

TO: James L. App, City Manager
FROM: Ed Gallagher, Director of Community Development
SUBJECT: Updated Development Impact Fees
DATE: April 1, 2014

Needs: That the City Council consider updating and adjusting Development Impact Fees associated with State Assembly Bill 1600.

Facts:

1. In 1988, the State established law (AB 1600) that provides the authority to establish fees to cover the cost of public facilities needed to serve new development.
2. Development Impact Fees are a tool to implement the General Plan policy that new development will pay for its impacts.
3. Development Impact Fees reflect policy adopted in the Economic Strategy to "establish stable, long-term funding for infrastructure".
4. At build-out, 4,976 new housing units and approximately 4,394,000 square feet of new industrial and commercial development will be built. The future residents and new employees will create additional demand for public facilities that cannot be accommodated unless they pay their share of the costs.
5. The Needs List identifies the facilities to be financed by the impact fee program. The List includes projects and building improvements in transportation, public safety (police and fire), general government facilities, park and recreation facilities, and library facilities.
6. Needs List projects are supported by council policy and goals. Conversely, goals and projects contained in plans and policies adopted by Council are reflected in the impact fee program.
7. In June, 2012, the Council authorized civil engineers Penfield and Smith to produce independent cost estimates of transportation projects on the Needs List.
8. On April 25, 2013, the Council reviewed and confirmed a list of City infrastructure needs pursuant to the General Plan.
9. The City retained David Taussig & Associates to prepare a Development Impact Fee Justification Study in order to "determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed".
10. The projects within the transportation section of the Needs List are designed to mitigate the traffic generated by the Land Use Element of the General Plan within the framework of the goals and policies of the Circulation Element.

**Analysis &
Conclusion:**

The Needs List

Identification of the facilities to be financed is a critical component of any Development Impact Fee program. The Needs List includes a cost section consisting of columns for the total cost of the facility, off-setting revenues, net cost to the City and portion of costs allocated to new development.

The Needs List is a compilation of projects that mitigate the impacts of new development, meet the goals of the General Plan, and/or are of benefit to the community. The Needs List is the basic underlying document from which Development Impact Fees are calculated. The Needs List is organized by departments with projects listed under transportation, public safety facilities (police and fire), general government facilities, parks and recreation facilities, and library facilities.

Consistent with Circulation Element policy, bicycle and pedestrian projects are no longer a separate category, but are combined into the transportation section as a whole. The project list from the Bicycle Master Plan has been added to the Needs List by reference.

Justification Study and Nexus

The Development Fee Justification Study prepared by Taussig and Associates determines the level of participation of new development in the funding of the projects on the Needs List. In accordance with the provisions of Section 66000 of the Government Code, there must be a nexus between the fees imposed, the use of the fees and the development projects on which the fees are imposed. Furthermore, there must be a relationship between the amount of the fee and the cost of the improvements.

In a memo dated November 7, 2013, Taussig outlines the concept of "pass through" trip assumptions and how those assumptions affect the allocation of transportation impact fees between residential and non-residential development. A low allowance for pass-through trips will result in high transportation fees to non-residential development.

Attached to this report is a 2003 Fiscal Impact Summary that outlines the fiscal impacts of residential versus commercial development. The report indicates that a substantial portion of the costs of on-going community services is funded by tax revenues generated by non-residential development. The pass-through trip assignment can be adjusted to off-set a portion of non-residential development tax revenue required to fund ongoing public services to residential properties.

Background and Community Outreach

The update of the fee program has been a work in progress since 2009. Council ad hoc committees were assigned in 2011 and 2012. The 2011 ad hoc committee was established for purposes of a comprehensive review of the Needs List and review of policy issues including; general plan language regarding development and acquisition of parks and open space, the bikeway master plan, the updated Circulation Element, transit services, maintenance and depreciation of facilities, and the uncollected revenue associated with the discount of commercial and industrial fees in 2006. The 2011 ad hoc committee met five times and worked methodically through each category of the Needs List (see attached staff reports). Their work was reported publically to council at meetings on April 19 and December 6. Their work culminated in a special workshop presenting the draft Needs List to the public on February 23, 2012.

The 2012 ad hoc committee was formed to refine cost estimates and to review Taussig's allocation formulas to new development. The issues included review of the options offered by Taussig's pass-through trip memorandum. The committee recommended to Council the retention of a civil engineering consultant to prepare construction cost estimates of the items in the Transportation section. The 2012 committee also sorted out Town Centre Plan priorities to be consistent with the Needs List, ultimately resulting in the Council adopting Town Centre Plan updates. The work of the 2012 ad hoc committee culminated in a public workshop held on Thursday night, April 25, 2013.

At the conclusion of the April 25 workshop, the Council directed Taussig to prepare a Justification Study. The study was prepared on 2013 fiscal year-end data so the first draft worksheets were not available until September.

In November, the 2013 ad hoc committee met and discussed the pass-through trip memorandum and revisited the option of longer term financing of impact fees for commercial properties.

On December 20, 2013, a letter was sent to the HBA and other interested parties notifying them of the upcoming hearing and requesting comment on the proposed fee structure. Subsequently, we have notified a comprehensive list of local builders, engineers and architects by email on numerous occasions to give them advance notice of the February hearing, as well as, tonight's discussion.

Alternative Financing for Non-residential Impact Fees

In his October 1, 2012 memo, David Taussig demonstrates through the City's fiscal impact analysis that commercial and industrial developments contribute substantial revenue to the general fund. So it is in the interests of Paso Robles to assure its competitiveness in attracting commercial and industrial projects.

Option 1 presented for adoption shows that fees for industrial projects will be reduced. However, transportation impact fees for commercial projects will increase. One option to offset this increase is to offer the formation of a Community Facilities District (CFD) to finance a portion of their fees. The District would publically finance projects otherwise financed by development impact fees over a fixed period of time. The costs of financing

are carried by the development projects, but paid over time via a property based special tax.

While the developer benefits; the financing will be passed on to tenants, business owners who lease, and future property owners. The City cannot require commercial enterprises to modify their pricing to reflect public financing gains made on impact fees through the development process. It is important to recognize that all parcels are currently carrying property taxes for Proposition 13, State Water, City Bond, and Paso School Bond. Increased property tax burdens will affect the future marketability of properties and will significantly limit the prospects for public agencies seeking funds for financing future projects; i.e., school district, Cuesta College or City.

Nor will CFD financing generate funds in a timely manner. The fundamental challenge of any impact fee program is timely implementation of the mitigation, i.e., specific projects. The CFD option aggravates that timing concern.

Determination of Fees for Various Commercial and Industrial Uses

The proposed Development Impact Fees are outlined on Exhibit A to the attached Resolution. The fees are listed in four basic categories; including, single family residential, multi-family residential, commercial and industrial. There are a number of uses that can be allowed in commercial zones that generate impacts more similar to industrial uses. These uses are outlined at the bottom of Exhibit A for clarification upon implementation of the fees. The Community Development Director will have the authority to determine the appropriate fee where a proposed use does not clearly fit any of the categories provided.

Policy

Reference: City General Plan; Government Code Sections 66000-66009;

Fiscal

Impact: Adoption of the Development Impact Fees in the Study would generate an estimated \$124 million, out of the estimated \$353 million needed for infrastructure to serve build-out as provided in the General Plan.

Development impact fees reflect and mitigate impacts of new development. They do not represent profit making by the City. Reducing fees does not alter their impacts; it only requires that someone other than new development pay for new development's impacts.

- Options:**
- a.
 1. Adopt Resolution No. 14-xxx accepting impact fee calculations and Justification Study and establishing new non-utility Development Impact Fees. Transportation impact fees are calculated with a high allocation of pass-through trips to commercial development.
 2. Direct staff to bring back a resolution allowing for financing of a portion of commercial transportation impact fees with a Community Facilities District.
 - b. Amend, modify or reject the above options.

