



SOUTH GATE CITY COUNCIL SPECIAL MEETING AGENDA

Wednesday, August 21, 2024 at 6:00 p.m.

**SOUTH GATE COUNCIL CHAMBERS
8650 CALIFORNIA AVE
SOUTH GATE, CA 90280**

**VIEW MEETING LIVE ONLINE AT:
[HTTPS://YOUTUBE.COM/@SOUTHGATECA90280](https://youtube.com/@SouthGateCA90280)**

City Officials

MAYOR, Gil Hurtado	CITY CLERK, Yodit Glaze
VICE MAYOR, Maria Davila	CITY TREASURER, Jose De La Paz
COUNCIL MEMBER, Maria del Pilar Avalos	CITY MANAGER, Rob Houston
COUNCIL MEMBER, Joshua Barron	CITY ATTORNEY, Raul F. Salinas
COUNCIL MEMBER, Al Rios	

If you would like to participate in this meeting, you can participate via the following options:

1. VIEW THE MEETING ONLINE AT : <https://youtube.com/@SouthGateCA90280>

Please allow up to 24 hours after the meeting for the archive to be available.

2. PARTICIPATE BEFORE THE MEETING by emailing the City Clerk at:
yglaze@sogate.org no later than 4:00 p.m. on the day of the meeting. Please write "Public Comment" in the subject line.

3. ATTEND THE MEETING IN PERSON

*The disruption in service of any alternative method does not prelude the City Council or other legislative body from taking further action and moving forward on the agenda.

Meeting Schedule

The regular meetings of the City Council are held on the second and fourth Tuesday of each month, closed session business will usually commence at 5:30 p.m., when scheduled, and general business

session will commence at 6:30 p.m.

Brown Act

Agendas are drafted to accurately state what the legislative body is being asked to consider. The legislative body can take action on "all items" listed on the agenda and be in compliance with the open meeting laws. Under the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The governing body may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

City's Vision Statement

We envision a thriving, safe and inclusive community where everyone has the opportunity to access exceptional services, education and support to be resilient and live full, vibrant lives.

Public Communications

Public Comments on agenda items are limited to three (3) minutes. All comments are to be addressed directly to the Agency Members not to the members of the public.

Call to Order/Roll Call

CALL TO ORDER: Gil Hurtado, Mayor

ROLL CALL: Yodit Glaze, City Clerk

Meeting Compensation Disclosure

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by City Council Members is \$790 monthly regardless of the amount of meetings.

Open Session Agenda

1. Discussion of Industrial Land Use

The City Council will receive a presentation to discuss industrial land use throughout the City of South Gate. The public is invited to attend and participate as the impacts and benefits of industrial land use are discussed. (CM)

Documents:

[Item 1 Report 08212024.pdf](#)
[8-19-24 South Gate Industrial - Final.pdf](#)

Special Meeting Adjournment

I, Yodit Glaze, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted on August 14, 2024, at 12:15 p.m., as required by law.

Yodit Glaze
City Clerk

GENERAL NOTICE TO THE PUBLIC

The City Council adopted new rules relating to the conduct of the public meetings, proceedings, and business in the City of South Gate on July 12, 2022, (Resolution 2022-38-CC) and go into effect on August 1, 2022. Resolution #2022-38-CC is available at the City Clerk's Office.

MEETING SCHEDULE

Regular meetings of the City Council are held on the second and fourth Tuesday of each month, closed session meetings will commence at 5:30 p.m. unless posted otherwise on its agenda. The regular City Council meetings will commence at 6:30 p.m. Agendas are available at the following locations: City Clerk Office, Public Notice Boards at City Hall, and on the City's web page at <https://www.cityofsouthgate.org>

The Public can sign up to receive automatic notices of postings of agendas for the City Council or any other Commission or Board of the City of South Gate. Visit the City webpage and click on the Agenda & Minutes icon. That will take you the page where an individual can enter their email in the "Email Updates" box to register.

PUBLIC COMMENT/PARTICIPATION

Any person may request to address a legislative body during a public meeting. The Presiding Officer will call upon those present in the Council Chambers.

Speakers are limited to three (3) minutes on any item listed on the agenda, including public hearings. Under Comments from the Audience portion, speakers are also limited to a single three (3) minutes time limit. Comments from the Audience is initially limited to 45 minutes at each meeting. Any speaker still wishing to speak, that did not speak, will have an addition Comments from the Audience opportunity after the last business item is finished. The Presiding Officer may extend the time limit as long as there is no objection from the City Council as a body.

To ensure that the public is able to participate, the City provides the opportunity to submit their comments in person, email, and, mail. Methods of participation may be subject to change during other such times when a State of Emergency, Health Order or State Executive Order limits in-person participation.

