



City of Chula Vista

Staff Report

File#: 14-0117, **Item#:** 6.

RESOLUTION NO. 2014-053 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE FISCAL YEAR 2013/2014 SALT CREEK SEWER BASIN DEVELOPMENT IMPACT FEE (DIF) BUDGET BY APPROPRIATING \$50,000 TO THE SUPPLIES AND SERVICES CATEGORY FROM THE AVAILABLE FUND BALANCE (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The City is seeking to retain the services of a consultant to provide auditing and engineering services in order to update the existing Salt Creek Sewer Basin Development Impact Fee (DIF). Since the last DIF update in 2004, the City has had changes in planned development within the basin. It is now necessary to update the DIF to ensure there are adequate funds and projected fee revenues to facilitate buildout of the planned development of the Salt Creek Basin.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the proposed actions consist of a governmental fiscal activity which does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is required. Although environmental review is not required at this time, once the scope of individual projects to be funded have been defined, environmental review will be required for each project and the appropriate environmental determination will be made.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

The City is seeking to retain the services of a consultant to provide auditing and engineering services in order to update the existing DIF. Since the last DIF update in 2004, the City has had changes in planned development within the basin. The specialized work required to update the existing DIF will need the expertise of a consultant. The scope of work will: (1) update the existing and projected land uses in the Salt Creek Basin area, 2) review and update as necessary eligible existing and future trunkline improvements and costs, and identify the sewer reaches remaining to be constructed, 3) review the DIF fund information, and identify any refunds or credits for the construction of eligible trunkline sewer improvements, and 4) recommend a fee update that would ensure there are adequate funds and projected fee revenues to construct all the trunkline sewer improvements

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required to facilitate buildout of the planned development of the Salt Creek Basin.

The DIF update is different and separate from the sewer rate update recently adopted by Council Resolution 2013-267 on December 17, 2013. The DIF update seeks to ensure that there are adequate funds and projected fee revenues to recover the costs of sewer infrastructure that benefit the planned developments of the Salt Creek Basin equitably. The sewer rate update was needed to accurately recover the treatment costs and secure the maintenance and long-term care of the utility assets while being fair to all customers.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of the property which is the subject of this action. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The DIF supports the Economic Vitality goal as it seeks to adequately fund sewer infrastructure to support new growth.

CURRENT YEAR FISCAL IMPACT

Approval of this resolution will result in the appropriation of \$50,000 to the Salt Creek Sewer Basin DIF Fund. These funds will be used for consultant services to update the Salt Creek Sewer Basin DIF. There is sufficient fund balance in the Sewer Basin DIF Fund for this appropriation. There is no impact to the General Fund as a result of this change.

ONGOING FISCAL IMPACT

None