Attachments: (25)

1. Proposed Updated Fee Schedule Option 1
2. Proposed Updated Fee Schedule Westside
3. Taussig and Associates Justification Study
4. Taussig Memo Regarding Pass-Through Trips 11-7-13
5. Taussig Memo Regarding Impact Fee Reduction Analysis 10-1-12
6. Fiscal Impact Study
7. Resolution
8. Staff Report to City Council 12-21-10
9. Staff Report to Council ad hoc 2-18-11
10. Staff Report to Council ad hoc 3-9-11
11. Staff Report to City Council 4-19-11
12. Staff Report to Council ad hoc July, 2011
13. Staff Report to Council ad hoc August, 2011
14. Staff Report to Council ad hoc 9-27-11
15. Staff Report to City Council 12-6-11
16. Staff Report to City Council 5-1-12
17. Staff Report to Council ad hoc 5-25-12
18. Minutes Council ad hoc 5-25-12
19. Staff Report to Council ad hoc 7-13-12
20. Minutes Council ad hoc 7-13-12
21. Memo to Council ad hoc July, 2012
22. Staff report to Council ad hoc 10-4-12
23. Minutes Council ad hoc 10-4-12
24. Staff Report to City Council 11-20-12
25. Staff Report for Council Briefings 2-15-13
26. Staff Report to Council ad hoc 11-15-13
27. Langdon Letter

**DEVELOPMENT IMPACT FEE
JUSTIFICATION STUDY
CITY OF EL PASO DE ROBLES**



MARCH 20, 2014

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EXECUTIVE SUMMARY

In order to adequately plan for new development and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. ("DTA") was retained by the City of El Paso de Robles (the "City") to update the existing impact fee program by preparing a new AB 1600 Fee Justification Study (the "Fee Study"). The Fee Study is intended to comply with Section 66000 *et. seq.* of the Government Code, which was enacted by the State of California in 1987, by identifying additional public facilities required by new development ("Future Facilities") and determining the level of fees that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will finance transportation, police, fire, general government, park and recreation, and library facilities at levels identified by the various City departments as being necessary to meet the needs of new development through General Plan buildout in 2025. The Future Facilities and associated construction costs are identified in the Needs List, which is included in Section IV of the Fee Study. A description of the methodology used to calculate the fees is included in Section V. All new development may be required to pay its "fair share" of the cost of the new infrastructure through the development fee program.

ORGANIZATION OF THE REPORT

Section I of this report provides an introduction to the study including a brief description of City surroundings, and background information on development fee financing. Section II provides an overview of the legal requirements for implementing and imposing the fee amounts identified in the Fee Study. Section III includes a discussion of projected new development and demand variables such as future population and employment, assuming current growth trends in housing, commercial, and industrial development extrapolated through General Plan buildout in 2025. Projections of future development are based on data provided by the City, the City's 2003 General Plan¹, including the amendment to the Land Use Element adopted by City Council in October 2012 (together the "General Plan"). Section IV includes a description of the Needs List, which identifies the facilities needed to serve new development through General Plan buildout in 2025 that are eligible for funding by the impact fees. The Needs List provides the total estimated facilities costs, offsetting revenues, net costs to the City and costs allocated to new development for all facilities listed in the Needs List. This list is a compilation of projects and costs identified by various City departments. Section V discusses the findings required under the Mitigation Fee Act and requirements necessary to be satisfied when establishing, increasing or imposing a fee as a condition of new development, and satisfies the nexus requirements for each facility included as part of this study. Section V contains the description of the methodology used to determine the fees for all facility types. Section VI includes a summary of the proposed fees justified by this Fee Study. Appendix A includes the calculations used to determine the various fee levels. Appendix B includes the calculations used to determine the equivalent dwelling unit and equivalent benefit unit (both as defined in this Fee

¹ City of El Paso de Robles, General Plan. December 2003. Rincon Consultants, Inc.

Study) projections utilized in the fee derivation worksheets included as Appendix A. Appendix C provides a list of the City officials responsible for selecting the facilities on the Needs List, as well as contact information for these officials.

IMPACT FEE SUMMARY

The total fee amounts required to finance new development’s share of the costs of facilities identified in the Needs List are summarized in Table ES-1 below. Fees within this Fee Study reflect the maximum fee levels that may be imposed on new development.

**TABLE ES-1
DEVELOPMENT IMPACT FEE SUMMARY**

Facility	Residential Development		Non-Residential Development	
	Single Family (\$ per unit)	Multi-Family (\$ per unit)	Commercial (\$ per 1,000 SF)	Industrial (\$ per 1,000 SF)
A. Transportation Facilities	\$11,653	\$8,031	\$10,543	\$2,959
B. Public Safety Facilities				
Police Facilities	\$74	\$87	\$112	\$28
<u>Fire Facilities</u>	<u>\$1,008</u>	<u>\$1,008</u>	<u>\$365</u>	<u>\$199</u>
Subtotal Public Safety Facilities	\$1,082	\$1,095	\$477	\$227
C. General Government Facilities	\$2,920	\$2,920	\$1,057	\$576
D. Park and Recreation Facilities	\$2,855	\$2,855	NA	NA
E. Library Facilities	\$942	\$942	NA	NA
Total Impact Fees	\$19,452	\$15,843	\$12,077	\$3,762
<i>(S per BSF for Non-Residential)</i>	<i>NA</i>	<i>NA</i>	<i>\$12.077</i>	<i>\$3.762</i>

I. INTRODUCTION

As background, the City of El Paso de Robles (the “City”), or “Pass of the Oaks,” is situated at the Northern San Luis Obispo County–Southern Monterey County line. Approximately midway between Los Angeles and San Francisco, the City is nestled in the coastal mountain range of central California at the southern end of the fertile Salinas River Valley. With a population of over 31,000, the community makes excellent use of its close proximity to mountains, beaches, and deserts, as it boasts a unique climate suitable for growing a variety of crops. Previously known as the “Almond City,” the City has since reinvented itself by cultivating its own niche in the wine-growing industry. Offering the charm of a rural community with all the amenities of family life, including attractive and affordable housing, the City also understands the importance of staying relevant and has thus placed a high priority on maintaining ample City services, state-of-the-art recreational facilities, easy access retail shopping, excellent public schools, and safe neighborhoods.

In order to adequately plan for new development through General Plan buildout in 2025 and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. (“DTA”) was retained by the City to update the existing impact fee program by preparing a new AB 1600 Fee Justification Study (the “Fee Study”). The need for this Fee Study is driven by changes in demographics, facility requirements, and time inflated facility costs.

The Fee Study is intended to comply with Section 66000 *et. seq.* of the Government Code, which was enacted by the State of California in 1987, by identifying additional public facilities required by new development (“Future Facilities”) and determining the level of fees that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will finance facilities at levels identified by various City departments as being necessary to meet the needs of new development through General Plan buildout in 2025. The Future Facilities and associated construction costs are identified in the Needs List, which is included in Section IV of the Fee Study. All new development may be required to pay its “fair share” of the cost of the new infrastructure through the development fee program.

Currently the City expects to generate approximately 13,250 new residents within the City limits at General Plan buildout in 2025, representing an approximate 43% increase in the current population. The City will need to expand its services and facilities to accommodate this new growth. The levy of impact fees in conformance with AB 1600 legislation will help finance new projects, including transportation, public safety, general government, park and recreation, and library facilities, which are all needed to mitigate the impacts of this expected new growth. The steps followed in the Fee Study include:

1. **Demographic Assumptions:** Identify future growth that represents the increased demand for facilities.

2. **Facility Needs and Costs:** Identify the amount of public facilities required to support the new development and the costs of such facilities. Facilities costs and the Needs List are discussed in Section IV.
3. **Cost Allocation:** Allocate costs per equivalent dwelling unit.
4. **Fee Schedule:** Calculate the fee per residential unit or per non-residential square foot.

II. LEGAL REQUIREMENTS TO JUSTIFY DEVELOPMENT IMPACT FEES

Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on project sites. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially. Higher fee levels were undoubtedly driven in part by a need to offset the decline in funds for infrastructure development from other sources.

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development. A fee is “a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project...” (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee typically occurring prior to the beginning of construction of a dwelling unit or non-residential building. Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance. However, Assembly Bill (“AB”) 2604 (Torrico) which was signed into law in August 2008, encourages public agencies to defer the collection of fees until close of escrow to an end user in an attempt to assist California’s troubled building industry.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on “constitutional and decisional law.” Development impact fees (“DIFs”) were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”).

AB 1600 defines local governments to include cities, counties, school districts, special districts, authorities, agencies, and other municipal corporations. Fees governed by the Act include development fees of general applicability, and fees negotiated for individual projects. The Act does not apply to user-fees for processing development applications or permits, fees governed by other statutes (e.g. the Quimby Act), developer agreements, or penalties, or fees specifically

excluded by the Act (e.g. fees collected pursuant to agreements with redevelopment agencies or various reimbursement agreements).

Public facilities that can be funded with impact fees are defined by the Act as “public improvements, public services, and community amenities.” Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts. In combination, these provisions effectively restrict the use of most impact fees to public capital improvements.

For general information, please see:

- ❖ “Exactions and Impact Fees in California: A Comprehensive Guide to Policy, Practice, and the Law,” edited by William Abbott, et al., Solano Press Books, 2012 Third Edition.

The City has identified the need to levy impact fees to pay for transportation, public safety, general government, park and recreation, and library facilities. The fees presented in this study will finance facilities on the Needs List at levels identified by the City as appropriate for new development. Upon the adoption of the Fee Study and required legal documents by the City Council, all new development will be required to pay its “fair share” of the cost of facilities on the Needs List through these fees.

