempore Mounce

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Development Impact Mitigation Fee Program Update (PW)

City Manager Bartlam briefly introduced the subject matter of the impact mitigation fee program.

Public Works Director Wally Sandelin, Alison Bouley, and Victor Irzyk provided a PowerPoint presentation regarding the Impact Mitigation Fee Program. Specific topics of discussion included the study area, growth forecast, projected citywide residential development, growth forecast for non-residential, fee incentive areas, fee assignment by area, methodology, fees being analyzed, assumptions, fund balance and interfund loans, and financing plan.

In response to Mayor Johnson, Mr. Sandelin stated the projection numbers for residential are based on market conditions and the numbers were agreed upon by staff and members of the building industry.

In response to Council Member Hansen, Mr. Sandelin stated there is less of a demand for high density and apartment complexes. A brief discussion ensued regarding market conditions driving the future numbers of renters versus property owners and the need for the land to be almost free for apartment building construction in order for the numbers to pencil out.

In response to Council Member Hansen, Mr. Bartlam stated development impact fees are charged to build capital projects in that development and the fees have to be charged accordingly.

In response to Mayor Johnson, Mr. Bartlam stated multi-use corridors are a mixed-use designation that run along Kettleman Lane, Cherokee Lane, and Lodi Avenue, which provide greater flexibility for land uses in those areas.

In response to Mayor Johnson, Mr. Sandelin stated a review will be completed every five years, which will allow for staff to catch any slippage of the numbers based on the market.

In response to Mayor Johnson, Mr. Sandelin stated that in the past, while there may have been some tweaks to the impact fee program, there was no formal update.

In response to Mayor Johnson, Mr. Bartlam stated the program is a 20-year program with 5-year updates built into the program, unlike the previous program.

In response to Council Member Nakanishi, Mr. Bartlam stated impact fees include the costs

associated with police and fire facilities such as the fire stations and the new public safety building.

In response to Council Member Hansen, Ms. Bouley stated they are starting with a review of the existing program and its coverage and they will assess the need for reimbursements for old facilities along with construction needs for new facilities.

In response to Mayor Johnson, Ms. Bouley stated the assessments related to the need for new facilities will include parks and general City facilities as well.

In response to Council Member Nakanishi, Mr. Sandelin stated comparisons with other cities in the County will also be provided in the future although they do not necessarily match up because every community is different.

In response to Council Member Hansen, Mr. Sandelin stated the last two development agreements included the creation of Mello-Roos districts to address long-term and ongoing facility needs.

In response to Council Member Nakanishi, Mr. Sandelin stated the community facilities district was created but there has been no residential development in the district to date.

In response to Mayor Johnson, Mr. Sandelin stated the comparison communities were chosen by him and reflect other cities in the County such as Manteca and Tracy.

In response to Council Member Nakanishi, Mr. Bartlam confirmed that a portion of regional transportation needs are also assessed in impact fees as those needs are not completely met by grants and other funding.

In response to Council Member Nakanishi, Mr. Irzyk stated none of the comparable communities are doing an art in public places fund and the City Council will need to decide whether that is a continuing priority in this community.

In response to Council Member Hansen, Mr. Irzyk stated all cities differ in their balances for impact fees because each community's needs differ. Mr. Bartlam stated it is important to assess whether the facilities that were planned 20 years ago were built and if not then how much money is needed to construct those facilities.

In response to Council Member Nakanishi, Mr. Sandelin stated commercial projections include Home Depot, Reynolds Ranch build out, Wal-Mart, and the South Hutchins medical office building.

In response to Council Member Hansen, Mr. Sandelin stated the per acre fee has been in place since 1991 and the commercial calculation is per 1,000 square feet of building space.

A brief discussion ensued between Council Member Hansen, Mr. Bartlam, and Mr. Sandelin regarding the Highway 99 interchange and grade separation projects, the current likelihood of those projects being done in 20 years, and the ability to include them in the 5-year reviews.

