

The County of Yuba

OFFICE OF THE COUNTY ADMINISTRATOR

GOVERNMENT CENTER - 915 8TH STREET, SUITE 115
MARYSVILLE, CALIFORNIA 95901-5273



ROBERT BENDORF
COUNTY ADMINISTRATOR
RANDY MARGO
ASSISTANT COUNTY ADMINISTRATOR
JOHN FLEMING
ECONOMIC DEVELOPMENT COORDINATOR
GRACE M. MULL
ADMINISTRATIVE ANALYST
TEENA L. CARLQUIST
EXECUTIVE ASSISTANT

(530) 749-7575
FAX (530) 749-7312

July 18, 2006

TO: Board of Supervisors
FROM: Robert Bendorf, County Administrative Officer *RB*
By Randy Margo, Assistant County Administrator *Randy Margo*
SUBJECT: Consider Request for Waiver of Levee Fee Concerning Industrial Property

Recommended Action

Staff recommends waiving of the Levee Impact Fee for this particular property, and in general for all industrial/manufacturing property within the benefit zones for a two-year period, which is identical to the fee waiver for commercial/retail property.

Among the options to consider are as follows:

1. Leave the fee as is and charge 100 percent of the acreage.
2. Adopt the outlined alternatives for determining Gross Developable Acreage based upon the attached memo from Economic Planning Systems.
3. Waive fees for all industrial/manufacturing for a two-year period.
4. Waive fees for all industrial/manufacturing property without a stipulated time limit.
5. Consider waiving the fee on a case-by-case basis.

Reason for Recommended Action

Waiver of impact fees is not customarily made by the Board. However, the Board did provide for a waiver of the Levee Impact Fee for a two-year period for commercial/retail properties to provide an incentive for these types of properties to locate within the benefit zones. The Levee Impact Fee Ordinance did not include a waiver for industrial/manufacturing property. The policy question is whether the Board wants to provide a waiver for these types of properties, or perhaps, just make an exception in this particular circumstance.

Background

At the May 9th Board meeting and Impact Fee for levee improvements was adopted residential development within two benefit zones based on a map and technical memorandum prepared by MBK Engineers, dated November 3, 2005. The southern zone

is the “**Plumas Lake Zone**,” which encompasses all levee improvements along the Yuba, Feather, and Bear Rivers and the Western Pacific Interceptor Canal. The northern zone is called the “**Linda Zone**” that comprises the area north of the County Airport and south of the Yuba River.

The purpose of the Impact Fee is to ensure that all property owners developing in the benefit areas fund their proportionate local share of levee improvements for the respective benefit zones. When all costs associated with financing the local share of levee improvements are included, it is currently estimated that \$181.8 million is needed.

Impact fees are allocated on a Gross Developable Acre basis for residential and nonresidential land uses. The allocated cost per acre is \$77,079 in the Plumas Zone and \$10,640 per acre in the Linda Zone. This fee is updated every six months.

Discussion

Mr. Martin Lin is intending to build a soybean curd (Tofu) plant on 1305 Furneaux Road, which is located in the Linda Zone. In his attached letter, he indicated that he recently became aware of the Levee Impact Fee, and that it would result in a cost of over \$40,000. He further mentioned that since fees for commercial developments are waived (two-years) he is requesting that the fee for industrial development also be waived. He also stated that he was encouraged to buy property within the Enterprise Zone, by the Office responsible for this program.

If the Board wanted to establish a compromise, one approach would be to establish an acreage threshold of 30 percent as proposed by EPS. This approach would determine based upon the acreage of the project if less than 30 percent of the entire parcel, but use the entire parcel’s acreage for determining the levee impact fee if the proposed project took more than 30 percent of the land. Of course, there could be permutations to this threshold. As of this writing, staff is uncertain as to what percentage of the total acreage this particular project intends to use.

Fiscal Impact

The direct fiscal impact to waive this fee is unknown, but is over \$40,000 based on the representation of the applicant. A broader waiver policy would cost considerably more.

Committee Action

This matter was referred directly to the Board.



