



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Introduction of Ordinance for Certain Central City Revitalization Incentives

MEETING DATE: September 18, 1996

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council conduct a public hearing on the proposed ordinance changes implementing the building permit and wastewater capacity fee incentives as part of the Central City Revitalization Program.

BACKGROUND INFORMATION: Among the various incentives approved in concept by the City Council, two require modifications to the City Code. These are, 1) a building permit fee discount; and, 2) modification to the existing wastewater capacity fee incentive adopted in 1991.

Building Permit Fee Discount

As outlined previously, this program will discount the fees paid in the two Downtown zones and on Cherokee Lane for building permits. The modified ordinance expands the written Code analysis incentive that was instituted last year. This analysis program has proved to be quite successful for people embarking on construction projects Downtown.

Specifically, the A-1 zone, or Downtown core, shall receive a fifteen (15) percent reduction in the fee shown in Table No. 1-A of the Code. The balance of the Downtown and Cherokee Lane are recommended for a ten (10) percent discount.

The City Council will note that the ordinance does include the same sunset clause that was adopted in 1995 for a written Code analysis. Staff is comfortable with the time frame and we believe this will coincide with the next round of Building Code adoptions.

The amended section 15.04.55(B) is shown as Exhibit A and on the draft ordinance.

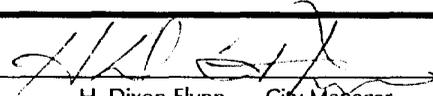
Wastewater Capacity Fee Discount

City Code §13.12.195, adopted in 1991, provided a wastewater capacity fee credit for projects within the boundaries of the 1984 Downtown Assessment District (Exhibit B). The credit provides up to six "SSU's" (Sewage Service Units). Each unit presently costs \$2,099, so the maximum credit is \$12,594.

The wastewater capacity fee of \$2,099 per unit is the equivalent of a two-bedroom home. A typical small retail business would be one unit. A restaurant would range from two to ten or more units depending on the type and seating.

The calculation process for the Downtown under the existing program is a three-step process:

APPROVED: _____


H. Dixon Flynn -- City Manager

1. The new use is calculated based on seating, etc.
2. A "credit" for the existing use is determined based on our records.
3. The Downtown incentive is applied. The incentive consists of the next six units over the first two units.

For example, the Cottage Bakery Cafe was calculated to owe twelve units and a credit for the previous retail use (one unit) was applied, leaving eleven units. Cottage paid for the first two units, the next six were free and the remaining three were charged, for a total charge of five units. This amounted to a 55% discount. Similarly, Hazel's Restaurant, which was a smaller project, totaled eight units and received six free for a total discount of 75%.

The result of this credit structure is that many small projects still paid for one or two units which was no incentive at all. The proposed modification, reviewed at the July 23, 1996 Shirtsleeve Session, was that the first six units would be free and anything over that would be charged. An alternative of just discounting the fee by some percentage was also mentioned. The main advantage to this was that it was very simple and easy to explain.

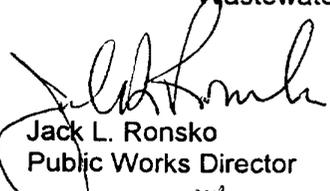
Staff is recommending two changes to the Code. The first updates the definition of the area to that of the Central City Revitalization Assessment District. The second changes the structure of the incentive to a percentage discount based on a combination of area and land use type. This does a number of things:

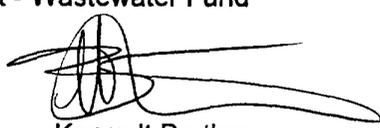
1. The incentive is much simpler to explain to businesses and easier to administer.
2. The value of the incentive is consistent and directly proportional to the size of the project.
3. The incentive can be geared to favor the types of land uses called for in the Concept Plan.

The recommended incentive program is shown in the table attached as Exhibit C. The proposed changes in the Code are shown in Exhibit D. The actual incentive would be adopted by resolution.

The above information is the same as that provided to the Council and the people copied below when the public hearing was set. As of September 9, 1996, we have received no public comments on the recommendation.

FUNDING: Building Permit Fee Discount - General Fund
Wastewater Capacity Fee Discount - Wastewater Fund


Jack L. Ronsko
Public Works Director


Konradt Bartlam
Community Development Director

Prepared by Richard C. Prima, Jr., City Engineer
JLR/RCP/KB/m

Attachments

cc: City Attorney
Economic Development Coordinator
Water/Wastewater Superintendent
Chief Building Inspector
Chamber of Commerce
Lodi Downtown Business Association

15.04.55 Central City Revitalization Incentive Program

- A. Notwithstanding paragraph 5 of Section 15.04.050 above, special inspection fees required to determine compliance with the building code for all buildings and structures located within the area designated by Section 13.12.195B as the central business district shall be waived.
- B. An implementation measure of the Central City Revitalization Incentive Program includes the above referenced waiver as well as a reduction in building permit fees. The reduction shall encompass the fees shown in Table No. 1-A. The amount of reduction shall be fifteen (15) percent within zone A-1 and ten (10) percent within zones A-2 & B as defined by Section 13.12.195B.
- C. This section shall expire and shall be of no further force or effect after January 1, 2000. The City Council finds and declares that this action is taken to protect and preserve a crucial part of Lodi's economy and to preserve a portion of the City's heritage by offering incentives for permitted uses to locate, relocate or expand existing commercial uses within this area.

