

TO: James L. App, City Manager  
FROM: Jim Throop, Director of Administrative Services  
SUBJECT: Annual Development Impact Fee Report FY2009  
DATE: January 19, 2010

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Needs: To receive and file the annual development impact fee report to the City Council for the fiscal year ended June 30, 2009.

Facts:

1. The City imposes various development impact fees. The rates applied during fiscal year 2009 are identified in the attachment Exhibit B (all fees were adjusted 7/1/08 by various inflationary factors).
2. A separate fund has been established for each development impact fee to record financial transactions.
3. For the purposes of presentation only, some development impact fees have been consolidated in the comprehensive annual financial report (audit), i.e. specific plan fees.
4. Interest income is allocated to each development impact fee fund based upon its proportional share of total invested City cash resources.
5. In certain locations, the City has allowed developers to defer public improvements (saving up-front project costs) until such a time that new development actually occurs. In these areas, new development pays specific plan fees at the time of issuance of building permit rather than during the planning process. The two applicable specific plan areas are:
  - Union/46 Specific Plan
  - Borkey Specific Plan (Sub-area B)
6. In the case wherein a capital improvement project is funded from two or more development impact fee funds, all expenditures are recorded in a single fund and the appropriate proportional share of each funding source is transferred into this single fund. This methodology provides for the 'capturing' of all project costs in a single account for determining the total final cost of the project.

Analysis & Conclusion:

As required by State law, the attached documents are made available for public review. These documents provide the appropriate information as required in State code. The attached documentation is for the annual activity of each development impact fee for the fiscal year ended June 30, 2009.

Fiscal

Impact: None.

Options:

- a. Receive and file.
- b. Amend, modify, or reject the above option.

Attachments

**Exhibit "A"**  
**Detail Schedule of**  
**Development Impact Fee Expenditures**

**Fiscal Year Ending June 30, 2009**

	Fund 211 Public Safety Police	Fund 212 Public Safety Fire	Fund 213 Traffic Mitigation	Fund 215 Bridges	Fund 216 Park Development	Fund 217 Storm Drainage	Fund 219 Public Meeting Fac.	Fund 220 Water Connections	Fund 221 Sewer Connections
Beginning Cash Balance 7/1/08	78,688	1,145,205	2,162,359	87,976	2,061,268	227,716	359,986	4,015,351	4,890,412
Revenues - All Sources	10,931	107,185	1,318,763	3,032	199,668	56,858	7,997	389,522	562,635
Revenue Transfers IN									
Balance Sheet Transactions			(863,359)	14,446		1,393		(19,376)	(295,334)
Expenditures			(1,176,239)	(14,446)		(57,000)		(287,972)	(3,191,690)
Expenditure Transfers OUT									
<b>Ending Cash Balance 6/30/09</b>	<b>\$ 89,619</b>	<b>\$ 1,252,390</b>	<b>\$ 1,441,524</b>	<b>\$ 91,008</b>	<b>\$ 2,260,936</b>	<b>\$ 228,967</b>	<b>\$ 367,983</b>	<b>\$ 4,097,525</b>	<b>\$ 1,966,023</b>
Hwy 101/46W PAED			152,619						
13th Street Bridge Project			1,023,620						
Niblick Bridge II Design				14,446					
Storm Drain Master Plan						57,000			
Replace Roof West Side Reservoir								4,909	
Install Recycled Water								271,125	
Nacimiento Water								11,938	
Nacimiento Water Treatment Plant									216,884
Upgrade Lift Station #9									166,950
Various Lift Station Upgrades									2,717,063
Templeton Interceptor Upgrades Reaches									90,794
Upgrade Existing Sewer									
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,176,239</b>	<b>\$ 14,446</b>	<b>\$ -</b>	<b>\$ 57,000</b>	<b>\$ -</b>	<b>\$ 287,972</b>	<b>\$ 3,191,691</b>

Note: Line item expenses are NOT adjusted for accounts payable items (non-cash transactions)