CURFEW

In absence of a motion duly adopted by majority vote of the City Council, the Presiding Officer may adjourn the City Council meetings at 10:30 p.m. The Presiding Officer may ask the City Council if any agenda items listed should be continued or dealt with during the meeting. For those items to be continued, the City Council can direct the item be placed on the next City Council agenda or the current meeting may be adjourned to a time certain at which time the meeting shall be reconvened as an Adjourned Regular Meeting of the City Council and action upon the published agenda continued.

STAFF REPORTS

As a general rule, staff reports, or other written documentation are prepared/organized with respect to each item of business listed on the agenda. Meeting agendas and staff reports are available at least 72-

hours prior to the scheduled regular City Council meeting and a minimum of 24-hours prior to a Special City Council meeting. There are times when the City Council receives written material. revised material after the posting of agendas, these materials are become a public record and will be available for public view within 72-hours after the meeting in which they were received. Those materials and any other public document can be inspected in the City Clerk's Office located at 8650 California Avenue, South Gate.

SERVICES TO FACILITATE ACCESS TO PUBLIC MEETINGS

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk. Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility. For further information, please contact the Office of the City Clerk at (323) 563-9510 or via email at yglaze@sogate.org.



SPECIAL CITY COUNCIL MEETING

Learn and help shape the future of industrial sites
in the City of South Gate.



August 21, 2024



6:00pm



**Council Chambers
8650 California Ave**

Join us for a discussion about industrial land use and the benefits
and impacts to:

- Quality of Life
- Economic Development
- Traffic

For more information, please call (323) 563-9501.



REUNIÓN ESPECIAL

DEL CONSEJO MUNICIPAL

Aprenda y ayude a dar forma al futuro de los sitios industriales en la ciudad de South Gate.



21 de agosto de 2024



6:00 pm



Ayuntamiento de South Gate
8650 California Ave

Únase para una discusión sobre el uso industrial de terreno y los beneficios e impactos para:

- Calidad de vida
- Desarrollo económico
- Tráfico

Para obtener más información, llame al (323) 563-9501.



City of
**South
Gate™**

CITY OF SOUTH GATE

INDUSTRIAL LAND USE STUDY

AUGUST 21, 2024



2301 Rosecrans Ave., Suite 4140
El Segundo, CA 90245
TEL: 424-297-1070 | URL: www.kosmont.com

OVERVIEW

The City of South Gate (“City”) 2015 Zoning Code prohibits new industrial warehouse development over 15,000 SF. Because of the City’s prime location near Port of LA and Long Beach and the growth of e-commerce, the City’s industrial land is in high demand. Landowners and developers are looking for opportunities to site new warehouses and distribution centers in the City. City has a number of industrial zoned parcels that are suited for redevelopment, but there are questions as to what will be acceptable uses for this land in the future.

Currently there are industrial parcels in the City that are blighted and underutilized. Landowners and businesses are interested in bringing in industrial land uses that include warehouse operations, as a way to renew their parcels. Industrial development with warehouses can create opportunities for landowners and create jobs, but they can also create negative impacts for the community.

The City Council directed staff to review options for development alternatives, which are discussed in this report. Thus, Kosmont Companies (“Kosmont”) was retained by the City to research various policies adopted by select cities. While there are a few cities that prohibit new warehouses, most create policies to generate substantial revenue from new warehouses, to offset traffic and other impacts, and help achieve a better balance for both the business and residential communities.



OVERVIEW

The scope of this Study and discussion is to review alternatives to the current restrictions in place for industrial use, including a 15,000 sq. ft. cap on new warehouse space. A review of what other cities do to regulate industrial uses is presented herein and the Study includes:

- Identification of industrial areas within City of South Gate and how truck trips are routed
- Review of three ways cities look to collect revenue to offset impacts of industrial uses
- Case studies of California cities industrial use policies
- Possible policy suggestion for discussion
- Possible next steps

It is important to note that the number one issue concerning South Gate residents is increased truck traffic. The City has a limited number of truck routes that are focused at pinch points along Firestone at Atlantic Ave, I-710 freeway and Garfield Ave. as shown on the following slide. It will be important for City retain a traffic expert to determine realistic traffic volumes from a range of warehouse uses, identify mitigation measures and likely costs in order to calculate the development impact fees needed to cover necessary roadway and other improvements.

