

**CITY OF FRESNO
STATUTORY EXEMPTION
ENVIRONMENTAL ASSESSMENT NO. EA-16-038**

THE PROJECT DESCRIBED HEREIN IS DETERMINED TO BE STATUTORILY
EXEMPT FROM THE PREPARATION OF ENVIRONMENTAL DOCUMENTS
PURSUANT TO ARTICLE 18 OF THE STATE CEQA GUIDELINES.

APPLICANT: City of Fresno – Public Works Department
2600 Fresno Street
Fresno, California 93721

PROJECT LOCATION: City of Fresno, Citywide.

PROJECT DESCRIPTION: The proposed project consists of City of Fresno Development Impact Fee Updates, including the Regional Street Fees, New Growth Street Fees, Traffic Signal Impact Fees, Fire Impact Fees, Police Impact Fees, Park Impact Fees and a new fee for Water Connection Charges.

This project is exempt under Section 15273 (Rates, Tolls, Fares, and Charges) of the California Environmental Quality Act (CEQA) Guidelines.

Pursuant to Section 15273 of the CEQA Guidelines, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of: (1) Meeting operating expenses, including employee wage rates and fringe benefits; (2) Purchasing or leasing supplies, equipment, or materials; (3) Meeting financial reserve needs and requirements; (4) Obtaining funds for capital projects necessary to maintain service within existing service areas; or, (5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter.

In March 2007, the City of Fresno (City) adopted the Fresno Major Street Impact Fee Program and established the Citywide Regional Street Impact Fee Program and the New Growth Area Major Street Impact Fee Program, collectively referred to as the Fresno Major Street Impact Fee Program (FMSI Fee Program). The FMSI Fee Program was implemented to provide a funding mechanism for transportation facilities required to serve future development through 2025. The FMSI Fee Program is a successor fee program that replaced the previous transportation facility components of the City's Urban Growth Management (UGM) fee program.

The City of Fresno's Traffic Signal Impact (TSMI) fees are charged to all new development throughout the City, to mitigate traffic impacts through the funding of traffic signal improvements that serve new development. The capital improvement program associated with the TSMI fee includes facilities in the existing core of the City as well as the new growth areas, in order to accommodate the traffic demands from new development throughout the City.

In 2005, the City of Fresno (City) implemented Citywide Fire and Police Facilities Development Impact Fee (Fire Fee and Police Fee) programs to fund needed facilities. The Fire Fee and Police Fee programs were implemented to provide a funding mechanism for facilities and equipment required to serve future development through 2025. These fee programs are successor fee programs that replaced the previous public safety components of the City's Urban Growth Management (UGM) fee program.

The City originally adopted the Parks Impact Fee (PIF) in 2005 and the PIF has not been modified or updated since 2005. There have been no adjustments made to the fee since to account for inflation, changing park development costs, land acquisition costs, and to support the goals of the General Plan.

The City of Fresno has historically relied solely on groundwater as its sole source of water supply. However, in order to ensure the long-term sustainability of the City's water supply, the City has been moving forward with a program to reduce reliance on groundwater via conservation and a transition to imported surface water. In future years, the City plans to increase surface water supply to meet new water demands from growth and develop a recycled water system to offset potable demand.

The City currently levies a number of development impact fees on new development within the City's service area. These impact fees are generally designed to recover costs for facilities that benefit growth and include a number of charges that recover costs for capacity in water system infrastructure.

The City's current water capacity fees vary widely by Urban Growth Management (UGM) area and include only minimal capacity fees in the City's core or other non-UGM areas. The current system of water capacity fees a) does not fully recover costs for capacity in existing infrastructure that benefits new development, b) does not recover costs for future infrastructure and water supply projects needed to meet the demands of growth, and c) is administratively burdensome with almost 150 separate UGM funds, predominantly for water and sewer.

In December 2014, the City of Fresno adopted a new General Plan that establishes growth projections through the General Plan Horizon year of 2035 as well as through buildout of the General Plan.

The General Plan includes goals, objectives, and implementing policies for the transportation system, actions for police and fire protection services, and the full scope of City park and recreation facilities, including pocket, neighborhood, and community parks as well as the need for funding options for acquisition and development of parks and open space in the City.

Traffic:

A General Plan traffic model was prepared that was consistent with the goals, objectives, and policies of the General Plan. In accordance with the identified transportation needs based on traffic volume growth forecasts generated by the traffic model, the City's Public Works Department subsequently provided an FMSI Fee Program Capital Improvement Program (Street CIP) that outlines the planned facilities and costs for FMSI Fee Program funded transportation improvements through General Plan buildout.

Police & Fire:

The General Plan also includes policies and implementation actions for police and fire protection services. In accordance with the development projections and public service policies laid out in the General Plan, the Fresno Fire Department (FFD) and Fresno Police Department (FPD) subsequently provided updated Fire and Police Capital Improvement Plans (CIPs) that outline the planned capital costs for the FFD and FPD through 2035. These CIPs describe the facilities and equipment required to provide continuing public safety service in the City.

Parks:

The General Plan provides goals, objectives and policies directed toward providing a network of safe well-maintained parks, open spaces, athletic facilities, and walking and biking trails connecting the City's districts and neighborhoods to attract and retain a broad range of individuals, benefit the health of residents and provide the level of public amenities required to encourage and support development of higher density urban living and transit use.

The PIF is assessed on new residential development in the City and will be used to pay for development of City neighborhood and community parks serving those future residents. The PIF also includes a land acquisition component to fulfill the requirement of Fresno Municipal Code §12-1027 (Quimby Ordinance).

Water Connection Charges:

The quality, treatment, and conveyance of potable water in Fresno are a critical responsibility of the City. Therefore, the City manages and develops the City's water facilities on a strategic timeline basis that recognizes the long life cycle of the assets and the duration of the resources, to ensure a safe, economical, and reliable water supply for existing customers and planned urban development and economic diversification.


The proposed updated capacity fees are designed to equitably recover the costs of infrastructure and assets benefiting new development. The proposed fees are designed to recover a proportionate share of costs for: a) existing and future groundwater and distribution system assets benefitting new development through buildout, and b) the next 30 mgd expansion of the City's surface water supply and regional distribution facilities needed to address water supply and reliability needs for serving new development and comply with the new State regulatory requirements of the Sustainable Groundwater Management Act. The proposed water capacity fees exclude cost recovery for the City's first phase of surface water system improvements that are designed to benefit the City's existing customer base.

The proposed fees represent a transition from the City's current method of calculating and applying water connection charges in order to transition to a single, consistent system of water capacity fees that can be applied uniformly to all future development within the City's service area, regardless of where development occurs.

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