In response to Mayor Johnson, Mr. Sandelin stated funding from the San Joaquin Council of Governments for these projects will not be available until after 2018 and the improvements are expected to have a lifetime of 15 to 20 years.

In response to Council Member Hansen, Mr. Sandelin confirmed that the only park constructed by the developer to date has been Century Meadows. He stated developers can build a park for

less than a municipality because they do not have to pay prevailing wages and the bidding environment is different for private developers. Mr. Bartlam confirmed DeBenedetti is a regional City park and some Southwest Gateway Development impact funds should be directed to the same.

Council Member Hansen requested general information regarding how much it costs to live in the City of Lodi with respect to the services provided.

Jeffrey Kirst provided a brief history of the development of the impact fee program and spoke in regard to his concerns about being competitive with other utilities including electrical.

In response to Myrna Wetzal, Mr. Sandelin stated Measure K funds are available for the Highway 99 interchange and grade separation projects.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:05 a.m.

ATTEST:

Randi Johl  
City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Development Impact Mitigation Fee Program Update  
**MEETING DATE:** April 19, 2011 (Shirtsleeve Session)  
**PREPARED BY:** Public Works Director

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**RECOMMENDED ACTION:** Development Impact Mitigation Fee Program Update.

**BACKGROUND INFORMATION:** On March 16, 2011, City Council approved the professional services agreement with Harris and Associates for the Development Impact Fee Program Update. Members of the project team will make a presentation to the City Council regarding a number of topics including, but not limited to, the following:

1. Study Area and Vacant Land Area
2. Growth Projections
3. Incentive Areas (Downtown and Mixed-Use Corridors)
4. Assumptions and Changes to the Old Program
5. Methodology Used to Set Impact Fees

A total of four Shirtsleeve Sessions are scheduled with the City Council over the next seven months, leading to adoption of the Program on December 7, 2011.

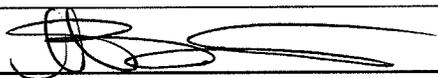
**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** Not applicable.

  
\_\_\_\_\_  
F. Wally Sandelin  
Public Works Director

FWS/pmf

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**APPROVED:**   
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Konradt Bartlam, City Manager

