

MEETING DATE: September 08, 2008

AGENDA ITEM : Discussion of Various Development Related Taxes and Impact Fees in the Municipal Code.

ATTACHMENTS

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**Attachment 1:
Development Taxes and Impact Fees
Survey Summary**

Description	Culver City	Beverly Hills	Hermosa Beach	Inglewood	Los Angeles	Manhattan Beach	Pasadena	Santa Monica	Torrance
Commercial Industrial Development Tax	1.5% of bldg value	n/a	n/a	1 % of bldg value	n/a	n/a	1.5% of bldg value	n/a	1.5% of bldg value
Condominium Tax	\$1,000 per unit	min \$3,700 per unit converted only	n/a	\$600 per unit converted only	n/a	n/a	n/a	\$1,000 per unit	n/a
Dwelling Unit Construction Tax	n/a	\$600 per new dwelling unit	n/a	No	\$200 per du	\$700 per dwelling unit	n/a	\$1,000 per sfr	\$550 per dwelling unit
Residential Development Tax	n/a	n/a	n/a	n/a	\$300 per du	n/a	n/a	n/a	n/a
Parks and Recreational Facilities Tax	n/a	\$3.75 per sq. ft.	Fee set by reso	min. \$175 per du	n/a	n/a	n/a	\$200 per du	\$550 per du
New Development Impact Fee	\$1 per sq ft	n/a	n/a	n/a	n/a	n/a	min \$3.10 per sq ft	n/a	n/a
Art in Public Places In-Lieu Fee	1% of bldg value	1% of bldg value	n/a	n/a	min \$0.39 per sq ft	1% of bldg value	n/a	n/a	n/a
Parkland In-Lieu Fee	market value of park reqrmnt	n/a	market value of park reqrmnt	n/a	n/a	n/a	Fee set by resolution	n/a	n/a
Solar Photovoltaic In-Lieu Fee	market value or solar reqrmnt	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Affordable Housing Mitigation Fee	n/a	n/a	n/a	n/a	Considering: either max \$5 per sq ft; or 3.5% of bldg value	n/a	n/a	n/a	n/a

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Development Taxes and Impact Fees
Survey Summary**

Description	Culver City	Beverly Hills	Hermosa Beach	Inglewood	Los Angeles	Manhattan Beach	Pasadena	Santa Monica	Torrance
Transportation Impact Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<u>Residential</u> SFR - Exempt MFR/Other - \$1,537 per unit
Utility Undergrounding Impact Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<u>Non Residential</u> <i>Commercial</i> Local - \$5,158 per 1k sf General - \$4,669 per 1k sf Center - \$1,305 per 1k sf
Sewer Impact Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<i>Industrial</i> Light - \$918 per 1k sf Heavy - \$1,162 per 1k sf
Fire Facilities Impact Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Bus. park - \$1,441 per 1k sf
Police Facilities Impact Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

**Attachment 2:
Comparison of Development Taxes and Impact Fees**

Description	Culver City	Beverly Hills	Hermosa Beach	Inglewood	Los Angeles
Commercial Industrial Development Tax	Tax on remodel or new commercial construction = \$25 for first \$250k of total building value plus 1.5% of the building valuation in excess of \$250k.	N/A	N/A	<u>Nonresidential Construction Tax</u> Tax on all nonresidential construction = 1% of the total value of construction.	N/A
Condominium Tax	Tax on new condominium construction OR buildings being converted to condominiums = \$1,000 per dwelling unit being sold or converted.	Tax only on buildings being converted to condominiums = \$3,750 per dwelling unit being converted. Newly constructed condos subject to Dwelling Unit tax below.	N/A	Tax only on buildings being converted to condominiums = \$600 per dwelling unit being converted. Newly constructed condos subject to Dwelling Unit tax below.	N/A
Dwelling Unit Construction Tax	N/A	Tax on new residential construction = \$596.85 per dwelling unit plus \$119.38 for ea. bedroom in dwelling unit	N/A		Every dwelling unit constructed, enlarged or remodeled in the City of Los Angeles pays \$200.00 for each dwelling unit
Residential Development Tax	N/A	N/A	N/A	N/A	Every dwelling unit constructed, enlarged or remodeled in the City of Los Angeles pays \$300.00 for each dwelling unit
Parks and Recreational Facilities Tax	N/A	Tax on any new building, rebuild, or remodel = \$3.75 per sq. ft. floor area. Used only for park facility improvements.	Requires every person constructing a new dwelling unit to pay an amount set by resolution of the city council , with the amount of the tax adjusted on an annual basis using CPI.	Tax on new residential construction = \$175 per dwelling unit of one (1) bedroom or less plus \$50 for ea. bedroom in dwelling unit. Used for Park facility improvements.	N/A
New Development Impact Fee	Impact fee on nonresidential new development = \$1 per sq. ft. Used for traffic related capital improvements	N/A	N/A	N/A	N/A
Art in Public Places In-Lieu Fee	Requires public art component for all new residential bldgs more than 4 units and new commercial construction over \$500k = 1% of total bldg valuation.	Requires public art component on new construction = 1% of construction cost for bldgs \$500k to \$1M. 1.5% of construction cost for bldgs over \$1M. Can pay in-lieu fee of 90% of required value.	N/A	N/A	The owner of a development project for a commercial or industrial building is required to pay an arts fee as follows: 1. Office or R&D bldg = \$1.57 per sf 2. Retail bldg = \$1.31 per sf 3. Manufacturing bldg = \$0.51 per sf 4. Warehouse bldg = \$0.39 per sf 5. Hotel bldg = \$0.52 per sf In no event shall the required arts fee exceed either \$1.57 per gross sf of any structure.