PRESENT CODE

13.12.195 Downtown business district capacity fees.

A. The city council finds and declares that the downtown area of Lodi as defined in this chapter, which is the traditional center of the city's business community, is presently in danger of losing economic viability. The purpose of this section is to protect a crucial part of Lodi's economy and preserve a portion of the city's heritage by offering incentives for businesses to locate, relocate or expand existing commercial uses within this area.

B. For purposes of this section, the "downtown business district" shall mean an area whose boundaries are the same as those for the area subject to the city of Lodi bond issue, Series 1984-1, dated May 24, 1984, more particularly described in the bond documents and map on file with the city clerk's office.

C. Any permitted commercial use which locates, relocates or expands within the downtown business district as defined shall be responsible for a maximum capacity fee not to exceed that for two sewage service units (SSU's) where the SSU's (or equivalent SSU's) being assessed, as established in Section 13.12.190 of this code are eight or less SSU's. If the SSU's (or equivalent SSU's) being assessed are greater than eight, the commercial use shall be responsible for two SSU's plus the assessed (or equivalent) SSU's over eight.

D. Notwithstanding any exemption granted under this section, the monthly or annual sewage fees set by city council from time to time for any commercial use locating, relocating or expanding within the downtown business district, shall be calculated on the full number of sewage service units which the use would have otherwise been responsible for under Section 13.12.180 of this code if such use was located outside the downtown business district. (Ord. 1613 (part), 1995)

CENTRAL CITY REVITALIZATION INCENTIVE PROGRAM WASTEWATER CAPACITY FEE DISCOUNT

Land Use	Location *		
	Downtown (Zone A-1)	Downtown (Zone A-2)	Cherokee Lane (Zone B)
Retail, Restaurants	50%	25%	10%
Office (Second Floor & Higher)	50%	50%	
Office (Ground Floor)	0%	50%	
Medium & High Density Residential	50%	50%	
Auto Related Service Commercial Low Density Residential Industrial	0%	0%	

* Zones refer to zones identified in the Lodi Central City Revitalization Assessment District 95-1

PROPOSED CODE

13.12.195

Central City
~~Downtown business-~~
district capacity fees.

A. The city council finds and declares that the ^{central}~~downtown~~ area of Lodi as defined in this chapter, which is the traditional center of the city's business community, is presently in danger of losing economic viability. The purpose of this section is to protect a crucial part of Lodi's economy and preserve a portion of the city's heritage by offering incentives for ~~businesses to~~ locate^{ion}, relocate^{ion} or expand^{sion} ~~existing commercial~~ uses within this area.

B. For purposes of this section, the "^{central}~~downtown~~ business district" shall mean an area whose boundaries are the same as those for the area subject to the city of Lodi bond issue, Series 1984-1, dated ^{July 22, 1996} ~~May 24, 1984~~, more particularly described in the bond documents and map on file with the city clerk's office.

wastewater capacity fees for

~~C. Any permitted commercial use which locates, relocates or expands within the ^{central}~~downtown~~ business district as defined shall be responsible for a maximum capacity fee not to exceed that for two sewage service units (SSU's) where the SSU's (or equivalent SSU's) being assessed, as established in Section 13.12.190 of this code are eight or less SSU's. If the SSU's (or equivalent SSU's) being assessed are greater than eight, the commercial use shall be responsible for two SSU's plus the assessed (or equivalent) SSU's over eight.~~

D. Notwithstanding any ^{discount}~~exemption~~ granted under this section, the monthly or annual sewage fees set by city council from time to time for any ~~commercial~~ use locating, relocating or expanding within the ^{central}~~downtown~~ business district, shall be calculated on the full number of sewage service units which the use would have otherwise been responsible for under Section 13.12.180 of this code if such use was located outside the ^{central}~~downtown~~ business district. (Ord. 1613 (part), 1995)