In 2006, Government Code Section 66001 was amended to clarify that a fee cannot include costs attributable to existing deficiencies, but can fund costs used to maintain the existing level of service or meet an adopted level of service that is consistent with the general plan. This Fee Study for the City is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

Section 66000 et seq. of the Government Code requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of new development:

1. Identify the purpose of the fee. (Government Code Section 66001(a)(1))
2. Identify the use to which the fee will be put. (Government Code Section 66001(a)(2))
3. Determine that there is a reasonable relationship between the fee’s use and the type of development on which the fee is to be imposed. (Government Code Section 66001(a)(3))
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. (Government Code Section 66001(a)(4))

5. Discuss how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Identifying these items will enable an impact fee to meet the nexus and rough proportionality requirements established by previous court cases. This section presents each of these items as they relate to the imposition of the proposed fees in the City. Current state financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establishing legal impact fees is to determine what share of the benefit or cost of a particular improvement can be equitably assigned to existing development, even if that improvement has not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable fees assigned.

A. Purpose of the Fee (Government Code Section 66001(a)(1))

Population, housing, and employment estimates prepared for the Fee Study project 13,252 new residents living in 4,982 new Single Family and Multi-Family units through General Plan buildout in 2025. During that same time period, approximately 4,394,000 building square feet of new commercial and industrial development are expected to generate approximately 7,152 employees.¹ The future residents and employees will create an additional demand for transportation, public safety, and general government facilities that existing public facilities cannot accommodate. In order to accommodate new development in an orderly manner, while maintaining the current quality of life in the City, the facilities on the Needs List (Section IV, Table 4-2) will need to be constructed.

It is the projected direct and cumulative effect of future development that has required an update to the City's existing fee program. Each new development will contribute to the need for new public facilities. Without future development, new public facilities would often not be necessary, as the existing facilities are adequate for the City's present population.

The proposed impact fee will be charged to all future development, irrespective of location, in the City. Even future "in fill" development projects contribute to impacts on public facilities because they are an interactive component of a much greater universe of development located throughout the City. First, the property owners and/or the tenants associated with any new development in the City regularly utilize and benefit from transportation, public safety, general government, park and recreation, and library facilities. Second, these property owners and tenants are dependent on and, in fact, may not have chosen to move into their new homes or new non-residential

¹ Reference is made to Section III for further information regarding the development projections.

development, except for residential, retail, employment and recreational opportunities located nearby on other existing and future development. Third, the availability of residents, employees and customers throughout the City has a growth-inducing impact without which some of the “in-fill” development would not occur. As a result, all development projects in the City contribute to the cumulative impacts of development.

The impact fees will be used for the acquisition, installation, and construction of public facilities identified on the Needs Lists and other appropriate costs to mitigate the direct and cumulative impacts of new development in the City.

The discussion in this section of the Fee Study sets forth the purpose of the impact fees as required by Section 66001(a)(1) of the California Government Code.

B. THE USE TO WHICH THE FEE IS TO BE PUT (GOVERNMENT CODE SECTION 66001(A)(2))

The fee will be used for the acquisition, installation, and construction of the public facilities identified on the Needs List included in Section IV of the Fee Study and other appropriate costs to mitigate the direct and cumulative impacts of new development in the City. The fee will provide a source of revenue to the City to allow for the acquisition, installation, and construction of public facilities, which in turn will both preserve the quality of life in City and protect the health, safety, and welfare of the existing and future residents and employees.

The discussion presented in this section of the Fee Study identifies the use to which the fee is to be put as required by Section 66001(a)(2) of the California Government Code.

C. DETERMINE THAT THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE’S USE AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (BENEFIT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(3))

As discussed in Section A above, it is the projected direct and cumulative effect of future development that has prompted the update to the City’s impact fee program. Each development will contribute to the need for new public facilities. Without future development, the City would have no need to construct additional public facilities on the Needs List. For all other facilities, the costs have been allocated to both existing and new development based on their level of benefit. Even future “in fill” development projects, which may be adjacent to existing facilities, contribute to impacts on public facilities because they are an interactive component of a much greater universe of development located throughout the City. Consequently, all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth.

As set forth in Section V of the Fee Study, the fees will be expended for the acquisition, installation, and construction of the public facilities identified on the Needs List (included in Section IV), as that is the purpose for which the Fee is collected. As previously stated, all new development creates either a direct impact on public facilities or contributes to the cumulative impact on public facilities. Moreover, this impact is generally equalized among all types of development because it is the increased demands for public facilities created by the future residents and employees that create the impact upon existing facilities.

For the foregoing reasons, there is a reasonable relationship between the acquisition, construction, and installation of the facilities on the Needs Lists and new development as required under Section 66001(a)(3) of the Mitigation Fee Act.

D. **DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITY AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (IMPACT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(4))**

As set forth in part F below, as well as throughout Section V, all new development contributes to the direct and cumulative impacts on public facilities and creates the need for new facilities to accommodate growth. As previously stated, all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth. Without future development, the facilities on the Needs Lists would not be necessary.

For the reasons presented herein and in Section V, there is a reasonable relationship between the need for the public facilities included on the Needs List and all new development within the City as required under Section 66001(a)(4) of the Mitigation Fee Act.

E. **THE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEE AND THE COST OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT UPON WHICH THE FEE IS IMPOSED ("ROUGH PROPORTIONALITY" RELATIONSHIP) (GOVERNMENT CODE 66001(A))**

As set forth above, all new development in the City impacts public facilities. Moreover, each individual development project and its related increase in population and employment, along with the cumulative impacts of all development in the City, will adversely impact existing facilities. Thus, imposition of the fee to finance the public facilities on the Needs Lists is an efficient, practical, and equitable method of permitting development to proceed in a responsible manner.

New development impacts facilities directly and cumulatively. In fact, without any future development, the acquisition, construction, and/or installation of the public facilities on the Needs Lists would not be necessary as existing City facilities are

generally adequate. Even new development located adjacent to existing facilities will utilize and benefit from public facilities on the Needs List.

As set forth in part F below, as well as throughout Section V and Appendix A of the Fee Study, the proposed fee amounts are roughly proportional to the impacts resulting from new development. Thus there is a reasonable relationship between the amount of the fee and the cost of the facilities.

F. AB 1600 NEXUS TEST AND APPORTIONMENT OF FACILITIES COSTS

Section 66000 of the Government Code requires that a reasonable relationship exist between the need for public facilities and the type of development on which a fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the equivalent dwelling units (“EDUs”) generated by a particular land use type.

Based on the City’s zoning designations, and as further set forth in Section III, DTA established fees for the following four land use categories to acknowledge the difference in impacts resulting from various land uses and to make the resulting fee program easier to implement. The City will develop a table of general plan land use designations that link to the land use classifications used in this study for clarification and consistency with City zoning. This table will be made a part of the ordinance or resolution that will be adopted for the purpose of implementing this fee program.

TABLE 2-1

Land Use Classification for Fee Study
Single Family Residential (“SFR” or “Single Family”)
Multi-Family Residential (“MFR” or “Multi-Family”)
Commercial (“C” or “Commercial”)
Industrial (“I” or “Industrial”)

The EDU concept was utilized to determine whether there is a reasonable relationship between the need for a public facility and the land use type of the development on which a fee for an individual facility is imposed. The service factor utilized to determine the EDUs for a specific land use type varies depending upon the type of facility being analyzed. In general, while many EDUs are based on the population or the number of employees associated with a specific land use designation, other EDUs are based on service factors that reflect the nature of a particular type of public improvement, e.g. call generation. This report uses EBU (equivalent benefit unit), instead of EDU, for park and recreation facilities where the service factor is based on recreation hours.

The costs associated with facilities needed to serve new development are identified in the Needs Lists. The facilities cost per EDU/EBU is the total cost of the facility divided by the total number of EDU/EBUs. After the cost per EDU/EBU is determined, the facility fee amount for each land use category is the product of the EDU/EBU factor for each land use category and the cost per EDU/EBU. Transportation costs are allocated to the various land use groups by average daily trips (“ADTs”) generated. Section V presents the nexus test for each fee element (i.e. transportation, public safety, general government, park and recreation, and library facilities) and the analysis undertaken to apportion costs for each type of public facility on the Needs List.

III. DEMOGRAPHICS

In order to determine the public facilities needed to serve new development as well as establish fee amounts to fund such facilities, the City provided DTA with projections of future population and development within the City through General Plan buildout in 2025. DTA categorized developable residential land uses as Single Family and Multi-Family. Developable non-residential land uses within the City's commercial and industrial zones are categorized as Commercial or Industrial respectively, details are included in the table below. Based on these designations, DTA established fees for the following four land use categories to acknowledge the difference in impacts resulting from various land uses and to make the resulting fee program implementable.

