

EXHIBIT "A"

CITY OF SAN JUAN BAUTISTA

STAFF REPORT

To: City Council
From: City Manager
Date: February 19, 2013
Subject: **Impact Fee Analysis and Criteria**

In examining the current impact fees established by the City in 2007, I find a lack of documentation of the costs associated with the intended categories for which the fees are imposed. In addition, the basis for the fees is severely lacking in a realistic growth projection. It has no relationship to the growth potential and the projected growth rates of the City. The estimates from AMBAG, the State Department of Finance, and the State Office of Planning and Research (OPR) provide a more realistic and reasonable growth rate than what was used to support adoption of Ordinance 2007-14, 2007-20, 2007-21 and Resolution 2007-51.

The population growth figures used in the analysis was 1,000 new residential units built over a 35 year period. This translates into a growth rate of 5.5% per year for the City of San Juan Bautista. A more realistic growth projection is between 1% and 1.5% per year of new connections. The analysis of an impact fee should be based upon two contributing factors. The first is what will be required to accommodate new growth and development then assign a portion of the total estimated costs for new connections for development. The second factor is the existing users of the systems or facilities have an inherited obligation to maintain and keep the improvements or facilities functioning and operational. The second factor is often referred to as deferred improvements, or depreciation.

Attached is the revised analysis of the impact fees for Water, Sewer, Public Safety, Parks, Park In-Lieu, Parking In-Lieu, Storm, Library, and Public/Civic Facilities. The Traffic impact fee of TIMF Zone 1, 2011 Transportation Impact Fee Mitigation Study was established by San Benito County Council of Governments.

SUMMARY OF IMPACT FEES

City of San Juan Bautista

<u>Development Impact Fees:</u>	<u>Existing</u>	<u>Proposed</u>
Water Connection Fee	\$14,223.00	\$7,550.00
Sewer Connection Fee	\$ 3,266.00	\$5,240.00
Traffic Impact Fee (TIMF Zone 1 2011	\$ 4,506.00	S \$1717.00
Transportation Impact Mitigation Fee)		M \$1058.00
		C \$2456.00
Public Safety Development Fee	\$ 2,313.00	\$1,543.00
Park Development Impact Fee	<u>\$ 720.00</u>	\$ 782.00
Park In-Lieu Development Impact Fee*	<u>\$ 2,700.00</u>	<u>\$2,250.00</u>
Parking In-Lieu Development Impact Fee**	<u>\$ 12,000.00</u>	<u>\$6,500.00</u>
Storm Drain Development Impact Fee	\$ 3,204.00	\$1,554.00
Library Development Impact Fee	\$ 6,470.00	\$1,995.00
Technology Development Impact Fee	\$ 169.00	\$ 0.00
Public/Civic Facilities Impact Fee	\$ 3,783.00	\$1,483.00
		\$21,864.00
School Impact Fee (Paid to School District)		

- S Single Family Dwelling
- M Multiple Family Dwelling
- C Commercial

* Fee required if no park facilities are provided by development.

** Fee required if on-site parking spaces are not provided

c Credit can be applied for on-site park development when constructed as part of the development. Credit will not exceed park development impact fee.

Construction: Engineering plan check for improvement plans
 1.5% estimated construction cost.
 Inspection fee for development improvements
 2.0% actual construction cost.

WATER CONNECTION IMPACT FEE 2/19/2013

Cost of COP Loan \$11,200,000.00
Reserve - \$ 825,000.00
Contingency - \$ 385,000.00
Net Cost \$9,990,000.00

55% allocated to Water improvements \$5,494,500.00
Existing cost of water improvements \$5,494,500.00
New water improvements Pellet Plant \$ 583,000.00
Total \$6,077,500.00

Water; 60% of cost to improve water system to existing rate
users: 40% of cost new connections \$2,431,000.00

Total Cost to new connections \$2,431,000.00

Assume a 1.5 % growth rate for new connections.

Based on 7.82 units per year; equals 274 units per 35 year period

The COP loan is 35 years amortization period;

Cost of system for new connections; \$2,431,000.00

85% Residential, 15% commercial

Growth projection $1,825 \times .015 = 27.37/3.5 = 7.82$ unit/year

Cost per year $\$2,431,000/35 = \$69,457.00$

Cost per new connection; $\$69,457 \times 0.85/7.82 \text{ DU} = \$7,550.00$

RECOMMENDATION:

- Establish a water connection impact fee of \$7,555.00 per new residential unit.