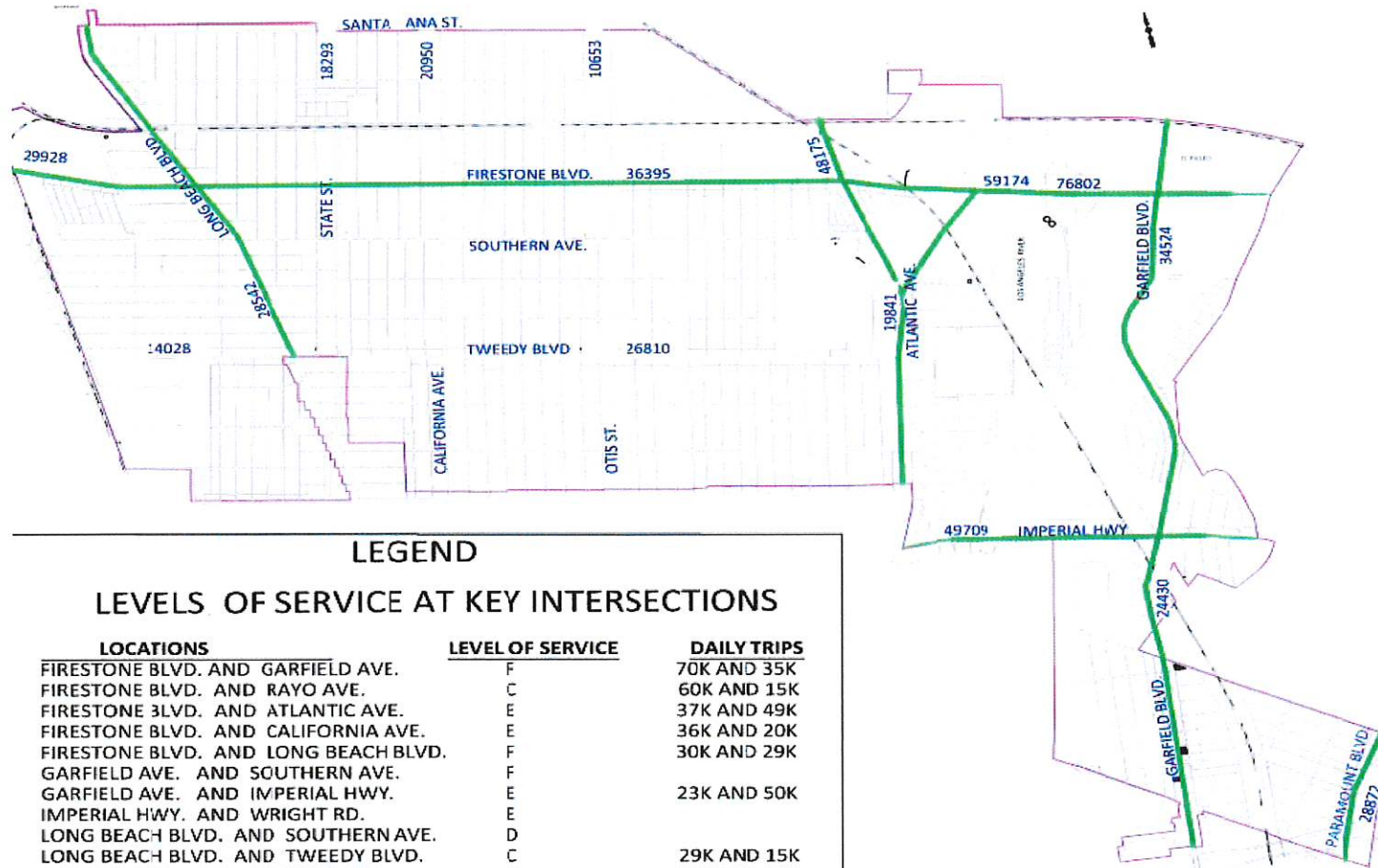
The Kosmont study, along with a focused traffic analysis, will help the City evaluate potential changes to the Zoning Code and other policy options.



CITY OF SOUTH GATE INDUSTRIAL ZONING & TRUCK ROUTE MAP

INDUSTRIAL DEVELOPMENT IS
CONCENTRATED IN THE
NORTHEAST QUADRANT OF THE
CITY SIGNIFICANTLY IMPACTING
FIRESTONE BLVD, ATLANTIC AVE
AND GARFIELD AVE