Land Use Classification for Fee Study	Definition
Single Family Residential	Includes single family detached homes, town homes, condominium units, mobile homes, and pre-fabricated homes.
Multi-Family Residential	Includes buildings comprised of two or more attached dwelling units under common ownership, including apartments.
Commercial	Includes, but is not limited to, buildings used as the following (each as further defined in Table LU-4 of the General Plan): <ul style="list-style-type: none"> • Neighborhood Commercial • Office Professional • Community Commercial • Regional Commercial • Commercial Service
Industrial	Includes, but is not limited to, buildings used as the following (each as further defined in Table LU-4 of the General Plan): <ul style="list-style-type: none"> • Business Parks, • Manufacturing, fabrication, assembly, research and development, • Industrial services, warehousing, wholesale distribution • Convenience commercial uses, particularly those supporting industrial uses • Outside storage and auto repair

Information provided by the City, and generally confirmed by the City's 2003 General Plan¹, including the amendment to the Land Use Element adopted by City Council in October 2012 (together the "General Plan"), was used to estimate the number of housing units and non-residential building square feet to be built through General Plan buildout in 2025.

Future residents and employees will create additional demand for facilities that existing public facilities cannot accommodate. In order to accommodate new development in an orderly

¹ City of El Paso de Robles, General Plan. December 2003. Rincon Consultants, Inc.

manner, while maintaining the current quality of life in the City, the public facilities on the Needs List (Section IV) will need to be constructed.

For those facilities that are needed to mitigate demand from new development, facility costs have been allocated to new development only. In those instances when it has been determined that the new facilities will serve both existing and new development, facility costs have been allocated based on proportionate benefit (see Equivalent Dwelling Unit discussion in Section V).

The following sections summarize the existing and future development figures that were used in calculating the impact fees.

1. EXISTING POPULATION FOR LAND USE CATEGORIES

According to information provided by City staff, and generally confirmed by the General Plan, there are 7,437 existing Single Family units and 4,274 existing Multi-Family units located within the City.

According to the U.S. Census, the household size has averaged 2.66 persons between 1980 and 2010. The General Plan now (2012) assumes that each dwelling unit will be occupied with an average 2.66 persons. DTA has used this demographic information and estimated the number of existing residents assuming a resident per unit factor of 2.66 per single family unit and multi-family unit. Therefore, the Citywide population is generally comprised of approximately 31,151 residents living in 11,711 Single Family and Multi-Family homes.

Table 3-1 below summarizes the existing demographics for the residential land uses.

**TABLE 3-1
RESIDENTIAL DEVELOPMENT
EXISTING RESIDENTS**

Residential Land Use	Existing Residents	Existing Housing Units	Average Household Size
Single Family Residential	19,782	7,437	2.66
Multi-Family Residential	11,369	4,274	2.66
Total/Average	31,151	11,711	2.66

For non-residential land uses, the General Plan was used to determine the existing building square footage for Commercial and Industrial areas within the City. DTA then estimated the number of existing employees in the City by multiplying the existing Commercial and Industrial building square footage by a factor of 1.927 employees per

1,000 BSF and 1.049 employees per 1,000 BSF, respectively.² The results of these projections are presented in Table 3-2.

**TABLE 3-2
NON-RESIDENTIAL DEVELOPMENT
EXISTING EMPLOYEES**

Non-Residential Land Use	Existing Building Square Feet	Employees per 1,000 BSF	Existing Employees
Commercial	4,044,000 BSF	1.927	7,792
Industrial	2,093,000 BSF	1.049	2,196
Total	6,137,000 BSF	NA	9,988

2. FUTURE POPULATION FOR NEW LAND USE CATEGORIES

According to information provided by City staff, and generally confirmed by the General Plan, there are projected to be 2,553 future Single Family units and 2,429 future Multi-Family units developed within the City through General Plan buildout in 2025.

DTA then projected the number of future residents assuming the same resident per unit factor of 2.66 per Single Family unit and Multi-Family unit utilized in estimating the current population. Therefore, it is projected that there will be an additional 13,252 residents living in 4,982 future Single Family and Multi-Family units through General Plan buildout in 2025.

Table 3-3 below summarizes the future demographics for the residential land uses.

**TABLE 3-3
RESIDENTIAL DEVELOPMENT
PROJECTED FUTURE RESIDENTS**

Residential Land Use	Expected Residents	Expected Housing Units	Average Household Size
Single Family Residential	6,791	2,553	2.66
Multi-Family Residential	6,461	2,429	2.66
Total/Average	13,252	4,982	2.66

For non-residential land uses, the General Plan was used to determine the potential building square footage for Commercial and Industrial areas within the City that will be

² Employees per 1,000 building square feet determined by David Taussig & Associates, Inc.

developed through General Plan buildout in 2025. DTA then projected the number of future employees in the City using the same factors of 1.927 and 1.049 employees per 1,000 building square feet of Commercial and Industrial, respectively, used in estimating the current number of employees. The results of these projections are presented in Table 3-4.

**TABLE 3-4
NON-RESIDENTIAL DEVELOPMENT
PROJECTED FUTURE EMPLOYEES**

Non-Residential Land Use	Building Square Feet Projected to be Developed	Employees per 1,000 BSF	Future Employees
Commercial	2,896,000 BSF	1.927	5,580
Industrial	1,498,000 BSF	1.049	1,572
Total	4,394,000 BSF	NA	7,152

3. EQUIVALENT DWELLING UNIT (EDU) AND EQUIVALENT BENEFIT UNIT (EBU) PROJECTIONS

Equivalent Dwelling Units (EDU) are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. Since the facilities proposed to be financed by the levy of impact fees will serve both residential and non-residential property, DTA projected the number of future EDUs based on the number of residents or employees generated by each land use class. For other facilities, different measures, such as number of trips and/or potential hours available for recreation, more accurately represent the benefit provided to each land use type, in which case DTA projected the Equivalent Benefit Unit (EBU). The EDU/EBU projections for each facility are shown in the fee derivation worksheets in Appendix A (See Appendix B "EBU & EDU Calculation Worksheet" for further details of this data).

IV. THE NEEDS LIST

Identification of the facilities to be financed is a critical component of any development impact fee program. In the broadest sense the purpose of impact fees is to protect the public health, safety, and general welfare by providing for adequate public facilities. "Public Facilities" per Government Code 66000 includes "public improvements, public services, and community amenities."

Government Code 66000 requires that if impact fees are going to be used to finance public facilities, those facilities must be identified. Identification of the facilities may be made in an applicable general or specific plan, other public documents, or by reference to a Capital Improvement Program (CIP) or Capital Improvement Plan. DTA has worked closely with City staff to develop the list of facilities to be included in the Fee Study ("the Needs List"). For purposes of the City's fee program, the Needs List is intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a development impact fee on new development in the City. The Needs List is organized by facility element (or type) and includes a cost section consisting of five columns, which are listed in Table 4-1 below:

**TABLE 4-1
CITY OF EL PASO DE ROBLES NEEDS LIST
EXPLANATION OF COST SECTION**

Column Title	Contents	Source
Facilities Costs to City	The total estimated facility cost including construction, land acquisition, and equipment (as applicable) allocable to City.	City Departments
Off-Setting Revenues	Any funds on hand that are allocated for a given facility, such as funds from previous DIF programs earmarked for facilities identified on this needs list. This column does not include potential funding from Federal & State sources that cannot be confirmed.	Calculated by DTA based on input from City staff
Net Costs to City	The difference between the Facilities Costs to City and the Off-Setting Revenues (column 1 minus column 2)	Calculated by DTA
Percent of Costs Allocated to New Development	Percentage of facility cost allocated to new development as calculated in Appendix A	Calculated by DTA
Costs Allocated to New Development	Dollar amount representing the roughly proportional impact of new development on the needed facilities.	Calculated by DTA

DTA surveyed City staff to determine what public facilities would be needed to meet increased demands resulting from new development in the City. The survey included the project description, justification, public benefit, estimated costs, and project financing for each proposed facility. Through discussions between DTA and City staff, the Needs List has gone through a series of revisions to fine-tune the needs, costs, and methodologies used in allocating the costs for each facility. For purposes of the fee program, it was determined that a planning horizon through 2025 would be appropriate. The Needs List (Table 4-2) identifies those facilities needed to serve future development through General Plan buildout in 2025.

City Council approved a similar version of the current Needs List at a public workshop on April 25, 2013 as a precursor to the preparation of this Fee Study. With the exception of a few changes in transportation facilities, an increase to the fire station facilities costs, and an increase to the city hall facilities costs, which were made based on input from the City Engineer and through discussions between DTA and City staff, the remainder of the facilities on the Needs List has been previously approved by the City Council. Furthermore, a modified version of the Needs List was reviewed and approved by City Council on February 18, 2014 at a public hearing.