The City of Lodi  
**Public Works  
Engineering**



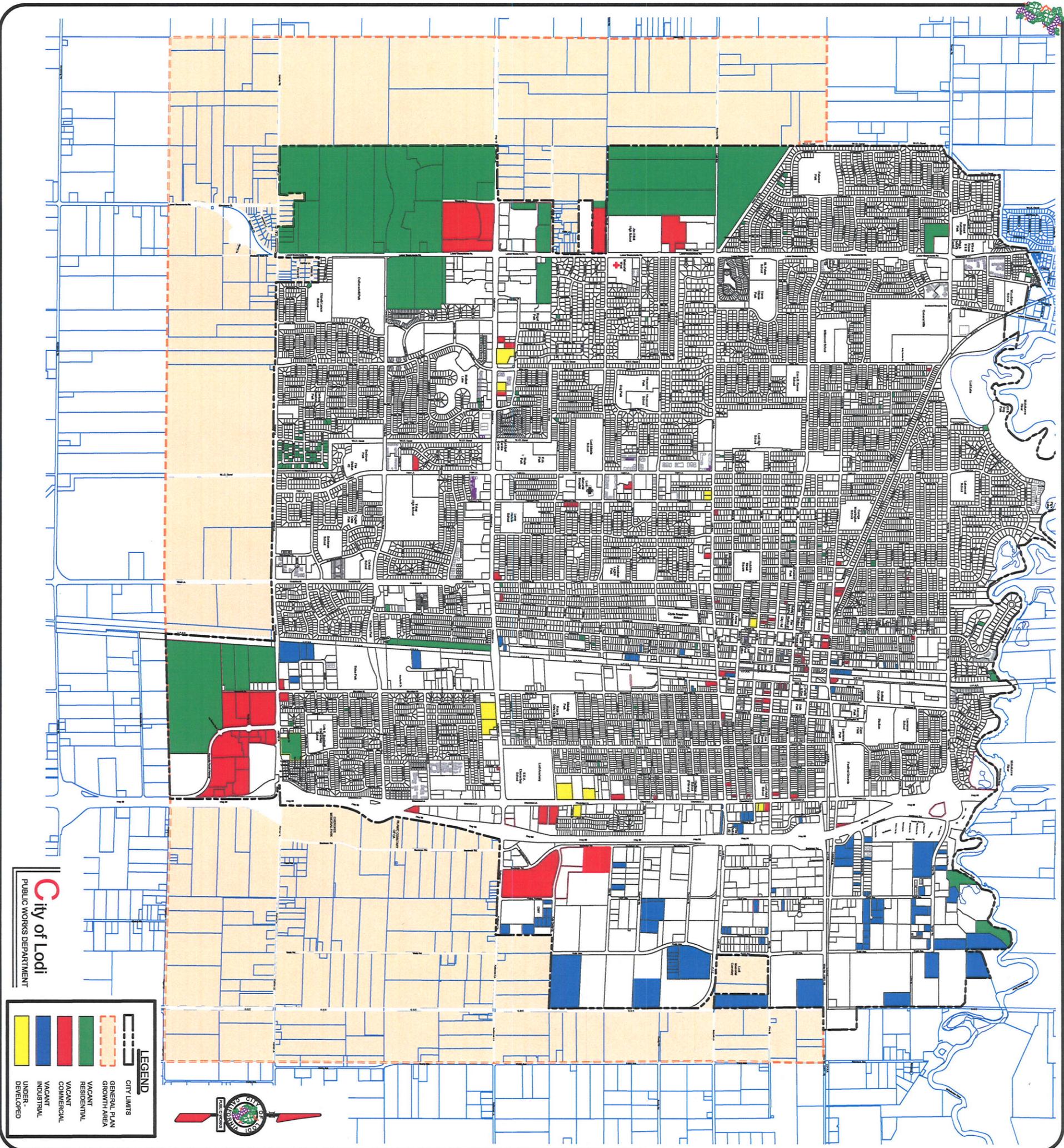
# Impact Mitigation Fee Program

Shirtsleeve  
April 19, 2011



# Study Area

- Vacant Property Inside City Limit
- Vacant Property Outside City Limit Within General Plan Boundary
- Land Expected to Develop By 2035
- Fee Incentive Areas



**City of Lodi**  
PUBLIC WORKS DEPARTMENT



# Growth Forecast

Year	Dwelling Units				Acres			
	Low Density (LDR)	Medium Density (MDR)	High Density (HDR)	Total	Low Density (LDR)	Medium Density (MDR)	High Density (HDR)	Total
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	50	-	-	50	8.33	-	-	8.33
2015	100	-	-	100	16.67	-	-	16.67
2016	125	-	-	125	20.83	-	-	20.83
2017	175	-	-	175	29.17	-	-	29.17
2018	200	40	-	240	33.33	2.67	-	36.00
2019	200	40	-	240	33.33	2.67	-	36.00
2020	200	40	-	240	33.33	2.67	-	36.00
2021	200	40	-	240	33.33	2.67	-	36.00
2022	200	40	-	240	33.33	2.67	-	36.00
2023	200	40	-	240	33.33	2.67	-	36.00
2024	200	40	-	240	33.33	2.67	-	36.00
2025	200	40	-	240	33.33	2.67	-	36.00
2026	200	40	-	240	33.33	2.67	-	36.00
2027	200	40	-	240	33.33	2.67	-	36.00
2028	200	40	-	240	33.33	2.67	-	36.00
2029	200	40	-	240	33.33	2.67	-	36.00
2030	200	40	-	240	33.33	2.67	-	36.00
<b>Total</b>	<b>3,050</b>	<b>520</b>	<b>-</b>	<b>3,570</b>	<b>508.00</b>	<b>35</b>	<b>-</b>	<b>543.00</b>