Estimate new commercial growth 1 per year.

Cost; $\$69,457.00 \times 0.15/1.0 = \$10,418.00$

RECOMMENDATION:

- Establish a water connection impact fee of \$10,418.00 per new commercial connection.

SEWER CONNECTION IMPACT FEE 2/19/13

Sanitary Sewer Cost .45 x \$9,990,000.00 = \$4,495,500.00

Cost allocations;	Sewer	\$4,495,500.00
Storm Drain improvements -		\$ 386,000.00
Sidewalk, curbs ADA ramps -		\$ 364,000.00
Net cost of sewer improvements		\$3,745,500.00
New treatment improvements		230,000.00
New aerators and pumps		108,000.00
New sewer collection lines		135,000.00
		\$4,218,500.00

Sewer 60% of cost assigned to existing rate payer. \$ 2,531,100
40% assigned to new residential construction \$ 1,687,400

Assume a 1.5 % growth rate for new connections.

Based 7.82 units per year; equals 274 units over 35 year period

The COP loan is based on a 35 years amortization period;

Sewer is 85% residential, 15% commercial.

Growth of new connections 7.82 unit per year

Cost of sewer new connection \$1,687,400/35 = \$48,211.00/yr.

Cost new Res. connection \$48,211x .85/7.82DU = \$5,240.00

Cost commercial connection standard strength = \$6,812.00
(Based upon commercial @ 130% more in discharge of effluent.)

RECOMMENDATION:

- Establish a sewer connection impact fee of \$5,240.00 per new single family residential unit.
- Establish a sewer connection impact fee of \$3,495.00 per new multiple family residential unit. (66.6%)
- Establish a sewer connection impact fee of \$6,812.00 per new commercial (Standard Strength) (130%)
- Establish a sewer connection impact fee of \$8,175.00 per new commercial (Moderate Strength) (156%)
- Establish a sewer connection impact fee of \$9,880.00 per new commercial (High Strength) (189%)

TRAFFIC IMPACT FEE

2/19/2013

The Traffic Impact Fee was a study by the Council of San Benito County Governments based upon the vehicle trip generation of various land uses and traffic patterns of the County. The impact fee make a nexus finding based upon the relationship of additional trip demand created by different types of new development. San Benito County was divided into three land use zone as shown on Table E.1: Transportation Impact Mitigation Fee TIMF Schedule. San Juan Bautista is in close proximity to State Route 101 and will be classified in Zone 1.

Zone 1: Residential

Single Family (S)	\$1,717.00
Multiple Family (M)	\$1,058.00
Commercial (C)	\$ 2,456.00

RECOMMENDATION:

- Establish a Traffic Impact Fee for new Single Family Dwelling of \$1,717.00.
- Establish a Traffic Impact Fee for new Multiple Family Dwelling of \$1,058.00.
- Establish a Traffic Impact Fee for new Commercial of \$ 2,456.00.

PUBLIC SAFETY IMPACT FEE

2/19/2013

Police Department: new vehicle every three years; \$35,000.00

Cost per year; $\$35,000.00/3 = \$11,666.00$

Fire department: new type 3 fire truck every eighteen years:

Cost of type three fire truck \$ 225,000.00

Cost of fire truck per year; $\$225,000/18 = \$12,500.00$

Cost of fire equipment and apparatus every 6 years: \$ 36,000.00

Cost of fire equipment per year $\$36,000.00/6 = \$6,000.00$

Total cost: \$30,166.00 (Vehicle, Truck, Equipment)/yr.

Existing residential 60% of cost

New residential growth 40% of cost = \$12,066.00

1.5% growth rate equal 7.82 dwelling unit per year

Cost per exist dwelling unit; $\$12,066/7.82 = \1543.00

RECOMMENDATION:

- Establish a public safety impact fee of \$1,543.00 per new residential unit constructed.

RECOMMENDATION:

- Establish a public safety impact fee of \$2,052.00 per new commercial construction.

