MEMORANDUM
CITY OF CHINO
FINANCE DEPARTMENT

COUNCIL MEETING DATE: JUNE 18, 2019

TO: MATTHEW C. BALLANTYNE, CITY MANAGER
FROM: ROB BURNS, DIRECTOR OF FINANCE
SUBJECT: ANNUAL CONSUMER PRICE INDEX ADJUSTMENT - DEVELOPER PAID MUNICIPAL SERVICES FEE.

RECOMMENDATION
Adopt Resolution No. 2019-027 adjusting the rates for the one-time developer municipal services fee for Fiscal Year 2019-20, and authorize the City Manager to execute all necessary documents on behalf of the City.

FISCAL IMPACT
The developer paid municipal services fee provides revenues to help pay for essential City services in The Preserve.
BACKGROUND

It is the City of Chino’s intent to ensure that The Preserve’s development is financially self-sustaining and that it imposes no additional financial burdens on the residents, property owners, or taxpayers in other areas of the City. Collecting a one-time municipal service fee from developers partially accomplishes this goal. The one-time developer municipal services fee requires the developer to pay a fixed cash payment upon the issuance of each building permit.

The City Council adopted Resolution Nos. 2005-014 and 2006-068. Both provided the methods to fund the municipal services. These resolutions set the rate for a one-time payment per residential and non-residential units. Ultimately, the developer will pay the rate once a permit is issued. Additionally, these resolutions authorized an annual rate increase pursuant to the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers in the Los Angeles-Riverside-Orange County areas, as published in the U.S. Bureau of Labor Statistics, with a not to exceed provision of seven percent (7%) per year.

ISSUES/ANALYSIS

Staff has historically used the CPI ending in April of each year to determine the potential increase in this one-time developer payment. Using this methodology, the CPI, as published by the U.S. Bureau of Labor Statistics, is reported to be 3.6%. Based on that information, the attached resolution establishes the rates for FY 2019-20 per the following schedule effective July 1, 2019:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Prior Rate</th>
<th>FY 19-20 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per residential unit</td>
<td>$1,296</td>
<td>$1,343</td>
</tr>
<tr>
<td>Per acre of non-residential property</td>
<td>$5,182</td>
<td>$5,369</td>
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</tbody>
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Attachment: Resolution No. 2019-027