**PROJECTED CITYWIDE RESIDENTIAL DEVELOPMENT**

Year	Dwelling Units				Acres <sup>a</sup>			
	Low Density (LDR)	Medium Density (MDR)	High Density (HDR)	Total	Low Density (LDR)	Medium Density (MDR)	High Density (HDR)	Total
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	50	-	-	50	8.33	-	-	8.33
2015	100	-	-	100	16.67	-	-	16.67
2016	125	-	-	125	20.83	-	-	20.83
2017	175	-	-	175	29.17	-	-	29.17
2018	200	40	-	240	33.33	2.67	-	36.00
2019	200	40	-	240	33.33	2.67	-	36.00
2020	200	40	-	240	33.33	2.67	-	36.00
2021	200	40	-	240	33.33	2.67	-	36.00
2022	200	40	-	240	33.33	2.67	-	36.00
2023	200	40	-	240	33.33	2.67	-	36.00
2024	200	40	-	240	33.33	2.67	-	36.00
2025	200	40	-	240	33.33	2.67	-	36.00
2026	200	40	-	240	33.33	2.67	-	36.00
2027	200	40	-	240	33.33	2.67	-	36.00
2028	200	40	-	240	33.33	2.67	-	36.00
2029	200	40	-	240	33.33	2.67	-	36.00
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<b>Total</b>	<b>3,050</b>	<b>520</b>	<b>-</b>	<b>3,570</b>	<b>508.00</b>	<b>35</b>	<b>-</b>	<b>543.00</b>