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Description	Culver City	Beverly Hills	Hermosa Beach	Inglewood	Los Angeles
Parkland In-Lieu Fee	Requires all new residential development and subdivisions of more than one unit to provide a set amount of parkland based on density factor of development or pay an in lieu fee = market value of parkland requirement as determined by a qualified real estate appraiser approved by the City. Use only for park facility improvements	N/A	Requires all new residential development and subdivisions of more than one unit to provide a set amount of parkland based on density factor of development or pay an in lieu fee = market value of parkland requirement as determined by a qualified real estate appraiser approved by the City. Use only for park facility improvements	N/A	N/A
Solar Photovoltaic In-Lieu Fee	Requires all new bldgs and major renovations over 10,000 sf to have 1kw solar voltaic system per 10,000 sf of gross floor area or pay in-lieu fee equal to the cost of installing the system in comparable project	N/A	N/A	N/A	N/A
Transportation Impact Fee	N/A	N/A	N/A	N/A	N/A
Utility Undergrounding Impact Fee					
Storm Drain Impact Fee					
Sewer Impact Fee					
Fire Facilities Impact Fee					
Police Facilities Impact Fee					
Affordable Housing Mitigation Fee	N/A	N/A	N/A	N/A	Placeholder for potential Affordable Housing Mitigation Fee Ordinance not yet in effect. If such an ordinance is adopted in the future, the required fee shall not exceed either \$5.00 per sq ft or 3.5 percent of the valuation of the project as determined by the Department of Building and Safety, whichever is lower. This fee shall be used to mitigate any affordable housing needs created by the project.

**Attachment 2:
Comparison of Development Taxes and Impact Fees**

Description	Manhattan Beach	Pasadena	Santa Monica	Torrance
Commercial Industrial Development Tax	N/A	<u>Construction Tax:</u> Every building, swimming pool or similar permit issued by the planning, housing and development services department shall be subject to a construction tax at the rate of 1.5% of the value of the structures included in said permits , or as may be subsequently adjusted by permit modifications.	N/A	<u>Construction Tax:</u> Imposed on every person who constructs or alters any building or structure, excluding a dwelling unit or addition or accessory structure thereto, at the rate of 1.5% of the total value of all construction work for which the building official requires a permit. The tax rate shall be 1% for any building or structure which is exempt from taxation as a low-income property or is constructed by a charitable organization as a 170(C)(2) in the IRS Code.
Condominium Tax	N/A	N/A	Tax on new condominium construction OR buildings being converted to condominiums = \$1,000 per dwelling unit being sold or converted.	N/A
Dwelling Unit Construction Tax	Every person constructing any new dwelling unit in the City shall pay to the City the sum of \$700.00 for each dwelling unit .	N/A	<u>Residential Dwelling Tax</u> Tax on new single family unit construction = \$1,000 per planned salable single family unit .	Every dwelling unit constructed, enlarged or remodeled in the City of Torrance pays \$750.00 for each dwelling unit . The tax shall be adjusted in relation to the change, if any, in the Consumer Price Index, All Urban Consumers.
Residential Development Tax	N/A	N/A	N/A	N/A
Parks and Recreational Facilities Tax	N/A	N/A	Tax on any new dwelling unit = \$200 per dwelling unit. Used only for park facility improvements.	Imposed on every person constructing any new dwelling unit in the City pays \$550 for each dwelling unit . Used only for Park facility improvements.
New Development Impact Fee	N/A	<u>Traffic Reduction and Transportation Improvement Fund:</u> Impact fee on all new development for traffic related improvements as follows: 1. New industrial use: \$3.10 per square foot . 2. New office use: \$3.72 per square foot . 3. New retail use: \$8.62 per square foot . 4. New residential use: \$2,480 per new unit . Increased annually by CPI	N/A	N/A
Art in Public Places In-Lieu Fee	Requires public art component for all new residential bldgs more than 4 units and new commercial construction over \$500k = 1% of total bldg valuation .	N/A	N/A	N/A

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Comparison of Development Taxes and Impact Fees**

Description	Manhattan Beach	Pasadena	Santa Monica	Torrance
Parkland In-Lieu Fee	N/A	<u>Residential Impact Fee:</u> Requires all new residential development and subdivisions to provide parkland based on number of bedrooms in residence. Fee is set by resolution Use only for park facility improvements.	N/A	N/A
Solar Photovoltaic In-Lieu Fee	N/A	N/A	N/A	N/A
Transportation Impact Fee	N/A	N/A	N/A	New residential and non-residential development in the City of Torrance are required to pay an impact fee for residential and non-residential buildings in an amount established by resolution of the City Council as follows: <u>Residential</u> SFR - Exempt MFR/Other - \$1,537 per unit <u>Non Residential</u> <i>Commercial</i> Local - \$5,158 per 1,000 sf General - \$4,669 per 1,000 sf Center - \$1,305 per 1,000 sf <i>Industrial</i> Light - \$918 per 1,000 sf Heavy - \$1,162 per 1,000 sf Bus. park - \$1,441 per 1,000 sf
Utility Undergrounding Impact Fee				
Storm Drain Impact Fee				
Sewer Impact Fee				
Fire Facilities Impact Fee				
Police Facilities Impact Fee				
Affordable Housing Mitigation Fee	N/A	N/A	N/A	N/A