

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works		(2) MEETING DATE July 18, 2006		(3) CONTACT/PHONE Richard Marshall Development Services Engineer (805) 781-5280	
(4) SUBJECT Hearing to Consider an Appeal of the Templeton Road Improvement Fee by M. English					
(5) SUMMARY OF REQUEST Michael English has applied for a building permit (PMT 2005-02351) to construct a 14,620 square foot industrial shell building on Marquita Avenue (Tract 2475) in the Templeton Road Fee area. The fee associated with this permit application is \$106,125. Mr. English has filed an appeal of the fee. The appeal letter is attached as Exhibit A.					
(6) RECOMMENDED ACTION It is our recommendation that your Honorable Board deny the appeal.					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Planning & Building, County Counsel					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) <input checked="" type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input type="checkbox"/> All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board
(16) AGENDA PLACEMENT <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Hearing (Time Est. <u>20 min</u>) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(19) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____			(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input checked="" type="checkbox"/> N/A
(23) ADMINISTRATIVE OFFICE REVIEW <p align="right"><i>OK Leslie Born</i></p>					

Reference: 06JUL18-H-2

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7-18-06*



SAN LUIS OBISPO COUNTY DEPARTMENT OF PUBLIC WORKS

Noel King, Director

County Government Center, Room 207 • San Luis Obispo CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: pwd@co.slo.ca.us

TO: Board of Supervisors

FROM: Richard Marshall, Development Services Engineer *REM*

VIA: Glen L. Priddy, Deputy Director of Public Works - Engineering Services *GP*

DATE: July 18, 2006

SUBJECT: Hearing to Consider an Appeal of the Templeton Road Improvement Fee by M. English

Recommendation

It is our recommendation that your Honorable Board deny the appeal.

Discussion

Michael English has applied for a building permit (PMT 2005-02351) to construct a 14,620 square foot industrial shell building on Marquita Avenue (Tract 2475) in the Templeton Road Fee area. The fee associated with this permit application is \$106,125. Mr. English has filed an appeal of the fee. The appeal letter is attached as Exhibit A.

Basis for adjustment or waiver of the fee. Section 13.01.050 of the San Luis Obispo County Code states that an adjustment or waiver of the fee may be granted, "based on the absence of any reasonable relationship or nexus between the traffic-generating impacts of that new development, and either the amount of the fee imposed or the type of road facilities or improvements to be financed by the fee."

The Templeton Study establishes the reasonable relationship, or nexus, required for the imposition of fees within its study area. Mr. English filed the permit application on February 6, 2006. The application was processed by Public Works on February 21, 2006. The Public Works Department sent a notice of the Road Improvement Fee by mail on the same date. An update of the study, and an associated fee increase had been adopted by the Board of Supervisors on January 10, 2006. The fees recommended in that update became effective March 13, 2006. The Public Works Department sent a notice of the Road Improvement Fee increase by mail on March 1, 2006. Mr. English paid the road fee of \$106,125 on March 9, 2006 to avoid the increase. The appeal was filed May 26, 2006.

All new developments in the area will contribute to the need for road and other transportation improvements the study recommends. The improvement package is designed to provide the necessary capacity in the network of arterial and collector streets to meet the County's

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established level of service criteria, as traffic volumes increase with additional development. The road improvement fee was designed to apportion the cost of the needed improvements to all new development, based on the amount of traffic generated.

Evaluation of appeal issues. In the letter attached as Exhibit A, Mr. English raises one issue, which is paraphrased below, along with staff response:

Appeal point: My fees for a 14,700 square foot building were \$16,902 in 2004.

Response: This project is in the Templeton Area C road improvement fee area. In 2004, Fee Area C was created to provide the County's contribution to specific improvement projects which will directly benefit properties within the Ramada Drive corridor. This area had previously been part of Templeton Area A. The Board's decision in 2004 was to redesign the Templeton Traffic Circulation Study and associated fees to more equitably spread the cost of needed improvements in the Templeton Road Fee Area. Prior to the 2004 Board action, development throughout the Templeton area was subsidizing the improvements that were determined to be primarily benefiting the Ramada Drive commercial/ industrial corridor.

Templeton Area A includes properties located within the remainder of the Templeton urban reserve area. Fee from projects in Area A will still contribute to other regional and urban improvements. Area B includes properties located in rural areas, outside the urban reserve area. Fees from projects in Area B contribute only toward improvements that benefit the entire Templeton region.

Templeton Area C includes properties within the Ramada Drive corridor between Main Street and Highway 46 West and is mostly commercial and industrial zoning. Its development will have significant impacts on the two adjacent freeway interchanges. Fees from projects in Area C will contribute toward improvements associated with the Main Street/Highway 101 interchange and the Highway 46 West/Highway 101 interchange. Exhibit B is the map of the Road Fee Area.

The previous permit (PMT2002-14109) for a 14,700 square foot building mentioned in the appeal letter was calculated based on Templeton Area A fees at the time. The total fee of \$16,092 was paid July 2, 2004. The fee increase and study update became effective October 4, 2004. This permit would have also been in the new Area C and the road improvement fee would have been \$106,705 if paid after October 4.