DEVELOPMENT IMPACT FEE PROGRAM TABLE 4-2
CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facilities Costs to City	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
A. TRANSPORTATION FACILITIES						
CITY-WIDE FACILITIES						
7 Highway 101/46East-Dual Left- 17th Street Ramps	\$12,440,000	\$0	\$12,440,000	33.15%	\$4,124,283	Circulation Element
2 Union Road - Highway 46E Interchange	\$30,000,000	\$0	\$30,000,000	33.15%	\$9,946,021	Circulation Element
3 Connection Road 46E to Airport Road, bridge over Huer Huero Road	\$25,005,917	\$0	\$25,005,917	33.15%	\$8,290,312	Circulation Element
4 Airport Road - Dry Creek Road Roundabout	\$2,976,962	\$0	\$2,976,962	33.15%	\$986,964	Circulation Element
5 Dry Creek Road - Airport Road to Aerotech Center Way	\$7,728,241	\$0	\$7,728,241	33.15%	\$2,562,175	Circulation Element
6 Huer Huero Bridge Dry Creek Road to Golden Hill Road	\$18,411,076	\$0	\$18,411,076	33.15%	\$6,103,898	Circulation Element
7 Connection Road - Mill Road to Union Road	\$2,812,872	\$0	\$2,812,872	33.15%	\$932,563	Updated SOI
8 River Oaks Drive - N. River Road	\$1,055,145	\$0	\$1,055,145	33.15%	\$349,816	Circulation Element
9 Buena Vista Drive - Cuesta College Frontage	\$1,316,341	\$0	\$1,316,341	33.15%	\$436,412	Circulation Element
10 Buena Vista Drive - Highway 46E	\$1,322,951	\$0	\$1,322,951	33.15%	\$438,603	Circulation Element
11 Creston Road - River Road to Rolling Hills Road	\$16,271,218	\$0	\$16,271,218	33.15%	\$5,394,462	Circulation Element
12 Creston Road - Lana Street	\$2,470,559	\$0	\$2,470,559	33.15%	\$819,074	Circulation Element
13 Creston Road - Niblick Road to Scott Street	\$5,704,224	\$0	\$5,704,224	33.15%	\$1,891,144	Circulation Element
14 Creston Road - Scott Street Roundabout	\$3,069,462	\$0	\$3,069,462	33.15%	\$1,017,631	Circulation Element
15 Creston Road - Meadowlark Road	\$3,675,194	\$0	\$3,675,194	33.15%	\$1,218,452	Circulation Element
16 Charolais Road - S. River Road Roundabout	\$6,223,415	\$0	\$6,223,415	33.15%	\$2,063,274	Circulation Element
17 Union Road - Kleck Road to Golden Hill Road	\$9,875,660	\$0	\$9,875,660	33.15%	\$3,274,117	Circulation Element
18 Union Road - Golden Hill Road Roundabout	\$6,502,163	\$0	\$6,502,163	33.15%	\$2,155,688	Circulation Element
19 Union Road - Golden Hill Road to East City Limits	\$5,239,735	\$0	\$5,239,735	33.15%	\$1,737,150	Circulation Element
20 Spring Street - 1st to 36th Streets	\$9,909,580	\$0	\$9,909,580	33.15%	\$3,285,363	Town Centre-Uptown Plan
21 Spring Street Traffic Signal Coordination	\$253,008	\$0	\$253,008	33.15%	\$83,881	Circulation Element
22 Vine Street - 32nd to 36th Streets	\$527,443	\$0	\$527,443	33.15%	\$174,865	Uptown Plan
23 24th Street - Mountain Springs Road	\$135,958	\$0	\$135,958	33.15%	\$45,075	Council Objective
24 Riverside Ave - 4th Street to Black Oak Drive	\$7,219,661	\$0	\$7,219,661	33.15%	\$2,393,563	Town Centre-Uptown Plan
25 24th Street - Ysabel Avenue to Riverside Avenue	\$1,000,000	\$0	\$1,000,000	33.15%	\$331,534	Council Objective
26 Railroad Street - 10th Street to 14th Street	\$2,340,988	\$0	\$2,340,988	33.15%	\$776,117	Town Centre Plan
27 4th Street - Pine Street to Riverside - 101 Ramps	\$16,325,665	\$0	\$16,325,665	33.15%	\$5,412,513	Circulation Element
28 Paso Robles Street Off-Ramp	\$4,835,961	\$0	\$4,835,961	33.15%	\$1,603,286	Circulation Element
29 Paso Robles Street	\$302,921	\$0	\$302,921	33.15%	\$100,429	Town Centre Plan
30 Highway 101/46W Interchange (City's Allocation)	\$23,816,000	\$0	\$23,816,000	33.15%	\$7,895,814	Circulation Element
31 Theatre Drive to South City Limits	\$2,050,400	\$0	\$2,050,400	33.15%	\$679,777	Circulation Element
32 Bike Master Plan Facilities	\$16,973,000	\$0	\$16,973,000	33.15%	\$5,627,127	Circulation Element
SPECIFIC PLAN FACILITIES						
33 Airport Road - Union Road to Linne Road	\$4,363,192	\$0	\$4,363,192	33.15%	\$1,446,547	Circulation Element
34 Chandler East - West Road	\$384,137	\$0	\$384,137	33.15%	\$127,355	Circulation Element
35 Airport Road - Meadowlark Road to Creston Road	\$1,500,000	\$0	\$1,500,000	33.15%	\$497,301	Circulation Element
36 Transportation Facilities Revenues/Grants Allocated to Existing Development	NA \$	(13,460,227)	(\$13,460,227)	0.00%	\$0	NA
TOTAL - TRANSPORTATION FACILITIES	\$254,039,049	(\$13,460,227)	\$240,578,822	35.01%	\$84,222,588	

DEVELOPMENT IMPACT FEE PROGRAM TABLE 4-2
CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facilities Costs to City	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
B. PUBLIC SAFETY FACILITIES						
1. Police Facilities						
1 Patrol/Detective/Specialty Vehicles	\$420,900	\$0	\$420,900	100.00%	\$420,900	General Plan
2 Assigned (Additional) Officer Equipment	\$100,200	\$0	\$100,200	75.87%	\$76,023	General Plan
3 Computers and Communication Equipment	\$225,000	\$0	\$225,000	98.67%	\$222,018	General Plan
4 Multi-Channel Portable Radios	\$36,000	\$0	\$36,000	100.00%	\$36,000	General Plan
5 Shooting Range	\$416,240	\$0	\$416,240	34.83%	\$144,961	General Plan
6 Police Facilities Revenues Not Yet Committed	NA	\$ (132,539)	\$ (132,539)	100.00%	\$ (132,539)	NA
<i>subtotal</i>	<i>\$1,198,340</i>	<i>(\$132,539)</i>	<i>\$1,065,801</i>	<i>72.00%</i>	<i>\$767,363</i>	
2. Fire Facilities						
1 Station (3,200 SF Apparatus Bay/3,460 SF Living Quarters) & Equipment	\$6,408,790	\$0	\$6,408,790	100.00%	\$6,408,790	Growth Management Plan
2 Fire Training Facility	\$3,381,375	\$0	\$3,381,375	31.77%	\$1,074,161	Growth Management Plan
3 Type I Fire Engine	\$500,000	\$0	\$500,000	100.00%	\$500,000	Growth Management Plan
4 Fire Facilities Revenues Not Yet Committed	NA	\$ (1,606,538)	\$ (1,606,538)	100.00%	\$ (1,606,538)	NA
<i>subtotal</i>	<i>\$10,290,165</i>	<i>(\$1,606,538)</i>	<i>\$8,683,627</i>	<i>73.43%</i>	<i>\$6,376,413</i>	
TOTAL PUBLIC SAFETY FACILITIES	\$11,488,505	(\$1,739,077)	\$9,749,428	73.27%	\$7,143,776	
C. GENERAL GOVERNMENT FACILITIES						
1 City Hall - LEASE	\$14,250,000	\$0	\$14,250,000	31.77%	\$4,526,795	Council Objective
2 Public Meeting Facility	\$2,565,000	\$0	\$2,565,000	31.77%	\$814,823	Council Objective
3 Downtown Parking	\$14,800,000	\$0	\$14,800,000	31.77%	\$4,701,514	Council Objective
4 Consolidated Corporate Yard	\$8,428,045	\$0	\$8,428,045	100.00%	\$8,428,045	Council Objective
5 General Government Revenues Not Yet Committed	NA	\$ (4,619,206)	\$ (4,619,206)	0.00%	\$0	NA
TOTAL GENERAL GOVERNMENT FACILITIES	\$40,043,045	(\$4,619,206)	\$35,423,839	52.14%	\$18,471,177	
D. PARK AND RECREATION FACILITIES						
1 Centennial Park Amphitheatre	\$300,000	\$0	\$300,000	29.84%	\$89,535	Parks and Recreation Element
2 Sherwood Park Land Improvements	\$10,009,600	\$0	\$10,009,600	29.84%	\$2,987,350	Parks and Recreation Element
3 Salinas River Land Acquisition	\$4,680,000	\$0	\$4,680,000	29.84%	\$1,396,739	Parks and Recreation Element
4 Uptown Park Development	\$8,748,495	\$0	\$8,748,495	29.84%	\$2,610,975	Uptown Plan, Parks and Recreation
5 Montebello Park Acquisition and Development	\$4,750,000	\$0	\$4,750,000	100.00%	\$4,750,000	Union-46 Specific Plan, Parks and Recreation
6 Town Centre Park Redevelopment	\$4,629,760	\$0	\$4,629,760	29.84%	\$1,381,745	Town Centre Plan
7 Aquatic Facility per Uptown Plan	\$5,000,000	\$ (391,479)	\$4,608,521	29.84%	\$1,375,406	Uptown Plan
8 Park and Recreation Revenues Not Yet Committed	NA	\$ (1,236,131)	\$ (1,236,131)	29.84%	\$ (368,921)	NA
TOTAL PARKS AND RECREATION FACILITIES	\$38,117,855	(\$1,627,610)	\$36,490,245	38.98%	\$14,222,827	
E. LIBRARY FACILITIES						
1 Remodel Existing Library Upstairs	\$4,200,000	\$0	\$4,200,000	100.00%	\$4,200,000	Council Objective
2 Library Resources	\$1,196,000	\$0	\$1,196,000	100.00%	\$1,196,000	Council Objective
3 Study Center and Branch Library	\$250,000	\$0	\$250,000	100.00%	\$250,000	Council Objective
4 Library Facilities Revenues not yet Committed	NA	\$ (950,893)	\$ (950,893)	NA	\$ (950,893)	NA
TOTAL LIBRARY FACILITIES	\$5,646,000	(\$950,893)	\$4,695,107	100.00%	\$4,695,107	
TOTAL ALL FACILITIES	\$349,334,454	(\$22,397,013)	\$326,937,441	39.38%	\$128,755,475	

