

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MARCH 27, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, March 27, 2012, commencing at 7:00 a.m.

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

Absent: Mayor Pro Tempore Nakanishi

Also Present: City Manager Bartlam, Deputy City Attorney Magdich, and City Clerk Johl

B. Topic(s)

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

City Manager Bartlam provided a brief introduction to the subject matter of the impact mitigation fee update.

Public Works Director Wally Sandelin, along with Consultants Alison Boule and Victor Irzyk, provided a PowerPoint presentation regarding the impact mitigation fee update. Specific topics of discussion included project progress, fee assumptions and methodology, five-year plan, project costs and impact fees for Police, Fire, general facilities, transportation, and parks, Art in Public Places (AiPP) fee calculation, wastewater fee assumptions and impact fees, surface water allocation to new development, and the water impact fee. Electric Utility Director Elizabeth Kirkley discussed the Electric Utility project costs, map, and impact fee.

In response to Council Member Hansen, Mr. Sandelin stated because forecasting 20 years out is challenging the proposal includes a 5- and 20-year blend whereby the program is visited every 5 years starting in 2020.

In response to Council Member Johnson, Mr. Sandelin stated the development community has agreed upon the density amount.

In response to Council Member Hansen, Mr. Sandelin stated that, based on the yellow shading in the map, the entire area within the City limits plus the area west of Lower Sacramento Road is covered by the program.

In response to Council Member Hansen, Mr. Irzyk stated \$385 is the proposed fee for Fire.

In response to Council Member Johnson, Mr. Irzyk stated the 470% change in industrial is based on current assumptions that are not considered in the existing fee schedule. Mr. Irzyk stated the original fees could have been reduced for economic development purposes in the past.

In response to Council Member Hansen, Mr. Sandelin stated staff will forward to the City Council the background information and assumptions used to calculate the industrial number as requested.

In response to Council Member Johnson, Mr. Sandelin stated the 100% future allocation for the Library is based on the 6,000 square foot figure suggested in the General Plan.

In response to Council Member Hansen, Mr. Sandelin stated the median construction on West Lane ties into new development because it is south of Harney Lane to the southern City boundaries.

In response to Mayor Mounce, Ms. Boule reviewed the full funding of the grade separation project which includes funds from Measure K, Union Pacific, Regional Transportation Impact Fee, and other regional funds.

In response to Council Member Johnson, Mr. Sandelin stated the Harney Lane and Highway 99 interchange improvements were already addressed through the Reynolds Ranch project.

In response to Council Member Hansen, Mr. Sandelin stated the City will be receiving the funds from the Public Utilities Commission (PUC) within the next two cycles for the grade separation.

In response to Mayor Mounce, Mr. Bartlam stated if there is money in the fee program it must be bid as a public project versus the ability to reduce the overall cost by having a developer do the project directly. Mr. Sandelin stated they must still comply with the relevant building code requirements to ensure quality and produce a two-year bonded warranty.

In response to Council Member Johnson, Mr. Bartlam stated sometimes it is beneficial financially and time wise for both the City and the developer if there is outside funding available for a project.

In response to Council Member Hansen, Ms. Boule stated the Lodi Lake calculation is based on an improvement of the existing footprint and is not an expansion although the west end of the lake would be new park space.

In response to Council Member Johnson, Mr. Sandelin confirmed that the \$75,399 amount for AiPP is 50% of residents times the amount of staff.

In response to Mayor Mounce, Mr. Bartlam confirmed that the new methodology for AiPP is more consistent and legally defensible in comparison to the current 2% formula.

In response to Mayor Mounce, Mr. Sandelin confirmed there is an overall fee decrease of 30% for the proposed wastewater impact fee.

In response to Council Member Johnson, Mr. Sandelin stated the banking number assumes 40 years of banking for surface water allocation purposes.

In response to Mayor Mounce, Mr. Sandelin stated staff will provide to the City Council comparison information associated with the proposed numbers and the previously considered formula of 2,000 acre feet for existing residents and 4,000 acre feet for new residents as requested.

In response to Council Member Hansen, Ms. Kirkley stated the Electric Utility impact fee relates to infrastructure, equipment, and labor for capacity purposes and is not connected to the cost of electricity. Ms. Kirkley stated the behind meter project affects all rate payers and is not included in the impact fee program.

In response to Mayor Mounce, Ms. Kirkley stated she is not aware of the \$165,000 maximum charge set forth by ordinance in 2007 but she will look into it. Mr. Sandelin confirmed that the existing and proposed assumptions for Electric Utility yield the same approximate figure of \$7 million.

In response to Council Member Johnson, Ms. Kirkley stated the PG&E project at Victor Road is not considered in the program because it would affect all ratepayers and not only new development.

In response to Mayor Mounce, Mr. Bartlam stated the Costco and Blue Shield payments do apply to the fee calculations to some degree but some of what was paid covered their own infrastructure needs.

In response to Mayor Mounce, Ms. Kirkley stated the majority of the improvements along Cherokee Lane are related to expanding capacity of the existing system and not necessarily tied to industrial growth.

John Beckman, representing the Building Industry Association, spoke in regard to his concerns about building fees going up and remaining too high.

Dennis Bennett spoke in regard to his concerns about the high bottom line for fees, the growing trend to lower or waive fees, and establishing a phased approach for adopted fees. In response to Council Member Hansen, Mr. Bennett stated in 2002 the fee average was \$40,000 at \$150 per foot and now it is in the \$100 per foot range for the average home.

In response to Council Member Johnson, Mr. Beckman stated the Building Industry Association is having ongoing meetings with the San Joaquin Council of Governments and other cities in an attempt to reduce or waive fees and the school district has already reduced its fee from \$4 to \$3.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:20 a.m.

ATTEST:

Randi Johl  
City Clerk