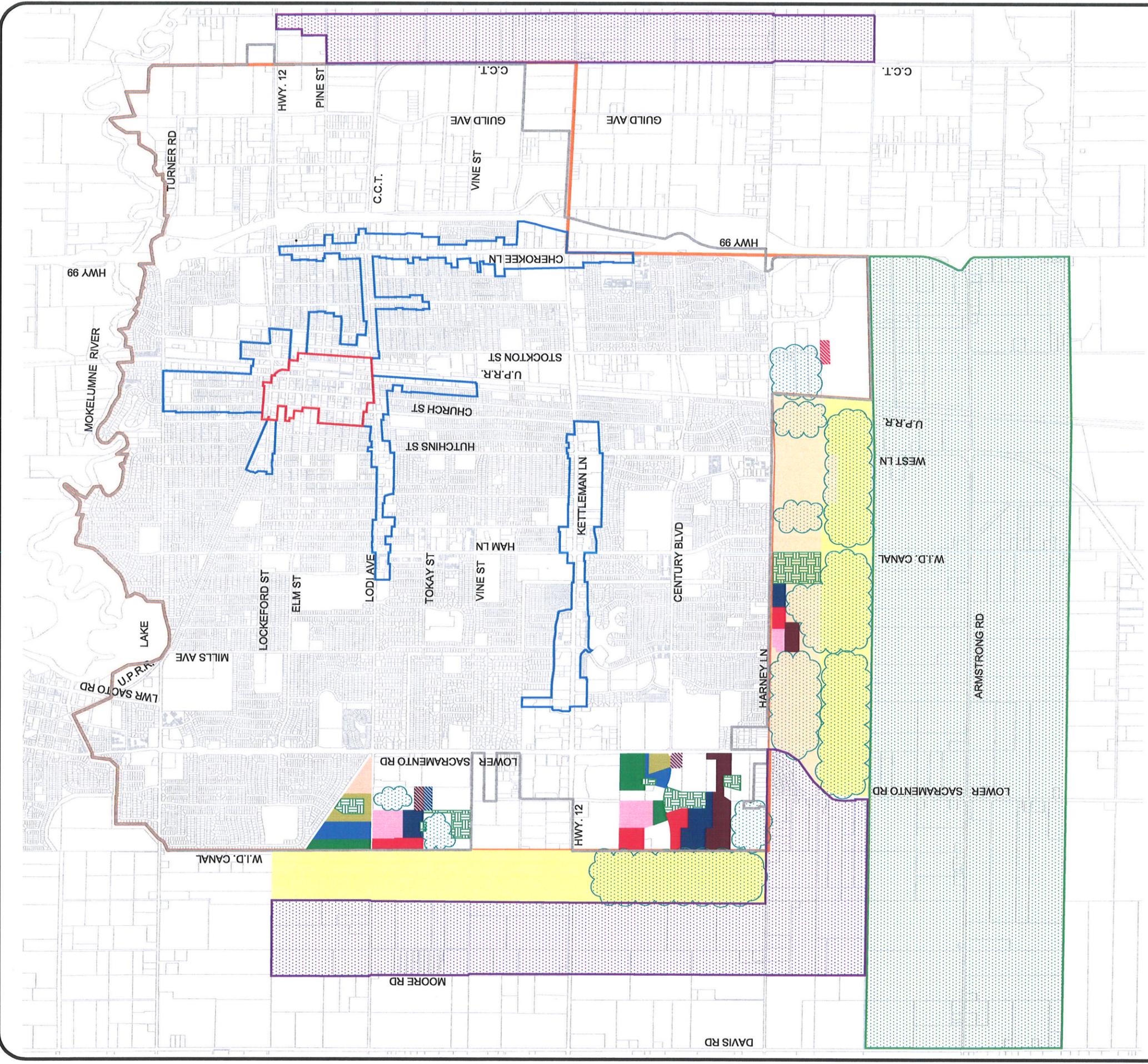


# Growth Forecast – Non Residential

## Non-Residential Growth Forecast

		Units of 1,000 Square Feet			
		2015 - 19	2020-24	2025-29	2030-35
Industrial	Reynolds Ranch				
	Lodi Shopping Center				
	South Hutchins				
	Northeast		896	792	800
	Southeast				
Major Retail	Reynolds Ranch	134			
	Lodi Shopping Center	217			
	South Hutchins				
	Multi-use Corridor	100			
	Downtown Multi-use				
Minor Retail	Reynolds Ranch	466			
	Lodi Shopping Center	26.5	26.5		
	South Hutchins			109	
	Multi-use Corridor				
	Downtown Multi-use				
Office	Reynolds Ranch				
	Lodi Shopping Center				
	South Hutchins		90	90	
	Multi-use Corridor	180 + 70			
	Southeast				100
Medical	Reynolds Ranch				
	Lodi Shopping Center				
	South Hutchins	68			
	Multi-use Corridor				
	Downtown Multi-use				

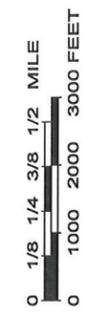
		Non-Residential Growth Forecast			
		Units of 1,000 Square Feet			
		2015 - 19	2020-24	2025-29	2030-35
Industrial	Reynolds Ranch				
	Lodi Shopping Center				
	South Hutchins				
	Northeast		896	792	800
	Southeast				
Major Retail	Reynolds Ranch	134			
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	Southeast				100
Medical	Reynolds Ranch				
	Lodi Shopping Center				
	South Hutchins	68			
	Multi-use Corridor				
	Downtown Multi-use				



- 2014 PROJECTED HOUSING DEVELOPMENT (50 UNITS)
- 2015 PROJECTED HOUSING DEVELOPMENT (100 UNITS)
- 2016 PROJECTED HOUSING DEVELOPMENT (125 UNITS)
- 2017 PROJECTED HOUSING DEVELOPMENT (175 UNITS)
- 2018 PROJECTED HOUSING DEVELOPMENT (200 UNITS)
- 2019 PROJECTED HOUSING DEVELOPMENT (200 UNITS)
- 2020 PROJECTED HOUSING DEVELOPMENT (200 UNITS)

