

CITY OF SEBASTOPOL CITY COUNCIL

Re. Supplemental Information / Late Mail re. Barlow Hotel; CC Meeting April 15, 2025 item #10

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To: Honorable Mayor and City Councilmembers
From: Alex Mog, City Attorney
Subject: Applicant's Request for Additional Fee Credit.
Date: 11 April 2025

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The City has established development impact fees, the purpose of which is to fund improvements that mitigate the impact of new development on existing facilities. As detailed in the staff report, based on the City's fee schedule, the proposed project is subject to \$877,763.33 in various impact fees. However, the project has received credits for certain improvements it is providing in-lieu of paying the fee (and the City then using that money to fund similar improvements).

The applicant is requesting an additional \$69,000 as a credit for benches and interpretive signs at the hotel and proposed overlook within the parking lot site adjacent to the Laguna. These are the types of improvements that could be provided in-lieu of paying the City's Parkland and Development Impact Fee. However, the applicant has already provided other improvements in-lieu of the entire amount of the Parkland and Development Impact Fee. Accordingly, if the applicant is to receive additional fee credit, it must be from a different impact fee category. Staff did not recommend reduction of any other fees, since those fees are imposed for other purposes not served by the specific proposed improvements (e.g. the benches do not further traffic mitigation).

However, the City Council may still make the policy decision to provide additional fee credit for the project in recognition of the value of the benches and interpretive signs being provided by the applicant. If the City Council desires to provide additional fee credit, staff recommends the following:

1. Waive collection of the entire amount of the General Government Impact Fee and General Plan Update Fee for a total of \$21,464.66. These impact fees support improvements to government facilities like City Hall and to recover the cost of a comprehensive General Plan update. These types of expenses would otherwise be paid for by the General Fund. Because the project is anticipated to generate significant new general fund revenue, that revenue can be used on these general fund expenses.
2. Waive collection of \$47,535.35 from other impact fee categories, but commit to using a portion of the TOT revenue generated by the project to backfill the relevant impact fee category. For example, the City Council could decrease the amount of the traffic impact fee to be paid by the applicant by \$47,535.35, but commit to transferring \$9,507.07 per year in TOT revenue generated by the project to the traffic impact mitigation fund for the first 5 years the project is operational. Since the proposed development agreement allows the developer to pay the impact fees over a 5-year period, if the City Council commits to making transfers in this manner, the relevant impact fee category will not experience any loss of revenue and can still serve its intended purpose.

ATTACHMENTS:

Supplemental Materials Submitted by Applicant 4.10.25

April 10, 2025

Honorable City Council Members
City of Sebastopol
7120 Bodega Avenue
Sebastopol, CA 95472

Re: Barlow Hotel Development Agreement

Dear Honorable City Councilmembers,

We have enjoyed working with City staff on this exciting project and we are confident that the Barlow Hotel will bring many benefits to the City of Sebastopol and the community.

There is only one outstanding issue that we did not reach agreement on with staff. We would like a fee credit for the cost of installing benches and interpretative signage at the Laguna de Rosa Overlook and Hotel Site. The cost of these improvements is \$69,000 and a bid for the improvements is attached to this letter. City staff felt they could only reduce the Park Land and Development fee, since these are park improvements, but explained that the City Council could approve a fee credit against the other impact fees the project will need to pay. We think these improvements will enhance the overlook and provide a wonderful place for the community to enjoy the Laguna de Rosa.

We propose to add the following provision to the Development Agreement.

Fee Credit for Improvements to Laguna Overlook. In exchange for a fee credit of Sixty-Nine Thousand Dollars (\$69,000) against the fees otherwise detailed in Exhibit 3, Developer shall provide benches and interpretive signs at the hotel and proposed overlook within the parking lot site adjacent to the Laguna de Rosa.

We ask that you add this provision to the Development Agreement.

We are happy to discuss our proposal at any time.

Thank you,

Barney Aldridge



Brown Construction, Inc.								Bid Card # _____	
Site Furnishings Budget								Labor Rate \$ 43.00	
BROWN BUDGET									
	QUANTITY	UNITS	UNIT Cost	LABOR PRODUCT	S COST	LABOR HOUR	TOTAL DOLLARS		
Hotel									
Site Furnishings									
					-	-	-		
					-	-	-		
	3	EA	\$500	\$2,000	1,500	2	1,586		
	7	EA	\$2,500	\$2,500	17,500	4	17,672		
	3	EA	\$3,500	\$1,800	10,500	2	10,586		
					-	-	-		
					-	-	-		
TOTALS							\$ 29,844		
Batch Plant Parking Lot									
					-	-	-		
	10	EA	\$500		5,000	4	5,172		
	7	EA	\$2,500		17,500	4	17,672		
	2	EA	\$3,500		7,000	2	7,086		
	1	LS	\$10,000		10,000	-	10,000		
					-	-	-		
					-	-	-		
TOTALS							\$ 39,930		
Total Hotel and Batch Plant Parking Lot								\$ 69,774	