PARK DEVELOPMENT IMPACT FEE 2/19/2013

Development Standards: 3.00 acres per 100 Dwelling units

Cost of land: $\$45,000/\text{acre} \times 3.0 = \$135,000.00$

Improvement cost @ $\$36,537/\text{acre} \times 3.0 = \$109,610.00$

Total cost for 3.0 acre park $\$244,610.00$

Expected life of park 40 years

Cost per year $\$244,610.00/40 = \$6,115.00$

1.5% growth rate of City equivalent to 7.82 homes /year

Cost per dwelling unit $\$6,115.00/7.82 = \782.00

Cost of maintenance: 3 @ $20,000/\text{ac.} = \$60,000.00/\text{yr}$

Cost per resident $\$60,000.00/1825 = \$32.88/\text{yr.}$

RECOMMENDATION:

- Establish a park development impact fee of \$782 per new dwelling unit constructed

Cost of in-lieu fee: $\$244,610.00/100 \text{ DU} = \$2,446.00$ per dwelling unit.

RECOMMENDATION:

- Establish an in-lieu park development impact fee of \$2,446.00 per new dwelling unit constructed.

PARKING IN-LIEU FEE

Parking requirements for new development.

In-Lieu fees may be paid by the developer or applicant for not providing a parking space per the development standard established by the municipal code. The applicant has the option to pay in to a fund that will be dedicated for the acquisition, development of new parking spaces with the City of San Juan Bautista or provide the parking spaces required by the municipal code on site of the applicant or developer.

Area of a parking space 9'x20' = 180 sq. ft.

Area of a backup area for parking space 9'x32' = 288 sq. ft.

Total area per space required 468 sq. ft.

Cost of land @ \$150,000.00/ acre=\$3.45/ sq. ft.

468 sq. ft. x \$3.45= \$ 1,614.00

Cost of development of space.

2" asphalt surfacing = \$2.60/sq. ft.

8" aggregate base = \$2.30/sq. ft.

Pavement stripping = \$1.03/sq. ft.

Wheel stop = \$0.11/sq. ft.

Grading & excavation = \$3.15/sq. ft.

Engineering = \$1.25/sq. ft.

Total 468sq. ft \$10.44= \$4,886.00

Cost to develop a parking space= \$ 6,500.00

RECOMMENDATION:

- Establish a Parking In-Lieu Fee of \$6,500.00 per parking space required by the municipal code for all new development in the City of San Juan Bautista.

STORM DRAIN IMPACT FEE

2/19/2013

PROJECTS:

Third Street – Tausalami to San Jose Ave.	\$ 35,600.00
Polk Street - Fourth Street to Third Street	\$ 29,850.00
Washington Street – Fourth Street to Third Street	\$ 33,500.00
Washington Street –Fourth to Seventh Street	\$ 85,000.00
Polk Street- Fourth to Seventh Street	\$ 64,500.00
The Alameda- Intersection Fourth to Franklin	\$ 82,650.00
Lang Street- The Alameda to Lang Court	\$ 71,500.00
Muckelemi Street- Fourth to Monterey Street	\$ 145,000.00
Miscellaneous Catch Basin, Curb returns,	\$ 35,000.00
The Alameda –156 to Old San Juan Grade Road	\$ 78,800.00
Old San Juan-Hollister Road widen culvert	\$ 55,000.00
Mission Vineyard Road- Extend culvert to Stream	\$ 47,000.00
Sub Total	\$ 763,400
Engineering	\$ 46,600
Total	\$ 810,000

Useful life period of Storm Drain system 50 years

Cost per year $\$810,000/50=\$16,200.00$

1.5% growth rate 7.82 new units per year

Allocation cost of storm system: 75% new Residents, 25% existing

Cost per new residential unit $\$16,200 \times .75 / 7.82 = \$1,554.00$

RECOMMENDATION:

- Establish a storm drain impact fee of \$1,554.00 for new residential unit constructed.

LIBRARY IMPACT FEE

2/19/2013

New building addition 3050 sq. ft. @ 185/sq.ft.=	\$564,250
Furniture and equipment	\$ 40,000
Landscaping and site improvements	\$ 60,000
Building improvements to Museum Building	\$ 65,000
Sub total	\$729,250
Engineering & Architecture	\$ 35,000
Total	\$764,250

Cost per year/50 year \$15,285.00

1.5% growth rate equal 7.82 unit per year

Cost per new residential unit \$15,285/7.82= \$1,955.00

RECOMMENDATION:

- Establish a library impact fee of \$1,995.00 per new residential unit constructed.

