

## RESOLUTION NO. 21-1007

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE ADOPTING THE ANNUAL ENGINEERING NEWS RECORD - CONSTRUCTION COST INDEX ADJUSTMENT TO THE CITYWIDE DEVELOPMENT IMPACT FEES, AND ESTABLISHING UPDATED DEVELOPMENT IMPACT FEES FOR DEVELOPMENT WITHIN THE CITY

**WHEREAS**, Government Code Sections 66000 *et seq.* (also known as the “Mitigation Fee Act”) authorizes the legislative body of a city to impose impact fees on development projects for the purpose of defraying all or a portion of the cost of public facilities related to the development project; and

**WHEREAS**, several policies within the City's General Plan require that new development mitigate its share of the impacts to the natural and built environments and be fiscally neutral so as to not result in a net economic loss for the City; and

**WHEREAS**, such General Plan policies include the maintenance of existing quality of life, maintenance of existing service levels and funding of new facilities, the requirement of new development to mitigate a fair share of its impacts, and calling for the use of impact fees to fund needed improvements to serve new development, among other policies; and

**WHEREAS**, in accordance with those policies, the City adopted an ordinance of the Municipal Code, in accordance with the provisions of Government Code sections 66000 *et seq.* (the “Mitigation Fee Act”), establishing Development Impact Fees (“DIF”); and

**WHEREAS**, ON December 6, 2017 City Council adopted Resolution 17-656 adopting the Development Impact Fee calculation and Nexus Report for the City of Menifee, and establishing new and revised Development Impact Fees for development within the City; and

**WHEREAS**, the adopted Development Impact Fee Resolution does allow for an annual adjustment in rates using the Engineering News Record – Construction Cost Index (ENR-CCI); and

**WHEREAS**, the current rate adjustment according to the ENR-CCI and recommended by staff as of July 2020 is 1.29%; and

**WHEREAS**, the City Council has determined that these fees should be established to provide for the City's future provision of public facilities and essential services, at least partially allocable to new development within the City; and

**WHEREAS**, the relationship between the use of the fees and the type of development is that the fees will be used to acquire and construct new public facilities to meet the demands of new development; and

**WHEREAS**, the relationship between the need for the public facilities and the DIF is that each new development project will generate demands on public facilities and essential services and the associated new facilities are needed to provide those services; and

**WHEREAS**, the relationship between the amount of the fee and the cost of the portion of facilities attributed to new development is that the amount of fee collected is directly attributable

to the projected number of residents, employees, or individuals to be served by any new development project; and

**WHEREAS**, the fees are derived from, are based upon, and do not exceed the costs of the public facilities necessitated by new development for which the fees are imposed; and

**WHEREAS**, the fees shall be imposed as a condition of development at building permit issuance and shall be collected by the City on the date of the final inspection, or the date the certificate of occupancy is issued, whichever occurs first, unless payment at a different time is mandated or authorized by Government Code section 66007; and

**WHEREAS**, notice of a public hearing before the City Council of the City of Menifee concerning a proposed update of the Development Impact Fees was given, and on March 17, 2021 a duly noticed public hearing regarding the new Development Impact Fee schedule was held by the City Council of the City of Menifee; and

**WHEREAS**, the City Council has considered the information and public testimony presented in the public hearing and in the proposed documents and staff report, all of which are included in the public record and incorporated herein by reference.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Menifee as follows:

**SECTION 1.** The foregoing recitals are true and correct, and incorporated herein by this reference.

**SECTION 2.** Findings pursuant to Government Code section 66001. The City Council finds and determines that the adjusted Development Impact Fees (incorporated herein by reference) complies with California Government Code section 66001, and as to each of the proposed fees to be imposed on new development. The City Council also makes the following findings consistent with the requirements of the Mitigation Fee Act:

1. **Purpose of the Fee.** The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The DIF program is designed to support and fund improvements to public facilities and the purchase of equipment related to the provision of essential services based on the demands created by new growth and development. The proposed fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands. This report supports the General Plan. Menifee is forecast to significant growth through this study's planning horizon of 2040. This growth will create an increase in demand for public services and the facilities required to deliver them. The fees advance a legitimate City interest by enabling the City to provide public facilities to new development. By collecting the fees, the City can provide sufficient facilities and services truly consistent with the anticipated population.
2. **Use of the Fee.** The proceeds from the fees will be used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City's sphere of influence. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: law enforcement facilities, fire facilities, circulation facilities, storm drainage facilities, animal shelter facilities, general government facilities, public

use facilities, parks, open space facilities and nexus analyses. New developments result in increased demands on the City's facilities. Any fees collected are not used to overcome past deficiencies, but rather are used for additional facilities and services necessary to meet projected future need from new development.