Economic &
Planning Systems

*Public Finance
Real Estate Economics
Regional Economics
Land Use Policy*

DRAFT MEMORANDUM

To: Randy Margo, *Assistant Yuba County Administrator*

From: Tim Youmans and Seth Wurzel

Subject: Levee Impact Fee Clarification; EPS #13579

Date: June 30, 2006

On May 16th the Yuba County Board of Supervisors adopted two ordinances (an Interim Urgency Ordinance and an Ongoing Ordinance) that established the Three Rivers Levee Impact Fee Program. Currently, there are questions surrounding the implementation of that ordinance and the amount of development impact fees that should be paid by landowners wishing to develop their property. The current questions pertain to both residential development and industrial & commercial development.

Residential Development

Currently, if there is a vacant residential parcel that an applicant wishes to pull a building permit on, the levee impact fee for that parcel is calculated by taking the acreage of that parcel, assigning that acreage as the Gross Developable Acreage (GDA), and multiplying that by the appropriate levee impact fee rate per acre. This would be the case where development is going to incur when a subdivision approval is not required.

There could be a situation where only a small portion of a large parcel is to be taken up by the dwelling unit that is going to be built. In these situation, the Levee Impact Fee payment provides for a disproportionate cost compared to the benefit of flood protection received. In these cases, an alternative way for calculating the GDA, the basis for charging the fee, needs to be considered.

In these cases, Economic & Planning Systems (EPS), suggests a method where the GDA is calculated by looking at the typical ratio for the average home covering an average size lot. A typical lot size is approximately 2.5 times the footprint of the home being built on it. Therefore, a typical home that is approximately a 2,000 Sq. Ft. foot print is typically built on a 5,000 Sq. Ft. lot. Therefore, in the case where a home that has a 2,000 Sq. Ft. foot print is built on a 1 acre parcel, the fee for that is only based upon a 5,000 Sq.

SACRAMENTO

2150 River Plaza Drive, Suite 400
Sacramento, CA 95833
www.epsys.com

phone: 916-649-8010
fax: 916-649-2070



BERKELEY

phone: 510-841-9190
fax: 510-841-9208

DENVER

phone: 303-623-3557
fax: 303-623-9049

Ft. lot or .115 Acres. The GDA for purposes of calculating the fee in this case would only be .115 Acres.

The fiscal impact of this proposed alternative for calculating GDA, can be highly variable. This is due to the fact that it is impossible to know how vacant residential land will develop into residential and how many homes may be built on various size parcels. EPS has presented the revenue that may be collected from every 100 homes that might be built in the Plumas and Linda Zones. The comparison for purposes of evaluating the fiscal impact would be to collecting no fee revenue do to fact that the alternative option would be to either waive the fee or have the applicant not develop the property due to the high amount of the fee.

Fee Revenue Per 100 Units

Plumas Zone	\$7,707,900
Linda Zone	\$1,064,000

Industrial & Commercial Development

Similar to issues regarding residential development, there is a question in determining the appropriate GDA for a project that is only developing a portion of a larger parcel. According to the fee program, the acreage to be used in determining the fee is the acreage of the parcel. Again, in this case, the Levee Impact Fee payment provides for a disproportionate cost compared to the benefit of flood protection received

For situations such as these, EPS recommends that the fee payment amount depend on the percentage of the parcel covered by the proposed project with certain thresholds as outlined below;

- If a proposed project covers 30 percent or more of the parcel, the fee payment will be determined using the acreage of the entire parcel ,
- If a proposed project covers less than 30 percent of the parcel, then the fee payment will be determined based upon the acreage of project that is proposed for the parcel, and
- In the event there are multiple projects on a parcel, when the total area covered by all projects on a parcel reaches 30 percent of the acreage of the parcel, the fees must be paid based upon the remaining acreage of the parcel.

There would be no negative fiscal impact of adopting this proposed alternative for determining the GDA of commercial of industrial development. The implementation of this policy would only change the timing of receipt of the fee revenue to the County.

07/03/06

ATT: Mike Lee, Department of public work, Marysville
From: pengxiang & yuexiao (martin) Lin

Subjects

I was encouraged to ~~buy~~^{buy} the land property ~~of~~ of the 1305 Farnaux RD by the office of enterprise zone, and relocate my soybean card (TOP) plant there. But I just learned that a levee fee was imposed since June 15, 2006, and it is the largest fee of the all fees, more than \$40,000.00, We really not prepared for that.

Since the fees for commercial developments are Waived, I strongly feel that the fee for industrial development should be Waived ~~as~~ either.

I just do the plan submittal to the counter. Again I think this fee should be waived.

Sincerely

Martin Lin

RECEIVED

JUL 3 2006

ADMINISTRATION