[a] April 25, 2013 Council Reviewed Needs List Working Document.

[b] City Council requests that all projects conceived should be reflected on the Needs List as actions associated with specific plans/goals adopted by Council.

V. METHODOLOGY UTILIZED TO CALCULATE FACILITIES IMPACT FEE

Pursuant to the nexus requirements of Government Code 66000, a local agency is required to “determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.” It is impossible to accurately determine the impact that a specific new residential unit, commercial project, or industrial development will have on existing facilities. Predicting future residents’ or employees’ specific behavioral patterns, park and transportation, and health and welfare requirements is extremely difficult, and would involve numerous assumptions that are subject to substantial variances. Recognizing these limitations, the Legislature drafted AB 1600 to specifically require that a “reasonable” relationship be determined, not a direct cause and effect relationship.

There are many methods or ways of calculating fees, but they are all based on determining the cost of needed improvements and assigning those costs equitably to various types of development. Fees for the facilities analyzed in this study have been calculated utilizing the methodologies discussed below. The methodologies are similar in that they employ the concept of an Equivalent Dwelling Unit (“EDU”), or Equivalent Benefit Unit (“EBU”), to allocate benefit among the four land use classes. EDUs are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. For many of the facilities considered in this Fee Study, EDUs are calculated based on the number of residents and/or employees (“Persons Served”) generated by each land use class. Notably, “Persons Served” equals residents plus 50% of employees, and is common customary industry practice designed to capture the reduced levels of service demanded by employees. For other facilities, different measures, such as number of service calls or potential hours available for park use, more accurately represent the benefit provided to each land use class. This type of benefit measure is expressed as EBU in this study as a means of quantifying different land uses in terms of their equivalence to a common benefit. Additionally, fees for transportation facilities have been calculated utilizing an average daily trip (“ADT”) methodology.

Methodologies Used

One global assumption utilized within this Fee Study for the allocation of costs between existing and new development relates to the allocation of costs based on service standards. For example, 100% of the costs of fire facilities and library facilities (other than the fire training facility which is inadequate in its current form and will be abandoned once the new fire training facility is in place) were allocated to new development because the levels of service requested by City staff for new development were below the existing service levels within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in current service levels, and new development is paying for fewer facilities than could be justified based on existing services levels. In these cases, there is no reason for existing development to subsidize new development’s fair share of future facility costs. As for the fire training facility, applicable costs were allocated between existing and future development

based on their relative Equivalent Dwelling Units, as explained in Section V.B below and in Appendix A.

In a similar vein, when the level of service being requested for new development by City department heads was above the existing service level for a specific type of facility, the cost of the new facilities was carefully apportioned between existing and new development in the following manner:

1. New development was assigned 100% of the cost for a level of service that is equivalent to the existing level of service within the City.
2. The cost of the incremental difference between the new, higher level of service being requested by the City and the existing level of service was then allocated between existing development and new development, based on the relative number of equivalent dwelling units (“EDUs”) assigned to existing development and new development.

Table 5-1 below lists existing and projected EDU and EBU data, by facility type, used throughout Section V.

**TABLE 5-1
CITY OF EL PASO DE ROBLES
EQUIVALENT DWELLING UNITS**

Facility Type	Service Factor	Existing EDUs/EBUs	Projected EDUs/EBUs	Total*
Transportation Facilities	Average Daily Trips	110,171	54,641	164,811
Police Facilities	Residents and Employees	19,348	10,339	29,687
Fire Facilities	Persons Served	13,588	6,326	19,915
General Government Facilities	Persons Served	13,588	6,326	19,915
Park Facilities	Residential Park Usage Hours	11,711	4,982	16,693
Library Facilities	Residents	11,711	4,982	16,693
<i>* Totals may not sum due to rounding.</i>				

The following sections present the reasonable relationship for benefit, impact, and rough proportionality tests for each fee element (i.e., transportation, police, fire, general government, park and recreation, and library facilities) and the analysis undertaken to apportion costs for

each type public facility on the Needs List. More detailed fee calculation worksheets for each type of facility are included in Appendix A.

A. TRANSPORTATION FACILITIES

The Circulation Element of the General Plan includes facilities necessary to provide safe and efficient vehicular access throughout the City. In order to meet the transportation demands of new development through General Plan buildout in 2025, the City updated this list to include various roadway improvements including rights of way, signalization, widening of roads, paving, and bridges as shown in the Needs List.

1. Nexus Requirement of AB 1600

**TABLE 5-2
TRANSPORTATION FACILITIES
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Transportation Improvements
Identify Use of Fee	Various roadway improvements including rights of way, signalization, widening of roads, paving, and bridges
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development will generate additional residents and employees who will create additional vehicular and non-vehicular traffic. Bridges and interchanges will have to be constructed to meet the increased demand and provide for city-wide circulation. Traffic signals, interchanges, bridges and roads will have to be improved or extended to meet the increased demand resulting from new development. Thus there is a relationship between new development and the need for new transportation facilities. Fees collected from new development will be used exclusively for transportation facilities on the Needs List.

2. Apportionment of Transportation Facilities Costs

Roads, traffic signals and bridges will benefit residents and employees by providing safe and efficient vehicular access to properties. Road, traffic signals and bridge fees were calculated for each of the four land use categories based on the number of (“ADTs”) generated by each land use. Total average ADTs were calculated by applying these trip rates to the various dwelling unit counts and non-residential square feet identified in the demographics section of this report. The total facilities cost was then divided by the total number of ADTs to establish a uniform cost per ADT. This unit cost was then applied to the various land uses and their respective trip generation rates to determine the proposed fees. Expected revenue from new development was also calculated as a check,

insuring that collected fees match the calculated cost responsibility of new development.

All of the transportation facilities were sized to meet the needs of both existing and future residents and employees. Therefore, the costs of these facilities have been allocated between existing development and new development based on their percentage of build out EDUs. Hence, 66.85% of the costs will be allocated to existing development and 33.15% of the costs will be allocated to new development. In total, \$84,222,588 out of \$254,039,049 in gross transportation facilities costs would be covered by impact fees on new development (\$1,541.39 per ADT).

Fee amounts to finance the roads, traffic signals, and bridge facilities on the Needs List are presented in Table 5-3 below. Details regarding the analysis related to transportation facilities are included in Appendix A-1.