LEGEND

LEVELS OF SERVICE AT KEY INTERSECTIONS

LOCATIONS	LEVEL OF SERVICE	DAILY TRIPS
FIRESTONE BLVD. AND GARFIELD AVE.	F	70K AND 35K
FIRESTONE BLVD. AND RAYO AVE.	C	60K AND 15K
FIRESTONE BLVD. AND ATLANTIC AVE.	E	37K AND 49K
FIRESTONE BLVD. AND CALIFORNIA AVE.	E	36K AND 20K
FIRESTONE BLVD. AND LONG BEACH BLVD.	F	30K AND 29K
GARFIELD AVE. AND SOUTHERN AVE.	F	
GARFIELD AVE. AND IMPERIAL HWY.	E	23K AND 50K
IMPERIAL HWY. AND WRIGHT RD.	E	
LONG BEACH BLVD. AND SOUTHERN AVE.	D	
LONG BEACH BLVD. AND TWEEDY BLVD.	C	29K AND 15K
TWEEDY BLVD. AND ATLANTIC AVE.	C	27K AND 20K

TRUCK ROUTE ——— CITY BOUNDARY ———



Sources: City of South Gate (Accessed August 2024)

CITY OF SOUTH GATE - 2015 WAREHOUSE RESTRICTION

Land use permission tables in Section 11.21.030 of the Zoning Code establish the uses to which land in each zone may be put. Table 11.21-3 specifies uses allowed in the Urban Mixed-Use zones, and Table 11.21-4 specifies uses allowed in the Commercial Industrial zones. Under those tables, warehousing is permitted (subject to issuance by the City of a Conditional Use Permit) in the Industrial Flex (IF), Light Industrial (LF), Light Manufacturing (M2) and Heavy Manufacturing (M3) zones. However, footnote 18 in Table 11.21-3 and Footnote 11 in Table 11.21-4 each limits the size and placement of warehouses within those zones as follows:

“Limited to maximum building area of fifteen thousand square feet and is not permitted along street frontage (would have to be a rear use).”

These footnotes were incorporated into the South Gate Municipal Code in 2015 when the Planning Commission prepared, and the Council enacted, a comprehensive update to the Zoning Code. The Planning Commissioners and City Council Members who were in office at that time felt the inclusion of these footnotes was necessary to prevent a proliferation of large warehouses in the City which would cause detrimental impacts to the community.

FEE / CUP / DA RESEARCH

- In addition to research on industrial policies, Kosmont interviewed the local National Association of Industrial and Office Properties (“NAIOP”), local industrial real estate brokers, and land use attorneys to get a broad perspective on how primarily southern California communities address industrial warehouse challenges.
- While many cities have Development Impact Fees (“DIF”) that are charged to new industrial development, state law requires nexus studies to create a schedule of fees by land use type to assure parties are charged for fair share of infrastructure costs. The standards used to measure traffic impacts from new development are typically based on ITE standards using the number of employees at a location, which is ~1 per 1,000 SF and fees range from \$2 to \$5 per SF. **Therefore, many Nexus studies do not necessarily factor in the number of trips and the time of day involving warehouse/e-commerce truck unloading and loading of goods for local delivery.**
- Kosmont research found that most cities utilize a Conditional Use Permit (“CUP”) or Development Agreement (“DA”) negotiation with industrial developers to give the City flexibility to negotiate large impact fees and annual special taxes to address the unique circumstances involved with wide range of businesses utilizing warehouse space. Our Study found most concern with large scale e-commerce distribution facilities, but many corporations utilize facilities that combine regional HQ’s, R&D, manufacturing and local Business to Business (“B to B”) distribution, that provide high paying jobs, significant assessed value for property taxes and local sales tax generation.

SUMMARY OF REVENUE METHODOLOGIES

There are many ways for the City to address developer proposals and increase the public revenues from industrial uses, such as Fees, Taxes and negotiated Public Benefits:

- Approach: FEES - Cost recovery for new development fair share of increased infrastructure/public facility costs
 - Commission a Nexus Study to determine realistic traffic volumes from a range of warehouse uses and to calculate the development impact fees needed to cover necessary roadway and other improvements

Examples:

- *Monrovia Nexus study indicated Industrial Traffic cost of \$2,100 per PM peak hour trip*
- *Burbank Nexus study indicated Warehouse allocated Transportation cost of \$10,500 per PM peak hour trip (however the actual fee was based on ITE trip factor of only 0.34 trips per 1,000 SF – so fee was \$3.80 per SF)*
- *Burbank Nexus study also estimated impacts on other public facilities at \$3.67 per SF for total of \$7.47 per SF*
- *Hayward Nexus study indicated max Distribution/Warehouse Traffic Fee of \$8.24 per SF of building area*
- *Clovis established Industrial Impact Fees of \$6 to \$7 per SF that cover police, fire, water facilities in addition to streets*
- *Fontana warehouse impact fees are ~\$5 per SF*

REVENUE METHODOLOGIES (CONT.)