**Exhibit "A"**  
**Detail Schedule of**  
**Development Impact Fee Expenditures**

**Fiscal Year Ending June 30, 2009**

	Fund 222 Aquatic Facilities	Fund 223 Library Expansion	Fund 224 Public Facilities	Fund 225 Union/46 Specific Plan	Fund 226 Nacimiento Water Project	Fund 228 Borkey Specific Plan	229 Nacimiento Water Treatment	231 General Gov't Facilities	237 Bike & Pedestrian Path
Beginning Cash Balance 7/1/08	353,344	746,328	1,486,802	168,179	3,264,313	840,161	12,558	1,872,198	8,200
Revenues - All Sources	18,054	53,069	59,482	66,075	330,752	46,582	141,574	187,774	7,511
Revenue Transfers IN									
Balance Sheet Transactions				2,777			(255,817)		
Expenditures				(36,606)			(1,061,066)		
Expenditure Transfers OUT									
<b>Ending Cash Balance 6/30/09</b>	<b>\$ 371,398</b>	<b>\$ 799,397</b>	<b>\$ 1,546,284</b>	<b>\$ 200,425</b>	<b>\$ 3,595,065</b>	<b>\$ 886,743</b>	<b>\$ (1,162,751)</b>	<b>\$ 2,059,972</b>	<b>\$ 15,711</b>
Hwy 101/46W PAED				36,606					
13th Street Bridge Project									
Niblick Bridge II Design									
Storm Drain Master Plan									
Replace Roof West Side Reservoir									
Install Recycled Water									
Nacimiento Water							1,061,066		
Nacimiento Water Treatment Plant									
Upgrade Lift Station #9									
Various Lift Station Upgrades									
Templeton Interceptor Upgrades Reaches									
Upgrade Existing Sewer									
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,061,066</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Line item expenses are NOT adjusted for accounts payable items (non-cash transactions)

Exhibit B

**Impact Fee Schedule**

**Rates Effective (07/01/08)**

**Water Development Impact Fee Schedule**

(Includes Nacimiento Water)

**Per unit Cost - < 1"**

\$7,075	Multi-Family Residence
\$8,923	Mobile Home Park Space
\$8,923	Single Family Residence
\$8,923	Mobile Home Subdivision Lot
\$8,923	Commerical Unit + \$612 per sub-user
\$8,923	Hospital/Convalescent + \$612 per sub-user
\$8,923	Hotel/Motel + \$612 per unit
\$8,923	School + \$612 per classroom

**Water Meters >3/4"**

\$14,899	1" Meter
\$29,710	1.5" Meter
\$47,554	2" Meter
\$95,198	3" Meter
\$148,730	4" Meter
\$297,371	6" Meter
\$475,812	8" Meter
\$684,052	10" Meter

**Wastewater Impact Fee Schedule**

\$4,571	Per Multi-Family Residence
\$5,037	Per Mobile Home Park Space
\$5,037	Per Single Family Residence
\$5,037	Per Mobile Home Subdivision Lot
\$5,037	Per Commercial Unit
\$5,037	Per Hospital/Convalescent Unit +\$232 per room
\$5,037	Per Hotel/Motel Unit +\$94 per unit
\$7,115	Per School + \$94 per classroom

**Storm Draim Impact Fee Schedule**

\$0 - \$1,758	Single Family Residence
\$0 - \$879	Multi-Family Residence
\$0 - \$879	Assisted Living
\$0	Commercial Lodging
\$0	RV Parks & Campgrounds
\$0 - \$1.19	Commercial - per square foot
\$0 - \$0.79	Industrial - per square foot

Exhibit B

**Impact Fee Schedule**

**Rates Effective (07/01/08)**

**Traffic (Streets, Signals & Bridges) Mitigation Fee**

\$4,280 - \$8,598	Single Family Residence
\$3,425 - \$6,878	Multi-Family Residence
\$1,048 - \$1,927	Assisted Living
\$2,248	Commercial Lodging
\$1,847	RV Parks & Campgrounds
\$6.04 - \$7.23	Commercial - per square foot
\$2.84 - \$3.63	Industrial - per square foot