**TABLE 5-3
TRANSPORTATION FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Trip Generation Rate per Unit / per 1,000 Non-Res SF	Number of Future Units / Non-Res SF	Total Future ADTs	Development Impact Fee per Unit / per 1,000 Non-Res SF	Transportation Facilities Costs Financed by Fees
Single Family	7.56	2,553	19,301	\$11,653	\$29,749,932
Multi-Family	5.21	2,429	12,655	\$8,031	\$19,506,466
Commercial	6.84	2,896,000	19,809	\$10,543	\$30,532,898
Industrial	1.92	1,498,000	2,876	\$2,959	\$4,433,293
Total			54,641		\$84,222,588
Gross Costs Allocated to Existing Development					\$169,816,461
Total Gross Transportation Facilities Costs					\$254,039,049

The total expected revenues from development fees are \$84,222,588. If development takes place as projected in Section III, the fee amounts presented in Tables 5-3 are expected to finance 35.01% of the net costs of the transportation facilities identified on the Needs List. The remaining 64.99% of the net costs of transportation facilities will be funded through other sources.

B. PUBLIC SAFETY FACILITIES

The Public Safety element includes those facilities used by the City to protect life and property. In order to serve new development through General Plan buildout in 2025, the City identified the need for one new fire station. The fire station, and the equipment required to service this fire station, is needed to serve new development exclusively and will be funded 100% by new development. Additionally, there is a need for patrol/detective/specialty vehicles, officer equipment, computers and communication equipment and multi-channel portable radios, fire fighter equipment, and one fire engine which will be sized to serve projected new development only.

In addition, a police shooting range and a 7,200 square foot fire training facility has been identified and has been sized to serve projected new and existing development, as both the existing police shooting range and fire training facility within the City are inadequate in their current form and will be abandoned once the new aforementioned facilities are in place. Therefore, the costs of these facilities have been allocated between existing development and new development based on their percentage of build out EDUs.

Police facilities fee amounts for this element were calculated for both residential and non-residential land uses as detailed in Appendix A-2, and fire facilities fee amounts for this element were calculated for both residential and non-residential land uses as detailed in Appendix A-3. Each of the land use categories (Single Family, Multi-Family, Commercial, and Industrial) is assigned an EDU factor derived from (i) for police facilities - number of calls for police services generated by each of the land use categories, and (ii) for fire facilities - the number of persons per household (for residential units) or the number of employees per 1,000 Square Feet of non-residential development.

1. NEXUS REQUIREMENT OF AB 1600

**TABLE 5-4
PUBLIC SAFETY FACILITIES
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Police and Fire Facilities
Identify Use of Fee	Construction and acquisition of public safety facilities and equipment including fire stations, vehicles, and equipment.
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development will generate additional residents and employees who will require additional service calls increasing the need for trained police and fire personnel. Buildings and vehicles used to provide these services will have to be expanded, constructed or purchased to meet this increased demand. Thus a reasonable relationship exists between the need for public safety facilities and the impact of residential and non-residential development. Fees collected from new development will be used exclusively for public safety purposes, as identified on the Needs List.

2. Apportionment of Public Safety Facilities Costs

Calculation Methodology

As identified in the Police Facilities Fee Calculation worksheet included as Appendix A-2, 100% of the costs of patrol/detective/specialty vehicles and multi-channel portable radios were allocated to new development because the levels of service requested by City staff for new development for such facilities were below the existing service levels within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in current service levels, and new development is paying for fewer facilities than could be justified based on existing services levels. In this case, there is no reason for existing development to subsidize new development's fair share of future patrol/detective/specialty vehicles and multi-channel portable radios costs. As for the other police facilities, applicable costs were allocated between existing and future development based on their relative Equivalent Dwelling Units, as detailed in Appendix A-2.

Fee amounts for police fees were calculated for both residential and non-residential land uses as detailed in Appendices A-2. Police fees were derived based on the number of calls for police services generated by each of the land use categories (Single Family, Multi-Family, Commercial, and Industrial) during a typical calendar year. Since these calls for service by land use are an average, they were used to project number of additional calls that could be expected by multiplying the calls per residential unit or per 1,000 square feet for non-residential development by the number of anticipated new residential dwelling units or non-residential building square footage. As an example, the data collected indicates that on average a Single Family unit will generate just over 1.40 calls per year, which equates to a total of 10,397 calls based on the existing Single Family development, and a total of 3,569 additional calls based on the projected Single Family development assumptions outlined in Section III.

As identified in the Fire Facilities Fee Calculation worksheet included as Appendix A-3, 100% of the costs of the new fire station, the equipment required to service this fire station, and one fire engine were allocated to new development because the levels of service requested by City staff for new development for such facilities were below the existing service levels within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in current service levels, and new development is paying for fewer facilities than could be justified based on existing services levels. In this case, there is no reason for existing development to subsidize new development's fair share of the new fire station, the equipment required to service this fire station, and the fire engine costs. As for the fire training facility, applicable costs were

allocated between existing and future development based on their relative Equivalent Dwelling Units, as detailed in Appendix A-3.

Fee amounts for fire fees were calculated for both residential and non-residential land uses as detailed in Appendix A-3. Each land use classification (i.e. Single Family, Multi-Family, Commercial, and Industrial) was assigned an EDU factor which was derived from the number of Persons Served, which again is defined as the persons per household (for residential units) and 50% of the number of employees per 1,000 building square feet of each category of non-residential development as presented in Table 5-6.

Fee Amounts

Tables 5-5 and 5-6 below present a summary of the derivation of EDUs, fee amounts and the costs financed by fees for police and fire facilities on the Needs List. Calculation details are presented in Appendices A-2 and A-3.

**TABLE 5-5
POLICE FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Calls per Unit / per 1,000 Non-Res. SF	Number of Future Units / Non-Res SF	Total Future Calls	Development Impact Fee per Unit / per 1,000 Non-Res SF	Police Facilities Costs Financed by Fees
Single Family	1.40	2,553	3,569	\$74	\$189,489
Multi-Family	1.65	2,429	3,997	\$87	\$212,209
Commercial	2.11	2,896,000	6,108	\$112	\$324,255
Industrial	0.52	1,498,000	780	\$28	\$41,410
Total			14,454		\$767,363
Net Cost Allocated to Existing Development & Funded Through Other Sources					\$298,438
Total Net Police Facilities Costs					\$1,065,801

Based on the development projections in Section III, the fee amounts presented in Table 5-5 are expected to finance 72.00% of the net costs of the police facilities on the Needs List. The remaining 28.00% of the net costs of the police facilities will be funded through other sources on behalf of existing development.

**TABLE 5-6
FIRE FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Residents/ Employees per Unit / per 1,000 Non-Res. SF	EDUs per per Unit / per 1,000 Non- Res. SF	Number of Future EDUs	Development Impact Fee per Unit / per 1,000 Non- Res SF	Fire Facilities Costs Financed by Fees
Single Family	2.66	1.00	2,553	\$1,008	\$2,573,211
Multi-Family	2.66	1.00	2,429	\$1,008	\$2,448,229
Commercial	0.96	0.36	1,049	\$365	\$1,057,168
Industrial	0.52	0.20	295	\$199	\$297,805
Total			6,326		\$6,376,413
Net Cost Allocated to Existing Development & Funded Through Other Sources					\$2,307,214
Total Net Fire Facilities Costs					\$8,683,627

Based on the development projections in Section III, the fee amounts presented in Table 5-6 are expected to finance 73.43% of the net costs of the fire facilities on the Needs List. The remaining 26.57% of the net costs of the fire facilities will be funded through other sources on behalf of existing development.

C. GENERAL GOVERNMENT FACILITIES

The general government facilities include those facilities used by the City to provide basic governmental services and public facilities maintenance services, exclusive of public safety services. In order to serve future development through General Plan buildout in 2025, the City identified the need for new public works and government facilities. The City Hall on the Needs List is a new facility that will replace the existing City Hall. The City has also identified a need for a public meeting facility (e.g., community center), a downtown parking structure and expansion of the City Yard. Such general government facilities, excluding the expansion of the City Yard that is needed to serve new development exclusively and will be funded 100% by new development, are expected to benefit both existing and new development in the City and the costs will be allocated based on total EDUs at General Plan buildout in 2025.

1. Nexus Requirement of AB 1600

TABLE 5-7
GENERAL GOVERNMENT FACILITIES
AB 1600 NEXUS TEST

Identify Purpose of Fee	General Government Facilities
Identify Use of Fee	Acquisition and construction of facilities used to provide general government and public maintenance services of City facilities.
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional residents and employees who will increase the demand for City services including public works and general government functions. Population and growth has a direct impact on the need for government services and facilities, thus a reasonable relationship exists between new development and the public works/general government facilities, which will have to be acquired to meet the increased demand. Fees collected from new development will be used exclusively for general government facilities on the Needs List.