3. *Relationship Between the Fee's Use and the Type of Development Project on Which the Fee is Imposed.* The City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under the Mitigation Fee Act, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development classifications that will pay the fees.
4. *Relationship Between the Need for the Facility and the Type of Project.* Facility need is based on a facility standard that represents the demand generated by new development for those facilities. For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. For most facility categories service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted less than one resident based on an analysis of the relative use demand between residential and non-residential development. The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.
5. *Relationship Between the Amount of the Fee and the Cost of the Facility or Portion of the Facility Attributed to the Project.* All fees are calculated based on dwelling units or building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee. The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

**SECTION 3.** The fees outlined in Chapter 8.02 of the Menifee Municipal Code establishing DIF to be paid as a condition of development, issued at building permits, for each category shall be as follows:

**MDP SOUTH STORM DRAIN AREA**

Land Use	Law Enf.	Fire	Circulation	MDP South Storm Drainage	Animal Shelter	General Govt.	Public Use Facilities	Parks - Land Imp.	Parks - Imp.	Master Planning and Nexus Analyses	Library Facilities	Total Maximum Justified
<b>Residential Fee Per Dwelling Unit</b>												
Single Family Unit	\$ 234	\$ 622	\$ 4,730	\$ 2,316	\$ 150	\$ 1,034	\$ 156	\$ 218	\$ 670	\$ 23	\$ 67	\$ 10,219
Multi-Family Unit	\$ 171	\$ 458	\$ 3,303	\$ 1,274	\$ 110	\$ 762	\$ 114	\$ 161	\$ 493	\$ 17	\$ 49	\$ 6,913
Accessory Dwelling Unit	\$ 122	\$ 324	\$ 1,902	\$ 1,274	\$ 78	\$ 539	\$ 81	\$ 114	\$ 348	\$ 12	\$ 34	\$ 4,830
Senior/Assisted Living	\$ 90	\$ 242	\$ 1,825	\$ 1,274	\$ 58	\$ 403	\$ 60	\$ 85	\$ 260	\$ 9	\$ 26	\$ 4,333
<b>Nonresidential Fee Per 1,000 Sq. Ft.</b>												
Commercial / Retail	\$ 59	\$ 434	\$ 7,836	\$ 1,644	\$ 125	\$ 265	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 10,367
Commercial / Service / Office	\$ 78	\$ 567	\$ 6,023	\$ 578	\$ 162	\$ 346	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ 7,761
Industrial / Business Park	\$ 29	\$ 211	\$ 3,992	\$ 949	\$ 60	\$ 129	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 5,372

**ENCANTO DRIVE STORM DRAIN AREA**

Land Use	Law Enf.	Fire	Circulation	Encanto Dr. Storm Drainage	Animal Shelter	General Govt.	Public Use Facilities	Parks - Land Imp.	Parks - Imp.	Master Planning and Nexus Analyses	Library Facilities	Total Maximum Justified
<b>Residential Fee Per Dwelling Unit</b>												
Single Family Unit	\$ 234	\$ 622	\$ 4,730	\$ 1,049	\$ 150	\$ 1,034	\$ 156	\$ 218	\$ 670	\$ 23	\$ 67	\$ 8,953
Multi-Family Unit	\$ 171	\$ 458	\$ 3,303	\$ 577	\$ 110	\$ 762	\$ 114	\$ 161	\$ 493	\$ 17	\$ 49	\$ 6,216
Accessory Dwelling Unit	\$ 122	\$ 324	\$ 1,902	\$ 577	\$ 78	\$ 539	\$ 81	\$ 114	\$ 348	\$ 12	\$ 34	\$ 4,133
Senior/Assisted Living	\$ 90	\$ 242	\$ 1,825	\$ 577	\$ 58	\$ 403	\$ 60	\$ 85	\$ 260	\$ 9	\$ 26	\$ 3,636
<b>Nonresidential Fee Per 1,000 Sq. Ft.</b>												
Commercial / Retail	\$ 59	\$ 434	\$ 7,836	\$ 745	\$ 125	\$ 265	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 9,468
Commercial / Service / Office	\$ 78	\$ 567	\$ 6,023	\$ 262	\$ 162	\$ 346	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ 7,445
Industrial / Business Park	\$ 29	\$ 211	\$ 3,992	\$ 430	\$ 60	\$ 129	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 4,853

