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City OKs fee to fund child care

Council: New developments will help city meet its day-care needs

DEBATABLE

At issue: The Palm Desert City Council passed an ordinance Thursday that charges developers an impact fee for non-residential developments. The money will go toward expanding existing child-care facilities and creating new ones.

Backers say:

Development over the next 20 years is expected to create 19,000 jobs - and the need for 750 child-care spaces.

Opponents say:

Developers will look to build elsewhere and have questioned the legality of the fee - using public funds for child-care facilities that may be private businesses.

What City Council approved:

A fee paid by commercial developers in Palm Desert to help fund child-care facilities. The fee will be based on the size and type of development, ranging from 47 cents per square foot for light industry to \$1.15 per square foot for office buildings.

Developers can get an offset for the fee if they include space dedicated to child care in their facility.

Why it's needed:

A report commissioned by the city shows that over the next 20 years, new development will create more than 19,000 jobs. In turn, those will create the need for about 750 more child-care spaces. The valley's child-care providers already run months-long waiting lists.

How it works:

The money collected will go into a fund administered by the city's financial officer. It would be used only to help build new child-care facilities and help expand existing ones. It could not be used for subsidies to individual families.

How much money it will raise:

The city projects it will be able to raise about \$5.3 million from the fee over the next 20 years. The average amount will be \$264,000.

When the fee will be assessed:

With Thursday's passage, the ordinance should take effect Nov. 12. The fee will not apply to developments approved before this date.

Bill Byron

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Palm Desert will be the first city in the county to levee a fee on non-residential developments to expand existing child-care facilities and create new ones.

The fee, which the City Council approved unanimously Thursday, is specifically targeted to help provide child care for employees working in new commercial and industrial developments in the city.

The move for the fee was spurred by the increasing number of young families moving to the city and the increased demand for child care that has created.

A study, funded by the city, estimated facilities for 759 more children will be needed based on the amount of current, new employees working in Palm Desert. The valley's child-care providers already run months-long waiting lists.

The fee structure hits office buildings the hardest, charging \$1.15 per square foot. Other projects break down as follows:

Commercial-use buildings at 90 cents per square foot.

Hotels will pay 77 cents per square foot.

Business parks and light industrial structures will pay 47 cents per square foot.

Child-care facilities and residential structures are exempt.

According to the ordinance, the council will be able to increase the fees as it sees fit, and the rates automatically increase annually with the cost of living.

No developers or anyone from the community spoke in opposition or in favor of the ordinance before the City Council took its vote Thursday.

However, Bill Carver of Carver Companies, a longtime Palm Desert developer, said from his home late Thursday that the cost ultimately will drive developers out of Palm Desert.

"They tack these on everywhere, all the time and pretty soon, you'll kill the goose," he said. "But I don't know if 90 cents is going to do it. It's kind of like the gas thing going on now. Is \$3.50 going to stop you from driving?"

"At some point, some people are going to start to drop out of the picture because it's not going to make economic sense."

Carver's current project is a new Wal-Mart and Sam's Club under construction on Monterey Avenue and Dinah Shore Drive that is slated to open in 2006.

Those structures will not be affected by the ordinance because the developments were approved before Nov. 12, when the fees take effect.

However, had the ordinance existed when those developments were planned, it would have cost \$336,600 for the two structures.

"That's a lot of money," Carver said.

City not the first

Other California cities use impact fees to help fund child-care facilities.

San Francisco, Concord, Santa Cruz County and Santa Monica are among more than 60 cities and counties in California that assess such charges.

But a report released this month by the Riverside County Children & Families Commission found that in 2003 the county had the lowest proportion of licensed child-care spaces for working families of any county in California.

Following Thursday's meeting, Councilwoman Jean Benson said she was glad Palm Desert could blaze the trail locally with a child-care fee.

"They're so sorely needed throughout all of Riverside County and it behooves us to give our working parents peace of mind," Benson said.

City officials hope to partner with local child-care providers and nonprofit organizations to provide funding to increase the amount and size of facilities. There are no plans for the city to operate any of those facilities.

Carver said he does not oppose more child-care facilities, but wished that the private sector could have developed them on its own.

"We tried working with the business community and with big corporations but no one wants to spend the funds to help us build facilities," Benson said, adding that she did not believe the added fees would deter development.

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