- 2021 PROJECTED HOUSING DEVELOPMENT (200 UNITS)
- INDICATES PROJECTED HOUSING DEVELOPMENT FROM 2022 THRU 2030
- INDICATES MEDIUM DENSITY HOUSING DEVELOPMENT (40 UNITS TYP)
- DEVELOPMENT PHASE 1
- DEVELOPMENT PHASE 2
- DEVELOPMENT PHASE 3
- FUTURE PARKS

- ### 2021 PROJECTED RESIDENTIAL DEVELOPMENT NEXT 10 YEARS COVERAGE AREA MAP
- CITY LIMITS (2008)
  - DOWNTOWN MIXED USE
  - MIXED USE CORRIDOR
  - URBAN RESERVE
  - ARMSTRONG ROAD AGRICULTURAL CLUSTER STUDY AREA

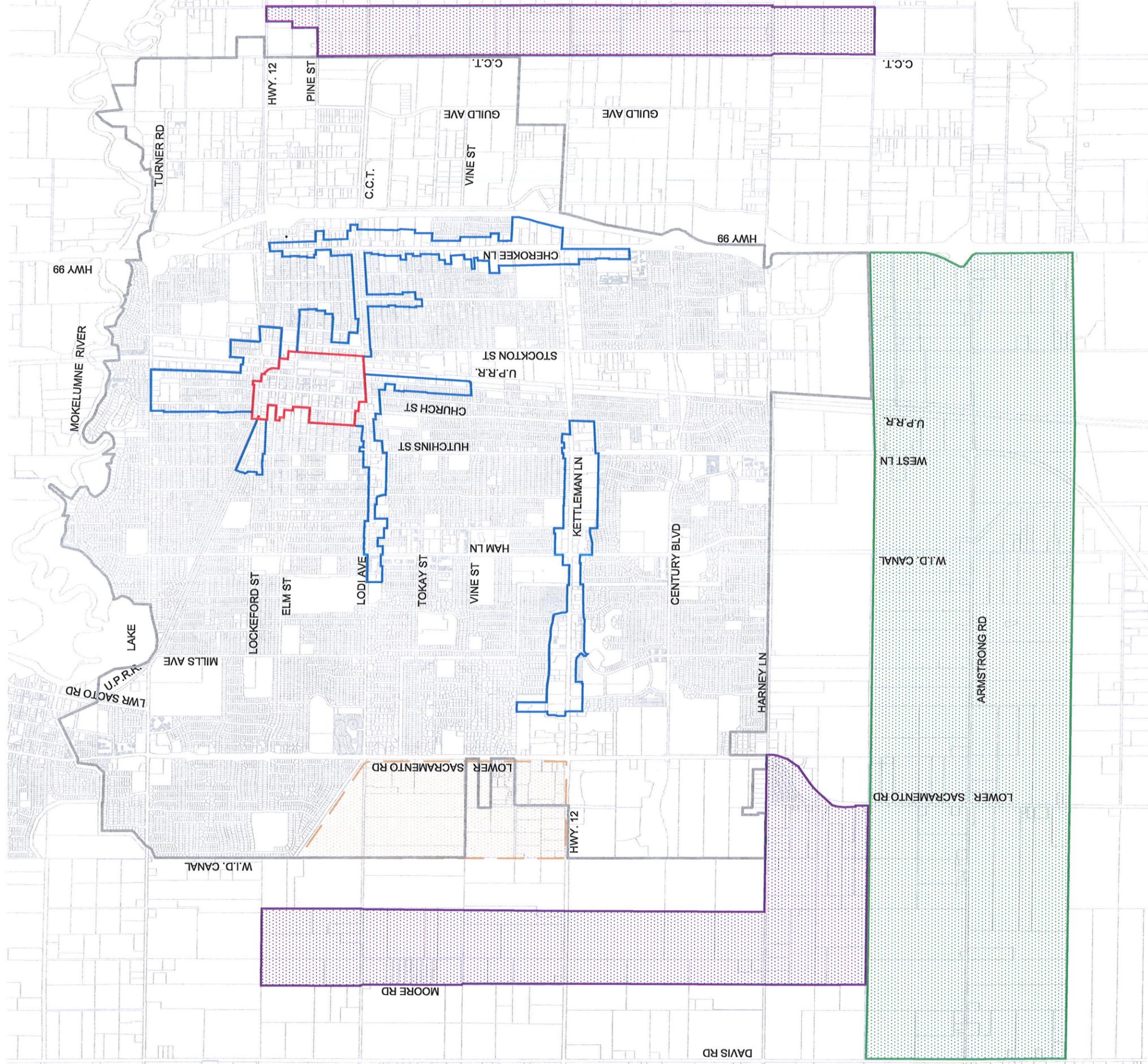




# Fee Incentive Areas

## Mixed Use Corridors

- Downtown
- North of Downtown
- Lodi Avenue
- Sacramento Street
- Cherokee Lane
- Kettleman Lane

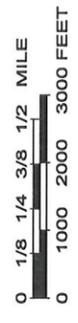


CITY OF LODI WESTSIDE  
FACILITIES MASTER PLAN (2001)

## 2011 IMPACT MITIGATION FEE PROGRAM FEE INCENTIVE AREAS

-  URBAN RESERVE
-  ARMSTRONG ROAD AGRICULTURAL CLUSTER STUDY AREA

-  Downtown Mixed Use
-  Mixed Use Corridor





# Fee Assignment By Area

	Fee Zones	Residential Expansion	Non-Residential	Downtown Mixed Use	Corridor Mixed Use
Water System	1	✓	✓		
Water Capacity	1	✓	✓	✓	✓
Sewer System	1	✓	✓		
Sewer Capacity	1 or 2	✓	✓	✓	✓
Storm Drainage	1	✓	✓		
Streets and Roads	1	✓	✓		
Interchange/Grade Separation	1	✓	✓		
Police	1	✓	✓		
Fire	1	✓	✓		
Electric	1	✓	✓		
Parks Recreation Open Space	1	✓			
General City Facilities	1	✓	✓		