**Public Safety (Police & Fire) Facilities Impact Fee**

\$834	Single Family Residence
\$760	Multi-Family Residence
\$11,144	Assisted Living
\$438	Commercial Lodging
\$438	RV Parks & Campgrounds
\$0.53	Commercial - per square foot
\$0.11	Industrial - per square foot

**General Government Facilities Impact Fee**

\$5,155	Single Family Residence
\$4,582	Multi-Family Residence
\$4,582	Assisted Living
\$75	Commercial Lodging
\$75	RV Parks & Campgrounds
\$0.37	Commercial - per square foot
\$0.11	Industrial - per square foot

**Library Facilities Impact Fee**

\$1,004	Single Family Residence
\$894	Multi-Family Residence
\$0	Assisted Living
\$0	Commercial Lodging
\$0	RV Parks & Campgrounds
\$0	Commercial - per square foot
\$0	Industrial - per square foot

Exhibit B

**Impact Fee Schedule**

**Rates Effective (07/01/08)**

**Park Development Impact Fee**

\$5,184	Single Family Residence
\$4,608	Multi-Family Residence
\$0	Assisted Living
\$0	Commercial Lodging
\$0	RV Parks & Campgrounds
\$0	Commercial - per square foot
\$0	Industrial - per square foot

**Bike & Pedestrian Impact Fee**

\$497	Single Family Residence
\$442	Multi-Family Residence
\$0	Assisted Living
\$0	Commercial Lodging
\$0	RV Parks & Campgrounds
\$0	Commercial - per square foot
\$0	Industrial - per square foot

**Union/46 Specific Plan**

\$39	Police Equipment
\$308	Fire Equipment
\$453	Creston/North River Road Signal
\$2,025	Union Road Improvements
\$1,449	North River Road Improvements
\$0	Golden Hill/Hwy 46 Signal
\$0	Golden Hill/Union Signal
\$801	Park Site Acquisition & Development
\$323	Offsite Water Well
<u>\$147</u>	Specific Plan Preparation
<u>\$5,545</u>	<b>Total (assuming all fees apply)</b>

**Borkey Specific Plan (Sub-area B)**

\$90	Wastewater (per SF unit)
\$46	Water (per SF unit)
\$228	Signal Buena Vist @ Hwy 46 (per SF unit)
\$297	North River Road Upgrade (per SF unit)
\$131	Contingency (per SF unit)
\$238	Plan Preparation (per SF unit)

## Exhibit C

### Water Development Impact (Connection) Fees

The water connection fee was established in February, 1979 by City Council Resolution No. 2314. This fee is used to assist in funding the construction and improvements in water production and delivery needed to accommodate new development.

During fiscal year 2005, the Council approved a participation contract for the Nacimiento Water Project. New impact fees were imposed to pay for construction of infrastructure necessary to deliver and treat said water. The Nacimiento Water component is included in the connection fees in Attachment A. However, those portions of the impact fee delivery and treatment of Nacimiento Water are calculated and accounted for separately.

The cash balance in all funds at June 30, 2009 was \$7,692,590.

### Sewer Development Impact (Connection) Fees

The sewer connection fee was first established in February, 1979 by City Council Resolution No. 2278. This fee is used to assist in funding the construction and improvements in wastewater treatment needed to accommodate new development.

In October 2002, the Council authorized the refinancing of the 1993 Refunding Sewer Revenue Bonds and the issuance of an additional \$8,000,000 in new money to fund approximately \$4,000,000 in system collection improvements and \$4,000,000 in treatment plant improvements.

The cash balance at June 30, 2009 was \$1,966,023.

### Storm Drainage Development Impact Fees

Storm drainage fees were first imposed in January, 1980 by Resolution No. 2391. The fees are used to assist in funding the construction of storm drainage improvements needed to control increases in run-off created by new development projects.

The cash balance at June 30, 2009 was \$228,967.

### Public Facilities Development Impact Fees

This fee was established by Resolution No. 93-166 dated October 5, 1993. This fee assists in funding construction and implementation of improvements to public facilities sufficient to accommodate needs generated by new development.

