

APPENDIX C

PUBLIC RECREATION IMPACT FEE

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In conformance with the Certified City of Solana Beach Local Coastal Program (LCP) Land Use Plan (LUP) Policy 4.50, Bluff Property Owners who construct Bluff Retention Devices shall pay the City a Public Recreation Impact Fee (may also be referred to as Public Recreation Fee) consistent with this appendix. The Public Recreation Fee is separate and independent of the Sand Mitigation Fee detailed in Appendix A.

These mitigation fees are not intended to be duplicative with fees assessed by other agencies. It is anticipated the fees in this appendix would be assessed as required by this LCP and shall be in conjunction with the mitigation fees typically assessed by the CCC and the CSLC for impacts to coastal recreation from Bluff Retention Devices.

The Public Recreation Fee shall be calculated on a project-specific basis to ensure the mitigation fees are proportional to the impact being mitigated. Variables to be considered in determining the fee imposed shall depend on the impact to the beach area based upon (1) the specific physical configuration and footprint of the proposed Bluff Retention Device and (2) the presence of a seacave or notch of any depth that would be fronted by a Bluff Retention Device. The entire area of a seacave or notch located landward of the proposed Bluff Retention Device shall be considered imminently subject to failure and be included in the mitigation calculation. In addition, the area of any seacaves or notches that have been previously infilled with erodible concrete, located landward of the proposed bluff retention device, which are no longer allowed to erode as originally approved, shall be included in the mitigation calculation.

The Public Recreation Fee addresses impacts to the loss of recreation based upon the loss of beach area described below as (1) Initial Area and (2) theoretical 20-year Bluff Retreat Area. Table 1 identifies separate rates, to ensure proportionality between the impact and the mitigation fee to be applied to the Initial Area and Bluff Retreat Area. The fees address the impacts to public recreation for a 20-year period, consistent with the requirements of LUP Policies 4.49 and 4.53. At the end of each 20-year period, the bluff retention device shall either be removed, or new fees shall be assessed. The use values in Table 1 were determined as follows:

- The proxy recreational use value per beach visitor per day (Day Use Value) for Solana Beach is \$35.56 in the summer months and \$21.00 in the non-summer months. The City shall conduct new beach user Travel Cost surveys within 10 years to update the Day Use Value to reflect current practices or new information as an amendment to Appendix C of the LUP.
- The City's useable beach area includes the area from the toe of the coastal bluff to mean sea level existing between the northern and southern City limits. Based on 19 LiDAR datasets collected between 1998 and 2015, the useable beach area in Solana Beach is presently calculated at 15.2 acres. The City shall determine if the beach area has changed every ten years and incorporate any changes as an amendment to the LUP.

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- The average annual beach attendance in Solana Beach is estimated to be 134,817 adults per year. Children are not included in the attendance data because of the assumption that consumer surplus of children is captured in the adult consumer surplus use values. The attendance estimate is based on attendance counts undertaken by the City between July 2008 and July 2009 and expansion factors to account for the likelihood that some user groups were underrepresented in the original attendance counts due to the time of day that the original population counts were conducted. Every ten years, the City shall adjust the attendance based on available population growth estimates or through an updated attendance survey. The City shall incorporate any changes to the attendance as an amendment to the LUP.
- The annual use value of the beach within the City is \$4,010,581 and is obtained by multiplying the Day Use Value by the number of adults that visit the beach annually and adding the value of the Junior Lifeguard Program, which is \$269,501. The City shall update the annual use value of the beach every ten years if there are changes to the beach area or attendance estimates and shall incorporate the change as an LUP amendment.
- The use value of one sq. ft. of beach was calculated to be \$6.06 in 2016 and is obtained by dividing the annual use value of the beach by the size of the beach.
- The Initial Area Rate in Table 1 represents the use value of one sq. ft. of beach area over a 20-year period and this use value is multiplied by the total area of encroachment of a Bluff Retention Device (Initial Area) to determine the fee. The use value is increased each year to reflect an estimated 2% Consumer Price Index (CPI). The use value is also subject to a 2% Present Value (PV), which offsets the CPI over the 20-year mitigation period. Table 1 shall be updated every ten years and any changes shall be incorporated as an amendment to the LUP.
- The Bluff Retreat Rate (Per Linear Ft.) in Table 1 is equal to one linear ft. (Bluff Retreat Length) multiplied by 20 years of estimated erosion multiplied by the use value of one sq. ft. of beach. It represents the use value of the expected beach area that would otherwise be available for public use through passive erosion if the Bluff Retention Device was not constructed. An erosion rate of 0.4 ft. per year is assumed between 2016 and 2025 and an erosion rate of 0.673 is assumed between the years 2026 and 2046. Any change to the estimated erosion rate will require an amendment to the certified LUP. The use value increases each year to reflect an estimated 2% CPI.