- Approach: TAXES - Requires public vote
 - Adopt a utility tax for buildings greater than X,000 SF
 - Adopt a parcel tax for industrial properties greater than X,000 SF
 - Adopt a business license tax equal to \$X to \$Y per SF for all industrial uses
 - Form a CFD Services District to collect annual assessments to cover annual maintenance related to range of industrial
 - In lieu Sales Tax Assessment Revenue (STAR*)[®] subject to credit/fee waiver for onsite sales tax generators

Examples:

- *El Segundo warehouse annual business tax is \$150 per employee plus \$0.17 per SF of building area = ~\$0.30 per SF*
- *Vernon warehouse annual business license tax is \$0.21 per SF (max of \$12,000 per business)*
- *Carson established annual CFD special tax of \$98 per industrial employee and \$5,324 per acre of land = ~\$0.30 per SF*
- *San Bernardino County reportedly established annual service fee of \$0.34 per SF (as part of Bloomington Specific Plan)*
- *Jurupa Valley has used Development Agreements to negotiate STAR[®] annual payments of \$0.10 per SF.*

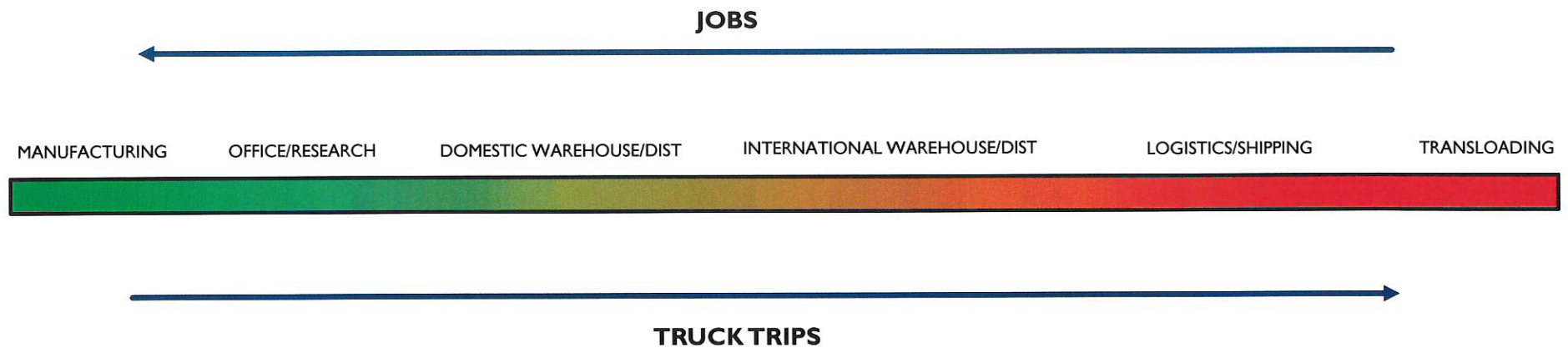
REVENUE METHODOLOGIES (CONT.)

- Approach: PUBLIC BENEFITS - Implemented through a Development Agreement “DA”) negotiation
 - Adopt policy requiring a Development Agreement for development greater than X,000 SF
 - Establish baseline public benefit payment (e.g. \$5 per SF)

Examples:

- *Vernon recently adopted Development Agreement requirement for any warehouse greater than 150,000 SF – most recent project negotiated \$1 million community benefit fee equal to ~\$7 per SF of building area*
- *Jurupa Valley has used Development Agreements to negotiate community benefits for large scale (>1 million SF) industrial uses equal to ~ \$3 per SF*
- *San Bernardino County established community benefits payment of \$2.00 per SF (as part of Bloomington Specific Plan)*
- *Moreno Valley negotiated \$7 million contribution for resident job training as part of World Logistics Center DA*

JOBS VERSUS TRIPS



MUNICIPAL INDUSTRIAL POLICY REFERENCES

A number of California municipalities have enacted industrial policies in recent years to address the influx of large distribution centers and warehouses associated with the online retail industry. There is a significant need for large warehouse facilities where sorting, storage and ultimate distribution of retail products can take place. Concerns around these uses relate to their high generation of truck trips paired with low job counts at relatively low pay.

Municipal Industrial Policy References:

- Fontana
- Vernon
- San Bernardino County
- Carson
- Redlands
- Jurupa Valley
- Moreno Valley
- Pomona
- Burbank
- Central Valley Cities

FONTANA

The City of Fontana has approved over 16 million SF of warehouses in past few years. The upfront development fee the City charged to cover circulation impacts was approximately \$5.00 per SF of building area for industrial uses. No fee for municipal services

Fontana was sued by environmental groups over approval of two large warehouse projects in the southern part of the City. In 2022 the Attorney General of CA announced a settlement with the City that protects community from pollution. The City has adopted a new ordinance that is the strictest in the State requiring landscape buffers, use of solar power, zero-emission vehicles, truck routing plans, and prohibition of off-site parking and vehicle stacking.