## OUTSIDE BOTH MDP SOUTH AND ENCANTO DR. STORM DRAIN AREAS

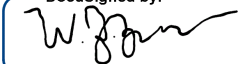
Land Use	Law Enf.	Fire	Circulation	Outside Both			Public Use Facilities	Parks - Land Imp.	Parks - Imp.	Master Planning and		Total Maximum Justified
				Storm Drainage	Animal Shelter	General Govt.				Nexus Analyses	Library Facilities	
<b>Residential Fee Per Dwelling Unit</b>												
Single Family Unit	\$ 234	\$ 622	\$ 4,730	\$ -	\$ 150	\$ 1,034	\$ 156	\$ 218	\$ 670	\$ 23	\$ 67	\$ 7,904
Multi-Family Unit	\$ 171	\$ 458	\$ 3,303	\$ -	\$ 110	\$ 762	\$ 114	\$ 161	\$ 493	\$ 17	\$ 49	\$ 5,639
Accessory Dwelling Unit	\$ 122	\$ 324	\$ 1,902	\$ -	\$ 78	\$ 539	\$ 81	\$ 114	\$ 348	\$ 12	\$ 34	\$ 3,555
Senior/Assisted Living	\$ 90	\$ 242	\$ 1,825	\$ -	\$ 58	\$ 403	\$ 60	\$ 85	\$ 260	\$ 9	\$ 26	\$ 3,059
<b>Nonresidential Fee Per 1,000 Sq. Ft.</b>												
Commercial / Retail	\$ 59	\$ 434	\$ 7,836	\$ -	\$ 125	\$ 265	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 8,723
Commercial / Service / Office	\$ 78	\$ 567	\$ 6,023	\$ -	\$ 162	\$ 346	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ 7,183
Industrial / Business Park	\$ 29	\$ 211	\$ 3,992	\$ -	\$ 60	\$ 129	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 4,422

**SECTION 4.** Each year annually thereafter, DIF shall be adjusted based on the Engineering News Record- Construction Cost Index (ENR-CCI) which measures the annual changes in general construction costs so that the fees will continue to generate sufficient funds to construct the facilities needed to serve new development. The Director of Finance shall compute the percentage difference between the ENR-CCI on July 1 of each year and the ENR-CCI for the previous July 1. The Director of Finance shall then adjust by such percentage the fees established and imposed by this Resolution. The adjusted amounts shall be rounded to the nearest dollar, and shall be submitted to the City Council for consideration. Upon adoption by the City Council, the adjusted amounts shall become effective on the following January 1. These amounts shall constitute the fees authorized by Chapter 8.02 of the Menifee Municipal Code and established and imposed by this Resolution. Should the ENR-CCI be revised or discontinued, the Director of Finance shall use the revised index or a comparable index, as approved by the City Council, for determining fluctuations in the cost of development.

**SECTION 5.** All previous City Resolutions inconsistent with this Resolution are repealed to the extent inconsistent herewith.

**SECTION 6.** The actions taken in Sections 3, 4 and 5 of this Resolution, which adopt an adjustment of fees or charges upon development projects, and which apply to the filing, accepting, reviewing, approving, or issuing of an application, permit, or entitlement to use, have been enacted in accordance with the notice and public hearing procedures specified in Government Code section 66016, and shall, exceeding the requirements of California Government Code section 66017(a), become effective May 16, 2021, but not implemented until July 1, 2021.

**PASSED, APPROVED AND ADOPTED** this 17<sup>th</sup> day of March, 2021.

DocuSigned by:  
  
A037DB9562C2428...  
Bill Zimmerman, Mayor

Attest:

DocuSigned by:  
  
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Sarah A. Manwaring, City Clerk

Approved as to form:

DocuSigned by:  
  
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Jeffrey T. Melching, City Attorney



STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   ) ss  
CITY OF MENIFEE        )

I, Sarah A. Manwaring, City Clerk of the City of Menifee, do hereby certify that the foregoing Resolution No. 21-1007 was duly adopted by the City Council of the City of Menifee at a meeting thereof held on the 17th day of March 2021 by the following vote:

Ayes: Deines, Karwin, Liesemeyer, Sobek, Zimmerman

Noes: None

Absent: None

Abstain: None

DocuSigned by:

*Sarah A. Manwaring*

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Sarah A. Manwaring, City Clerk