The Public Recreation Fee shall be imposed as a condition of approval on any Coastal Development Permit for a Bluff Retention Device, which does not propose comparable or greater project specific in-kind mitigation. The decision-making entity (Coastal Commission or City of Solana Beach) for the Coastal Development Permit shall calculate the Public Recreation Fee on a project- specific basis during the Coastal Development Permit approval process. The entire fee shall be submitted to the City prior to issuance of the Coastal Development Permit and shall be assessed in 20-year increments starting on the building permit completion certification date.

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Seacave/notch infills that consist entirely of erodible concrete (see LUP Appendix B, Figure 1A) are exempt from both the Public Recreation Impact Fee and the Sand Mitigation Fee as allowed by the LUP, provided that the infills erode with the natural bluff and are maintained to do so and provided that a Bluff Retention Device is not constructed seaward of the infills. If monitoring of the infills reveals evidence that the back of the beach has been fixed, the Permittee shall submit a complete CDP amendment application to address the impacts from these changed circumstances. At such time, sand supply mitigation and public access and recreation mitigation shall be required.

LUP Policy 4.50 requires that Public Recreation Fees shall be expended for public beach access and public recreation as a first priority, and may be expended for sand replenishment and retention if the City determines that a near-term priority public recreation or public access project is not identified. All

projects funded by the Public Recreation Fees shall be located directly along the coast and projects shall result in direct improvements to coastal recreation or beach access. As an alternative allowed by LUP Policy 4.50, project applicants have the option of proposing an in-kind public coastal recreation or beach access project in lieu of payment of Public Recreation Impact Fees to the City. At the City's discretion, project specific in-kind mitigation may be accepted if the applicant can demonstrate that the project would provide a comparable or greater coastal recreation or beach access benefit to the general public.

While a reduction or elimination of the required Public Recreation Fees may be considered for Bluff Retention Devices that protect public infrastructure, mitigation offsets or reductions to any required Public Recreation Fees for Bluff Retention Devices whose primary purpose is the protection of private property are prohibited. In addition, retroactive adjustments to Public Recreation Fees (excluding the \$1,000 per linear foot interim fee deposits), in the form of crediting overpayment of mitigation fees or adding underpayment of mitigation fees to future assessments based on observed bluff erosion, is prohibited.

Table 1 - Public Recreation Impact Mitigation Fee Schedule

Permit Year	Initial Area Rate (Per SF)	Bluff Retreat Rate (Per LF)
2016	\$121	\$600
2017	\$124	\$630
2018	\$126	\$662
2019	\$129	\$698
2020	\$131	\$737
2021	\$134	\$780
2022	\$136	\$825
2023	\$139	\$874
2024	\$142	\$926
2025	\$145	\$982
2026	\$148	\$1,044

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The Total Public Recreation Impact Fee (PRF), for a 20-year period, shall equal the Initial Area multiplied by the Initial Area Rate plus the Bluff Retreat Length multiplied by the Bluff Retreat Rate for the Permit Year.

The formula to calculate the Total PRF = (Initial Area x Initial Area Rate) + (Bluff Retreat Length x Bluff Retreat Rate)

Definitions:

Calculation of the PRF is based on the following terms which are defined / explained below.

Initial Area - The Initial Area shall be that Useable Beach Area that is occupied by a Bluff Retention Device measured as the width of the structure multiplied by the length of the structure plus the entire area of seacaves or notches located landward of a Bluff Retention Device and any area of seacaves or notches previously infilled with erodible concrete (which are no longer allowed to erode as originally approved).

Bluff Retreat Length - The Bluff Retreat Length shall be the length of the Bluff Retention Device measured along the bluff, measured in feet.

Initial Area Rate - The Initial Area Rate shall be the amount identified in Table 1, under the Column titled Initial Area Rate dependent on the Permit Year. The Initial Area Rate is based on the value of one sq. ft. of beach area over a 20-year period.

Bluff Retreat Rate - The Bluff Retreat Rate shall be the amount identified in Table 1, under the Column titled Bluff Retreat Rate dependent on Permit Year. The Bluff Retreat Rate is based on a linear foot of Bluff Retention Device and incorporates the annual area impacted by the Bluff Retention Device estimated by the Erosion Rate over a 20-year period.

Total PRF – Means the Total Public Recreation Impact Fee, for a 20-year period as calculated by the above formula.

Permit Year - The year the wall is considered permitted (building permit completion certification date) as defined in the LCP LUP.

Useable Beach Area – That area of Solana Beach bound by the northern and southern city limits, the average width of the beach based on the distance between Mean Sea Level and the toe of coastal bluff and that may extend landward of the toe of coastal bluff.