Other Agency Involvement/Impact

The building permit was processed by the Department of Planning and Building. We have reviewed this item with the office of County Counsel, who concurs with our recommendation.

Financial Considerations

The Templeton Circulation Study apportions over \$29 million to the payment of road improvement fees by new development. It also allocates approximately \$46 million to other sources, for some of which the County will be responsible to seek other sources of funding. Granting this appeal and adjusting the road improvement fee will result in a small increase in the County's share. Granting this appeal may also have the effect of encouraging other people to

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seek this same adjustment. This could result in substantial loss of road improvement fee revenue in the future.

Results

The result of the recommended action before your Board today will be a determination that the amount charged to the appellant was appropriate, and consistent with applicable legal requirements and Board Policy, and then no refund would be made.

Attachments: Exhibit A. Appeal letter from Michael English

c: Michael English, 635 Vetter Lane, Arroyo Grande CA 93420-5474

Reference: 06JUL18-H-2

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May 26, 2006

San Luis Obispo County
Department of Public Works
Cnty Gov Ctr. Room 207
San Luis Obispo CA 93408

FILED

MAY 26 2006

JULIE L. RODEWALD COUNTY CLERK
Cmchristensen
DEPUTY CLERK

RE: Road Fee Increase

Clerk of the Board of Supervisors,

This letter is written to protest the staggering increase in road fees in the road improvement area of: Templeton Area A to the current fee amount of \$160,483.00. I am requesting a thorough investigation into the fee basis and how the resulting extraordinarily high figures have impacted the costs of my development project Tract 2475 off Marquita Ave. in Paso Robles.

My fees for a 14,700sq.ft. building in 2004 were \$16,902.00. Did you really intend for these fees to escalate to this. Local businesses cannot afford such drastic increases in rent. I hope this is just a clerical error somewhere.