VERNON

In June 2022, pursuant to Government Code Section 65858, the City Council adopted Ordinance No. 1283 (Attachment 2), a 45-day urgency moratorium ordinance. Ordinance No. 1283 was adopted to protect the public health, safety, and welfare by prohibiting the establishment, expansion, or modification of warehouse uses, freight terminals, truck terminals, container storage, and container parking in the City.

Vernon subsequently adopted a permanent ordinance (Municipal Code Section 17.84.060) that requires new warehouse in excess of 150,000 SF must utilize a Development Agreement, public hearing and approval by the City Council.

There has been one project approved through the DA process. In March 2024, GPT Vernon, owner of an old industrial building on 7.1 acre site at 5764 Alcoa received approval to demolish existing buildings and construct a new 153,000 SF warehouse building. The DA requires owner to pay \$1 million community benefit fee payable in four installments of \$250,000 each, with a potential credit against year 2 thru year 4 payments for utility taxes paid in excess of a formula provided in DA. This community benefit is equal to approximately \$7 per SF for a similar development proposed in South Gate.

SAN BERNARDINO COUNTY

The County of San Bernardino recently approved a +213-acre specific plan with Howard Industrial partners to redevelop an unincorporated residential community of 138 low income single family residences with 3.2 million SF of new industrial warehouse development and 480 units of high density multi-family units. This project faced intense community opposition due to the removal of hundreds of families.

According to RSG report, the Bloomington Specific Plan's Community Benefits included a \$2.00 per SF upfront fee and \$0.34 per SF annual payment. **Kosmont was not able to verify these community benefit fees.**

CARSON

The City of Carson has examined many policies to generate more revenue from industrial development in the City. In 2017 they considered establishing annual business tax, but there was major opposition. In 2018 the City hired Kelly Associates to examine feasibility of Interim Development Impact Fee Ordinance, which was adopted in April 2019 to help fund streets and other public facilities. City also hired NBS to examine the fiscal impact of new development to justify a new CFD No 2018-01 that calculated annual special tax burdens on new development to fund enhanced roadway maintenance.

Development Impact Fee (“DIF”)

Carson adopted the recommended 2019 DIF for industrial uses totaling \$2.20 per SF of building area. (As point of comparison the DIF for Multi-Family is \$25,000 per unit)

CFD Special Taxes

Carson also established annual CFD special tax of \$98 per industrial employee and \$5,324 per acre of land

JURUPA VALLEY

Due to industrial developer pressure, and desire for community benefits, Jurupa Valley has approved changes to several planning areas to allow industrial development in areas that were designated for residential and commercial.

Agua Mansa Commerce Park

In 2020 the City approved a Development Agreement to allow development of 4.4 million SF of industrial warehouse on a 208-acre former cement plant site.

In addition to standard impact fees, the City negotiated a wide range of community benefits:

- \$4 million for a Community Recreation Facility and \$500,000 for North Rubidoux Master Planning and City administrative costs.
- Facility Maintenance Assessment - \$50,000 per year
- General Fund Special Assessment (STAR*®)- Annual fee of \$0.10 per SF for industrial buildings (\$440,000 per year)

JURUPA VALLEY

The District

The District is a 2023 Specific Plan of ~200 acres that allows 1.5 million SF of warehouse, 1.3 million SF of commercial and 1,200 MF housing units to replace Emerald Ranch Specific Plan (1,000 SF housing units and 20-acres of retail)

In addition to paying standard City Development Impact Fees, developer must also make the following:

- Facilities Benefit Contribution - \$110-\$183 per unit annual fee for residential - zero for industrial
- Infrastructure Maintenance Contribution - \$123 per acre for light industrial & \$37 to \$61 per residential unit
- Public Safety Contribution – Annual fee of \$0.044 per SF of building area for light industrial & \$206 to \$343 per residential unit
- There were several other community benefits totaling \$3-4 million for supportive housing, arts & culture, community room lease, commercial rehab contribution and commercial truck ordinance enforcement.

MORENO VALLEY

In 2020, Moreno Valley approved a Development Agreement for the World Logistics Center, a proposed 40 million SF warehouse project on ~2,000 acres of undeveloped land.

Research by RSG indicated that the developers were required to pay \$300 million in Impact Fees, however the site is rural undeveloped land at the far east edge of the City and massive infrastructure is needed to prepare sites for development. Job creation was the major community benefit.

