

RESOLUTION NO. 2022-1169

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE ADOPTING THE 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, on March 17, 2021 City Council adopted Resolution 21-1007 adopting the the annual ENR-CCI adjustment to the Development Impact Fee calculation for the City of Menifee, and established revised Development Impact Fees for development within the City; and

WHEREAS, the current rate adjustment according to the ENR-CCI and recommended by staff as of July 2021 is 6.98%; 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 per Menifee Municipal Code Section 8.02, 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 June 15, 2022 a duly noticed public hearing regarding the adjusted 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