



## Legislation Text

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**File #:** 21-879, **Version:** 1

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**FROM:**

Engineering

**SUBJECT:**

Approve a Resolution Eliminating Fee Reductions for High-Cube and Light Industrial Development Circulation Fees

**RECOMMENDATION:**

**COUNCIL GOALS:**

- To invest in the city's infrastructure (streets, sewers, parks, etc.) by providing for the development of new infrastructure.
- To invest in the city's infrastructure (streets, sewers, parks, etc.) by focusing on relief of traffic congestion.

**DISCUSSION:**

On March 28, 2006, the City of Fontana (City) approved Resolution No. 2006-46, to adopt certain Development Impact Fees. As part of the Development Impact Fee schedule, high-cube warehouse developments received a 50% reduction due to lower trip generation rates per the Institute of Transportation Engineers (ITE) trip generation rates. Subsequently, the City approved Resolution No. 2015-18 on March 24, 2015, to allow a 50% reduction of circulation fee for light industrial development, less than 200,000 sq. ft. if the project generates equal to or less than a high-cube warehouse trip generation rate.

Since the adoption of Resolution No. 2006-46 and Resolution No. 2015-18, ITE studied high-cube warehouse projects and evaluated their trip generation rates. The latest edition of the ITE Trip Generation Manual shows that multiple categories of high-cube warehouses and the average of trip generation rates of high-cube warehouses actually generate higher trip generation rate than previously studied, which means that the justification for the 50% reduction in fees is no longer supported by the reduction of traffic volume anymore.

In conclusion, due to the changes of ITE Trip Generation Manuals, the 50% fee reduction languages from the Circulation Fee are no longer supported. Therefore, staff recommends eliminating the 50% fee reduction language from the Circulation Fee for high-cube warehouse development and light industrial development, less than 200,000 sq. ft.

Stakeholders including the Building Industry Association (BIA), NAIOP- the Commercial Real Estate Development Association and key local developers were notified of the proposed amendment and no substantial comments or concerns were received.

**FISCAL IMPACT:**

The elimination of the 50% reduction in circulation fees for high-cube warehouse development and light industrial development will result in an increase of applicable Development Impact Fees by 50%, consistent with the fee amounts that were originally adopted by City Council.

**MOTION:**

Approve staff recommendation.