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Examples Scenarios (Using a 67% wage rate, 2008-2009 Attendance Figures, and a 15.2 Acre Beach):

Example 1: In the year 2016, construction of a typical 2 ft. wide by 50 ft. long seawall with no seacave/notch landward of proposed seawall.

Initial Area = 2' x 50' = 100 sq. ft.

Initial Area Rate = 100 sq. ft. x \$121 = \$12,100

Bluff Retreat Rate = 50 ft. X \$600 = \$30,000

PRF = \$12,100 + \$30,000 = \$42,100

PRF = ((2 ft. x 50 ft.) x \$121 per sq. ft.) + (50 ft. x \$600 per linear ft.) = \$42,100

Example 2: In the year 2016, construction of a typical 2 ft. wide by 50 ft. long seawall with a 10 ft. deep by 20 ft. long seacave/notch (which has not been previously infilled) landward of proposed seawall.

PRF = (((2 ft. x 50 ft.) + (10 ft. x 20 ft.)) x \$121 per sq. ft.) + (50 ft. x \$600 per linear ft.) = \$66,300

Example 3: In the year 2016, construction of a typical 2 ft. wide by 50 ft. long seawall with a 2 ft. deep by 20 ft. long seacave/notch (which has not been previously infilled) landward of proposed seawall.

PRF = (((2 ft. x 50 ft.) + (2 ft. x 20 ft.)) x \$121 per sq. ft.) + (50 ft. x \$600 per linear ft.) = \$46,940

Example 4: In the year 2016, construction of a typical 2 ft. wide by 50 ft. long seawall with a 2 ft. deep by 20 ft. long seacave/notch that has been previously infilled with erodible concrete landward of proposed seawall.

PRF = (((2 ft. x 50 ft.) + (2 ft. x 20 ft.)) x \$121 per sq. ft.) + (50 ft. x \$600 per linear ft.) = \$46,940

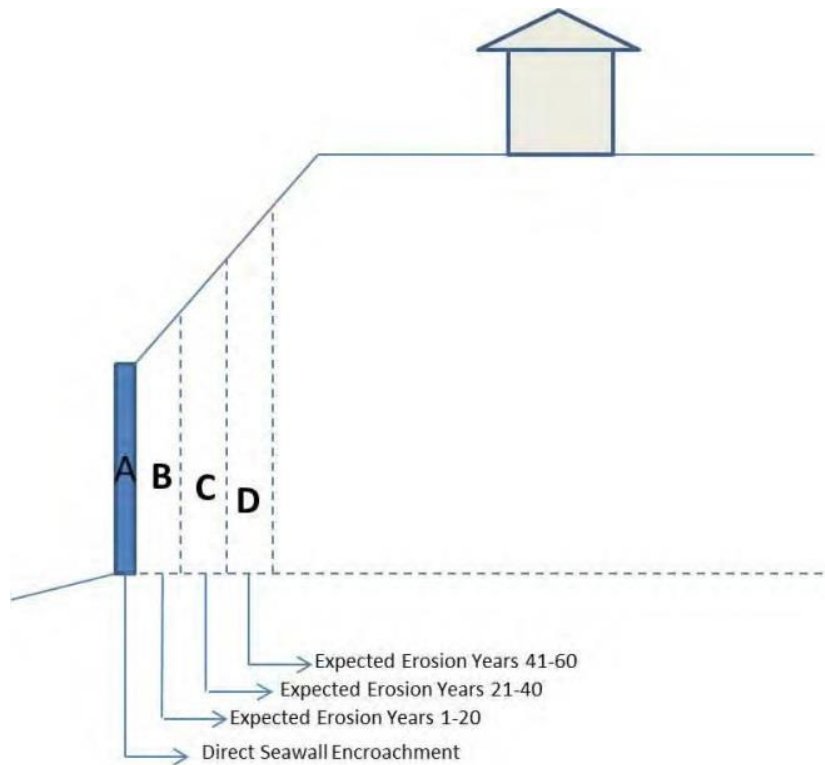
Example 5: In the year 2016, construction of a 2 ft. deep by 20 ft. long seacave/notch with non-erodible concrete.

PRF = ((2 ft. x 20 ft.) x \$121 per sq. ft.) + (20 ft. x \$600 per linear ft.) = \$16,840

Subsequent Mitigation Periods:

If a geotechnical report finds evidence that a Bluff Retention Device cannot be removed at the end of a 20-year mitigation period, mitigation shall be required for the subsequent 20-year period. As shown in Figure 1, in subsequent mitigation periods, mitigation shall include the direct shoreline protection device encroachment and all beach area that would have otherwise been available to the public through passive erosion had the shoreline armoring not been constructed.

Figure 1



Mitigation Period	Mitigation Area
1st Mitigation Period (Pay in Year 1)	A + B
2nd Mitigation Period (Pay in Year 21)	A + B + C
3rd Mitigation Period (Pay in Year 41)	A + B + C + D