EXHIBIT D

ORDINANCE NO. 1639

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AMENDING CHAPTER 13.12 OF THE LODI MUNICIPAL CODE BY REPEALING AND REENACTING SECTION 13.12.195, RELATING TO DOWNTOWN BUSINESS DISTRICT CAPACITY FEES; AND AMENDING CHAPTER 15.04 OF THE LODI MUNICIPAL CODE BY REPEALING AND REENACTING SECTION 15.04.55 SPECIAL INSPECTIONS-DOWNTOWN BUSINESS DISTRICT

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. Chapter 13.12 - Sewer Service - is hereby amended as follows:

Section 13.12.195 - Downtown Business District Capacity Fees is hereby repealed and reenacted to read as follows:

13.12.195 Downtown Business District Capacity Fees

- A. The City Council finds and declares that the central area of Lodi as defined in this chapter, which is the traditional center of the City's business community, is presently in danger of losing economic viability. The purpose of this section is to protect a crucial part of Lodi's economy and preserve a portion of the City's heritage by offering incentives for location, relocation or expansion within this area.
- B. For purposes of this section, the "Central Business District" shall mean an area whose boundaries are the same as those for the area subject to the City of Lodi bond issue, Series 1995-1, dated July 22, 1996, more particularly described in the bond documents and map on file with the City Clerk's Office.
- C. Wastewater capacity fees for any permitted use which locates, relocates or expands within the central business district as defined shall be discounted as determined by the City Council by Resolution.
- D. Notwithstanding any discount granted under this section, the monthly or annual sewage fees set by City Council from time to time for any use locating, relocating or expanding within the central business district, shall be calculated on the full number of sewage service units which the use would have otherwise been responsible for under Section 13.12.180 of this code if such use was located outside the central business district.

SECTION 2. Chapter 15.04 - Building Code - is hereby amended as follows:

Section 15.04.55 - Special inspections-Downtown Business District is hereby repealed and reenacted to read as follows:

15.04.55 Central City Revitalization Incentive Program

- A. Notwithstanding paragraph 5 of Section 15.04.050 above, special inspection fees required to determine compliance with the building code for all buildings and structures located within the area designated by Section 13.12.195B as the central business district shall be waived.
- B. An implementation measure of the Central City Revitalization Incentive Program includes the above referenced waiver as well as a reduction in building permit fees. The reduction shall encompass the fees shown in Table No. 1-A. The amount of reduction shall be discounted as determined by the City Council by Resolution.
- C. This section shall expire and shall be of further force or effect after January 1, 2000. The City Council finds and declares that this action is taken to protect and preserve a crucial part of Lodi's economy and to preserve a portion of the City's heritage by offering incentives for permitted uses to locate, relocate or expand existing commercial uses within this area.

SECTION 3 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 4 - Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 6. This ordinance shall be published one time in the "Lodi News Sentinel", a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect thirty days from and after its passage and approval.

Approved this ____ day of _____, 1996

DAVID P. WARNER
Mayor

Attest:

JENNIFER M. PERRIN
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Perrin, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1639 was introduced at a regular meeting of the City Council of the City of Lodi held September 18, 1996 and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 1996 by the following vote:

Ayes: Council Members -
Noes; Council Members -
Absent: Council Members -
Abstain: Council Members -

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. PERRIN
City Clerk

Approved as to Form:


RANDALL A. HAYS
City Attorney



CITY OF LODI
Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING
Date: September 18, 1996
Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer M. Perrin
City Clerk
Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, September 18, 1996** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing to consider the following matter:

- a) Introduction of Ordinance for Certain Central City Revitalization Incentives

Information regarding this item may be obtained in the office of the Community Development Director at 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order of the Lodi City Council:

Jennifer M. Perrin
City Clerk

Dated: September 4, 1996

Approved as to form:

Randall A. Hays
City Attorney

CITY COUNCIL

DAVID P. WARNER, Mayor
PHILLIP A. PENNINO
Mayor Pro Tempore
RAY C. DAVENPORT
STEPHEN J. MANN
JACK A. SIEGLOCK

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6710

H. DIXON FLYNN
City Manager
JENNIFER M. PERRIN
City Clerk
RANDALL A. HAYS
City Attorney

September 11, 1996

Mr. Les Dabritz, Executive Director
Lodi District Chamber of Commerce
35 South School Street
Lodi, CA 95240

Mr. Mike Lapenta, President
Lodi Downtown Business Assn.
12 North School Street
Lodi, CA 95240

**SUBJECT: Public Hearing to Consider Introduction of Ordinance for Certain
Central City Revitalization Incentives**

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, September 18, 1996, at 7 p.m. The meeting will be held in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

The Council will conduct a public hearing on this item. You are welcome to attend and speak at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to the City Clerk at 221 West Pine Street.

If you wish to address the Council at the Council meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Jennifer Perrin, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Richard C. Prima, Jr., at (209) 333-6706.


Jack L. Ronsko
Public Works Director

JLR/lm

Enclosure

cc: City Clerk ✓