Art In Public Places (2%)	1	✓	✓	✓	✓



# Methodology

- Meetings with Development Community
- Growth Forecasts
- Master Plans and Level of Service Standard
- Project Identification and Cost Estimates
- Calculation of Fees
- Impact Mitigation Fee Program Report



# Fees Being Analyzed

1. Traffic
2. Water
3. Sewer
4. Storm Drainage
5. Parks, Recreation and Open Space
6. Police
7. Fire
8. General City Facilities
9. Electric Substation and Feeder Lines
10. Art In Public Places



# Assumptions

- Twenty Year Program (2015 – 2035)
- Single Fee Zone
- Development Projects Build More Infrastructure
- Oversizing Costs Not Included in Program
- Public Art Fee Segregated
- Required 5-Year Updates Implemented



# Fund Balance and Interfund Loans

Fund	Cash Balance
Wastewater Fund #173	\$596,161
Storm Drain Fund #326	\$495,658
Water Fund #182	\$332,907
Streets Fund #332	\$176,145
Regional Transportation Fund #338	\$693,711
Police Fund #1215	\$277,251
Fire Fund #1216	(\$130,428)
Parks and Recreation Fund #1217	\$2,546,953
General City Facilities Fund #1218	(\$383,330)
Art In Public Places Fund #1214	\$188,000
<b>Total</b>	<b>\$4,793,026</b>



# Financing Plan

- Revised Basis of Demand Assumption
- Preliminary Fee Calculations
- Comprehensive Fee Comparison
- Cash Flow/Funding Analysis
- Final Fee Calculations
- Art In Public Places Fee



Questions?