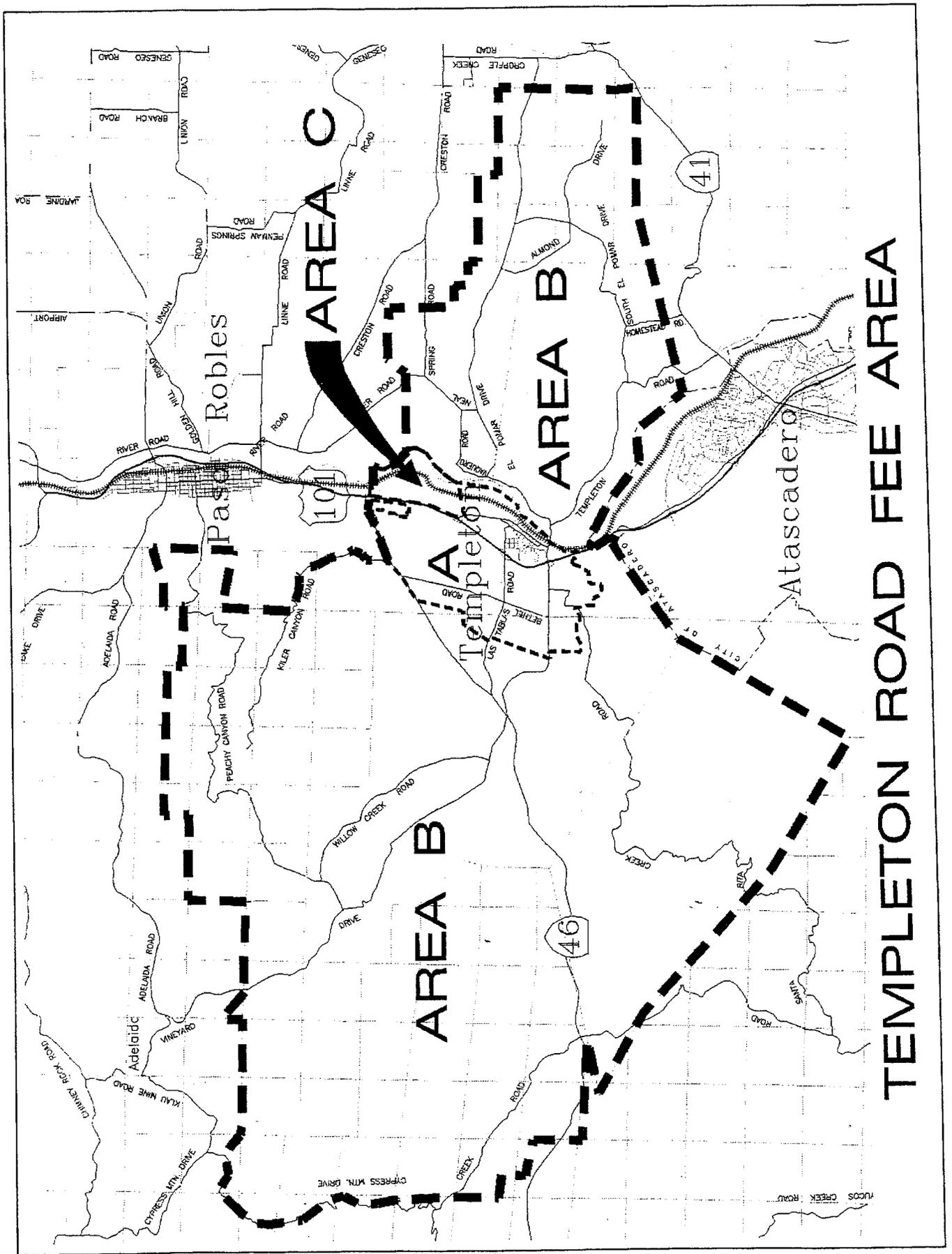
Sincerely,



Michael English
635 Vetter Lane
Arroyo Grande CA 93420
Wk # 434-5474

EXHIBIT A

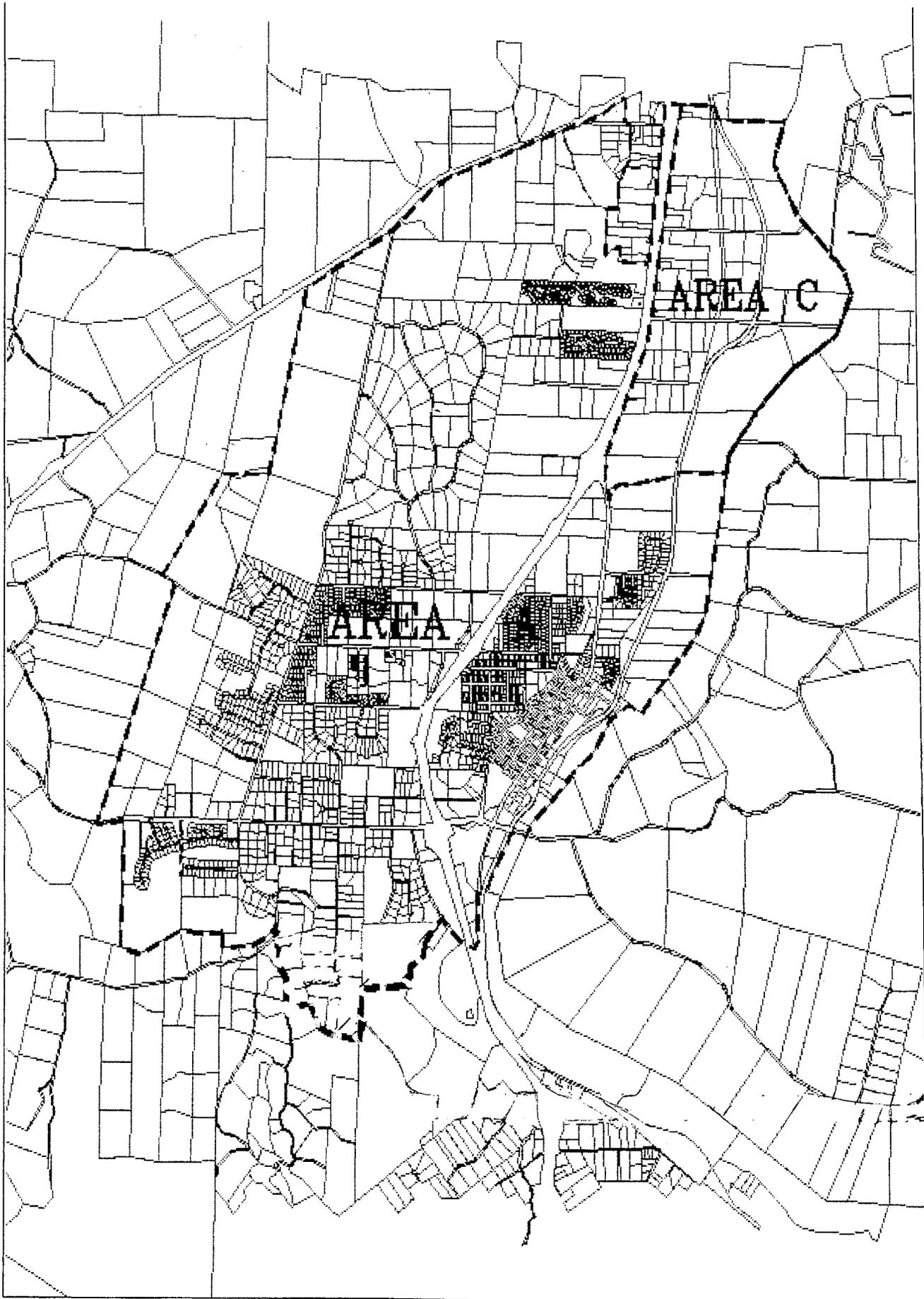
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TEMPLETON ROAD FEE AREA

EXHIBIT B
1 of 2

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