A review of the Development Agreement found that actual community benefits were as follows:

- \$6.99 million for education workforce training in logistics industry payable \$1 million upfront and \$0.11 per SF for each building permit
- \$500,000 for State Route 60 landscaping
- \$175,000 for air filtration systems for existing properties within the project area

POMONA

Because of long-term community concerns over e-commerce warehouse development impacts on traffic and air quality, the City of Pomona adopted a temporary moratorium in 2022 on new industrial warehouse, while the City underwent a major update of its zoning code that was 75 years old.

In June 2024 the new code was adopted, and as a result warehouse or distribution buildings are not permitted except in the Fairplex Overlay Zone

BURBANK

In 2022 the City of Burbank commissioned a Nexus Study by EPS and Fehr Peers to update the Development Impact Fee (“DIF”) program. The Study analyzed impact of expected new residential, commercial and industrial development on the need for police, fire, library and park facilities, information technology and transportation infrastructure.

For transportation impact fees the study examined the increase in PM peak hour trips and estimated the average capital cost to mitigate to be ~\$10,500 per trip. For warehouse/industrial the Study used ITE trip generation tables of 0.34PM peak trips per 1,000 SF, which yielded a traffic impact fee of \$3.62, adjusted for inflation to \$3.80 per SF. *(We note that ITE PM peak trip generation factors for warehouse are significantly less (~10%) as compared to commercial uses – indicating that such ITE factors may not take into account business to consumer delivery trips).*

The study also identified warehouse/industrial impacts on police, fire, parks and library facilities that justified fees of \$3.67 per SF.

The Study’s total DIF was estimated at \$7.47 per SF for warehouse/industrial buildings.

REDLANDS

As a result of community concerns regarding impacts that warehouses were having, the City of Redlands established a moratorium on warehouse development in 2022. This enabled City to study and draft a new ordinance regulating where and how new distribution centers could be built.

City Council approved the Ordinance that limits any warehouse exceeding 50,000 SF from being more than **1 mile from an I-10 or I-210 freeway exit/entrance ramp**. In addition, **no** warehouse/distribution centers greater than 150,000 SF can be built **south of I-10 or east of I-210 freeway**.

The City also decided to put a business tax increase for warehouse uses on the Nov. 2022 ballot. The Measure J initiative passed, and it increased the annual tax to \$0.105 per square foot of building area.

CENTRAL VALLEY CITIES

Kosmont recently prepared a development impact fee survey for the City of Clovis that showed the range of impact fees that Central Valley cities charge for commercial and industrial development.

The analysis found that not only do fees vary by type of land use, but by geographic location (e.g., higher fees for area with least infrastructure in place). See illustration on next slide

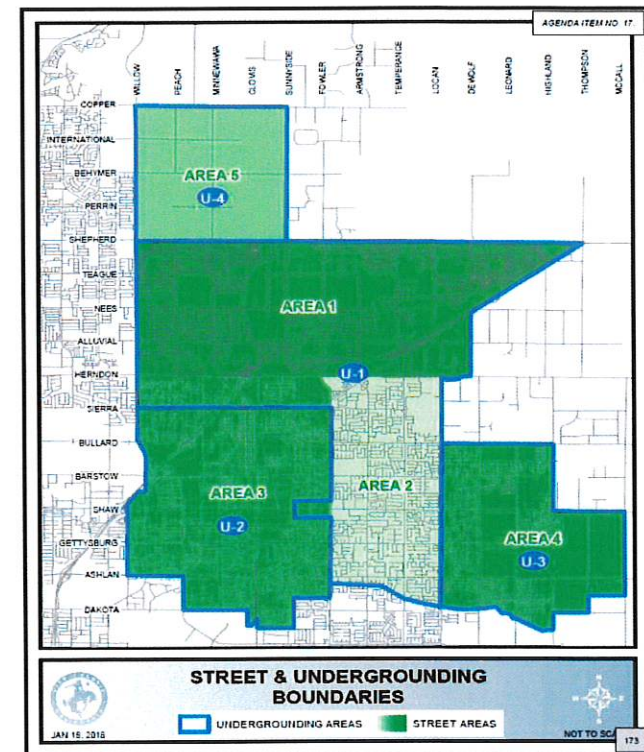
Clovis had front-end fees for industrial ranging from \$6 to \$7 per SF of building area to cover allocated capital costs for water, sewer, parks, police, fire, and streets. As point of comparison, City commercial impact fees ranged from \$21 to \$30 per SF reflecting much higher perceived traffic volumes.

Other cities in the region had industrial fees ranging from \$2 to \$9 per SF (also a fraction of the commercial fees).