The cash balance at June 30, 2009 was \$1,546,284.

### Traffic Mitigation Development Impact Fee

This fee was adopted March 3, 2003 via Resolution No. 03-31 as part of the City's AB 1600 Development Impact Fee Study, combines the former bridge development fee, signalization development fee and a portion of the public facilities development fee.

The fee assists in funding construction and implementation of improvements key to elements of the citywide transportation system sufficient to accommodate future traffic demand generated by new development.

The cash balance at June 30, 2009 was \$1,441,524.



#### Public Safety (Police & Fire) Development Impact Fee

This fee was adopted March 3, 2003 via Resolution No. 03-31 as part of the City's AB 1600 Development Impact Fee Study. For purposes of this report, the law enforcement and fire protection equipment balances are combined. This fee funds portions of the construction of new law enforcement facilities used to protect life and property.

The combined balance at June 30, 2009 was \$1,342,009.

#### Library Facilities Impact Fee

This fee was adopted March 3, 2003 via Resolution No. 03-31 as part of the City's AB 1600 Development Impact Fee Study. Revenues are used to pay debt service on the construction of the existing library facility.

The balance at June 30, 2009 was \$799,397.

#### Public Meeting Facility Development Impact Fee

This fee was adopted March 3, 2003 via Resolution No. 03-31 as part of the City's AB 1600 Development Impact Fee Study, replaces a portion of the former public facilities impact fee. Revenues are used to pay debt service on the construction of the existing city hall/library facility.

On October 3, 2006 Council adopted Resolution 06-188 which updated new development impact fees in accordance with the calculations and recommendations contained in Nexus Study. Under the new impact fee schedule, public meeting facilities are included in the "General Governmental Service Facilities" fee.

The balance at June 30, 2009 was \$367,983.

#### Park and Recreation Facilities Impact Fees

Park fees were originally established by Ordinance No. 411 in May, 1978. This fee funds public facilities which improve neighborhood and community parklands as needed to serve new development.

The cash balance in the fund at June 30, 2009 was \$2,260,936.

#### Aquatics Facilities Development Impact Fee

This fee was adopted March 3, 2003 via Resolution No. 03-31 as part of the City's AB 1600 Development Impact Fee Study. This fee funds assists in funding construction and improvements of a city-operated aquatics center.

The balance at June 30, 2009 was \$371,398.

#### General Governmental Facilities Impact Fee

On October 3, 2006 Council adopted Resolution 06-188 which updated new development impact fees in accordance with the calculations and recommendations contained in Nexus Study. This fee is used to assist in the construction and development of facilities used by the City to provide basic governmental services and public facilities maintenance services, exclusive of public safety services.

The balance at June 30, 2009 was \$2,059,972.

#### Bike & Pedestrian Path Facilities Impact Fee

On October 3, 2006 Council adopted Resolution 06-188 which updated new development impact fees in accordance with the calculations and recommendations contained in Nexus Study. This fee is used to ensure construction of bike and pedestrian facilities throughout the City necessary to accommodate new development.

The balance at June 30, 2009 was \$15,711

#### Union/46 Specific Plan Fees

When the City adopted the Union/46 Specific Plan in 1988, the environmental impact report (EIR) identified the impacts that would be created by new development in the study area. The building/development community had the option of installing all required infrastructure improvements in conjunction with new development; by establishing an assessment district; or deferring infrastructure costs through payment of an in-lieu specific plan fee. Based upon the desire of the building/development community to minimize the "up-front" costs on development and in order to spread the costs of infrastructure over all of the properties that would benefit from the improvements, a specific plan fee was established.

The cash balance at June 30, 2009 was \$200,425.

#### Borkey Specific Plan Fees

In a similar manner to the Union/46 Specific Plan area, when the Borkey Specific Plan was adopted in 1989, an EIR identified the public infrastructure needed to mitigate the impacts of the planned new development. The adopted Specific Plan provided for infrastructure costs to be deferred and spread over all of the parcels in the plan area. The City Council allowed that fees would be collected at the time of issuance of building permits.

The cash balance at June 30, 2009 was \$886,743.