CLOVIS TRAFFIC FEE VARIATIONS BY GEO ZONE

FEE COMPRSON BY GEOGRAPHIC AREA

	RETAIL	OFFICE	INDUST
ALL AREAS Per Unit/SF			
Major Water	\$ 4.29	\$ 4.29	\$ 1.16
Sewer	\$ 5.75	\$ 4.89	\$ 2.68
Parks	\$ 0.69	\$ 1.50	\$ 0.49
Refuse			
Police			
Police (Per Comm/Ind Acre)	\$ 6,557	\$ 6,557	\$ 6,557
Fire (Per Comm / Ind Acre)	\$ 9,338	\$ 9,338	\$ 9,338
AREA 1			
Street Fees Per Unit/SF	\$ 17.31	\$ 7.89	\$ 2.12
Total Per Acre	\$ 296,295	\$ 238,735	\$ 144,895
Total Per unit / 1,000 SF	\$ 29,629	\$ 19,895	\$ 7,245
AREA 4			
Street Fees Per Unit/SF	\$ 17.03	\$ 7.76	\$ 2.09
Total Per Acre	\$ 296,295	\$ 238,735	\$ 144,895
Total Per unit / 1,000 SF	\$ 29,629	\$ 19,895	\$ 7,245
AREA 5			
Street Fees Per Unit/SF	\$ 8.87	\$ 4.05	\$ 1.09
Total Per Acre	\$ 211,895	\$ 192,655	\$ 124,295
Total Per unit / 1,000 SF	\$ 21,189	\$ 16,055	\$ 6,215



SUMMARY COMPARISON – INDUSTRIAL FEES

	\$ Per SF of Bldg Area		
	Impact Fees	Annual Taxes	Public Benefits
LA Area			
Burbank	\$7.47 psf	?	-
Carson	\$2.20 psf	\$0.30 psf	-
Vernon	?	\$0.21 psf	\$7.00 psf
Long Beach	\$4.50 psf	?	-
Monrovia	\$2,100 per PM trip	?	-
El Segundo	?	\$0.30 psf	-
Suburban / Rural			
Fontana	\$5.00 psf	?	-
Hayward	\$8.24 psf	?	-
Jurupa Valley	?	\$0.100 psf	\$3.00 psf
Moreno Valley	\$9.00 psf	?	\$0.20 psf
Redlands	?	\$0.105 psf	-
Pomona	<i>Warehouse development is prohibited</i>		
San Bernardino County	-	\$0.34 psf	\$2.00 psf
Clovis	\$6.00 - \$7.00 psf	?	-
These are illustrative examples from internet and 3rd party research			

POLICY SUGGESTIONS

Here are potential revenue sources for City Council policy consideration, as it relates to permitting warehouse development or redevelopment, subject to further due diligence, study and market conditions:

1. City to commission traffic/road capacity study to define maximum traffic that can be accommodated or mitigated with capital investment. This would be basis for a Nexus study for **Development Impact Fees** (could range from \$5 to \$10 per SF of project – assuming major traffic improvements are needed and can feasibly be done)
2. Based on public works road maintenance assessment, City can establish **Business Tax** or **CFD Special Tax** (could range from \$0.25 to \$0.35 per SF of project per year)
3. City can define **Development Agreement** requirements for projects greater than 50,000 SF or so, and establish a baseline fee (could range from \$4 to \$6 per SF of project for community benefits *that can be increased based on the specific circumstances*)

A 200,000 SF warehouse could result in upfront fees/benefits of \$2-4 million, plus annual revenue of \$50,000 to \$70,000

NEXT STEPS

- Council needs to decide if the City wants to put business tax on the ballot and/or do Nexus study for Development Impact Fees.
- If a Citywide land use change is recommended, it would trigger the need to conduct an environmental review.
- The Council would first identify their preferred industrial use features, and then the review would be conducted, which could involve a significant amount of time (up to 12 months) and substantial cost.

CITY OF SOUTH GATE INDUSTRIAL LAND USE STUDY

THE ANALYSES, PROJECTIONS, ASSUMPTIONS AND ANY EXAMPLES PRESENTED HEREIN ARE FOR ILLUSTRATIVE PURPOSES AND ARE NOT A GUARANTEE OF ACTUAL AND/OR FUTURE RESULTS. ACTUAL RESULTS MAY DIFFER FROM THOSE EXPRESSED IN THIS ANALYSIS, AS RESULTS ARE DIFFICULT TO PREDICT AS A FUNCTION OF MARKET CONDITIONS, NATURAL DISASTERS, PANDEMICS, SIGNIFICANT ECONOMIC IMPACTS, LEGISLATION AND ADMINISTRATIVE ACTIONS.



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