2. Apportionment of General Government Facilities Costs

Calculation Methodology

As identified in the General Government Facilities Fee Calculation worksheet included as Appendix A-4, 100% of the costs of the consolidated City Yard were allocated to new development because the level of service requested by City staff for new development for such facility was below the existing service level within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in the current service level, and new development is paying for fewer facilities than could be justified based on the existing service level. In this case, there is no reason for existing development to subsidize new development's fair share of the costs of the consolidated City Yard. As for the other general government facilities, applicable costs were allocated between existing and future development based on their relative Equivalent Dwelling Units, as detailed in Appendix A-4.

Fee amounts for this element were calculated for both residential and non-residential land uses as detailed in Appendix A-4. Each land use classification (i.e. Single Family, Multi-Family, Commercial, and Industrial) was assigned an EDU factor which was derived from the number of Persons Served, which again is defined as the persons per household (for residential units) and 50% of the number of employees per 1,000 building square feet of each category of non-residential development as presented in Table 5-8.

Fee Amounts

Table 5-8 represents a summary of the derivation of EDUs, fee amounts and the costs financed by fees for the general government facilities. A total of \$18,471,177 is needed to fund new development's share of a new City Hall, public meeting facility (e.g., a community center), a downtown parking structure and expansion of the City Yard. The details of the fee calculation are presented in Appendix A-4.

**TABLE 5-8
GENERAL GOVERNMENT FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Residents/ Employees per Unit / per 1,000 Non- Res. SF	EDUs per per Unit / per 1,000 Non-Res. SF	Number of Future EDUs	Development Impact Fee per Unit / per 1,000 Non- Res. SF	Government Facilities Costs Financed by Fees
Single Family	2.66	1.00	2,553	\$2,920	\$7,454,070
Multi-Family	2.66	1.00	2,429	\$2,920	\$7,092,024
Commercial	1.927	0.36	1,049	\$1,057	\$3,062,402
Industrial	1.049	0.20	295	\$576	\$862,680
Total					\$18,471,177
Net Cost Allocated to Existing Development & Funded Through Other Sources					\$16,952,662
Total Net Government Facilities Costs					\$35,423,839

Based on the development projections in Section III, the fee amounts presented in Table 5-8 will finance 52.14% of the net costs of the general government facilities identified on the Needs List. The remaining 47.86% of the net costs of general government facilities will be funded through other sources on behalf of existing development.

D. PARK AND RECREATION FACILITIES

The Parks Facilities will serve the residents of the City by providing facilities for recreation while enhancing the community's appeal and quality of life. The Fee Study includes a component for the acquisition of approximately 117 acres for Salina River land acquisition, as well as new park facilities including an aquatic facility to serve new residential development through General Plan buildout in 2025. Such park facilities, excluding the Montebello Park facilities that are needed to serve new development exclusively and will be funded 100% by new development, are expected to benefit both existing and new development in the City and the costs will be allocated based on total EBUs at General Plan buildout in 2025.

Six park facilities are proposed in addition to the new aquatics facility. Salinas River, Centennial Park, Sherwood Park, Uptown Park, Town Centre Park and Montebello Park represent a mix and match of active and passive park usage, of new land acquisition, and expansion of City currently owned park acquisitions. Table 5-9 below identifies the facilities proposed to be funded in whole or in part with the fees. Acquisition costs and improvement costs were provided by City staff. City staff and the City Council are sensitive to the rising costs of both land acquisition and construction costs, supported by recent and ongoing right of way negotiations by the City, as well as construction inflation indices such as the Engineering News Record.

**TABLE 5-9
PARK FACILITIES AND FACILITIES COSTS**

Facility	Facility Unit	Acres	Facilities Costs
Salinas River Land Acquisition	Acre	117	\$4,680,000
Centennial Park Amphitheatre	Acre	16	\$300,000
Sherwood Park Land Improvements	Acre	28	\$10,009,600
Uptown Park Development	Acre	10	\$8,748,495
Town Centre Park Redevelopment	NA	NA	\$4,629,760
Montebello Park Acquisition & Development	3	3	\$4,750,000
Total Facilities Cost			\$33,117,855

Land acquisition costs for Salinas Corridor and Montebello Park are dependent on the real estate market at the time of acquisition. Location, demand for land, encumbrances, comparable acquisitions, and construction costs are a few of the many variables that play into appraisals and negotiations. Each park has its own location and improvement requirements. For instance, Centennial Park is an expansion of existing City owned park land and will have passive uses such as paths and open space. It is reasonable that the total cost per acre would be the lower of the six parks. In Contrast, Montebello Park, though only 3 acres, will need to be acquired in an area of higher demand for land, and the improvements will be active in nature, such as lighted sports fields, community structures and parking facilities, all contributing to a higher cost per acre of the six parks.

Parks and recreation improvements have been further divided into three groups. The first group consists of the park facilities required to serve new and existing development through General Plan buildout in 2025 and include the facilities identified in Table 5-9 above, excluding the Montebello Park facilities. In order to provide the same level of facilities for both existing and new development, the costs for such proposed park land and improvements have been allocated to both existing and new development based on total EBUs at General Plan buildout in 2025 as shown in Tables V(A) through V(C) of Appendix A-5. New development is assigned 29.84% of these facilities costs, as shown in Appendix A-5.

The second group of park facilities consists of the Montebello Park facilities that are needed to serve new development exclusively and will be funded 100% by new development.

The third group consists solely of the new aquatic facility. As there is no existing facility, and therefore the existing level of service is zero, the new aquatic facility costs will be shared between existing and new development in proportion to the relative number of existing and future EBUs at General Plan buildout in 2025. New development is assigned 29.84% of this cost, as shown in Appendix A-5.

1. NEXUS REQUIREMENT OF AB 1600

**TABLE 5-10
PARK AND RECREATION ELEMENT
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Park and Recreation Facilities
Identify Use of Fee	The construction and acquisition of parkland, open space, and aquatic facility.
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential development will generate additional residents and who will increase the demand for active and passive park and recreation facilities within the City. Land will have to be purchased and improved to meet this increased demand, thus a reasonable relationship exists between the need for park and open space facilities and the impact of residential development. Fees collected from new development will be used exclusively for park and open space facilities identified on the Needs List.

2. APPORTIONMENT OF PARK AND RECREATION FACILITIES COSTS

Calculation Methodology

Since the use of park facilities is generally limited to daytime hours, it is reasonable to assume that a non-working resident has a greater number of available hours for potential use per week than either a working resident or employee. In order to equitably allocate the costs between future residents, availability of use is measured in term of equivalent benefit units or (EBUs) with one (1) EBU representing the potential recreation usage of a single-family residential unit.

Equivalent Benefit Unit (EBU) Determination

As previously stated, EBUs for park and open space facilities are a function of the number of hours potentially available for use of the park facilities. Table 5-11 presents the assumptions used to determine the potential usage for a typical week.

**TABLE 5-11
PARK AND RECREATION FACILITIES
TOTAL HOURS OF POTENTIAL PARKS USAGE PER WEEK**

User of Facilities	Potential Recreation Hours Work Day	Number of Work Days per Week	Hours Per Weekend Day	Number of Weekend Days Per Week	Potential Recreation Hours Per Week Per Person
Resident, non-working	12	5	12	2	84
Resident, working	2	5	12	2	34

Tables 5-12 and 5-13 present the total potential hours available for recreation use for each residential land use classification (i.e. SFR, MFR). Fee amounts for park facilities were calculated for residential land uses as detailed in Appendix A-5.

**TABLE 5-12
PARK AND RECREATION FACILITIES
TOTAL POTENTIAL RECREATION HOURS PER WEEK
SINGLE FAMILY RESIDENTIAL**

Type of Resident	Residents Per Single Family Household	Potential Recreation Hours / Week per Person	Potential Recreation Hours / Week per Single Family Household
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

**TABLE 5-13
PARK AND RECREATION FACILITIES
TOTAL POTENTIAL RECREATION HOURS PER WEEK
MULTI-FAMILY RESIDENTIAL**

Type of Resident	Residents Per Multi-Family Household	Potential Recreation Hours / Week per Person	Potential Recreation Hours/Week per Multi-Family Household
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

Fee Amounts

Table 5-14 presents a summary of the derivation of equivalent benefit units (“EBUs”), fee amounts and costs to be financed by fees for park and recreation facilities. Appendix A-5 contains the fee derivation worksheet for park and recreation facilities (summarized in Table 5-14).

**TABLE 5-14
PARK AND RECREATION FACILITY IMPROVEMENTS
FEE DERIVATION SUMMARY**

Land Use Type	Potential Recreation Hour per Week per Unit	EBUs per Unit	Number of New EBUs	Development Impact Fee Per Unit	Park Facilities Costs Financed by Fees
Single Family	169	1.00	2,553	\$2,855	\$7,288,414
Multi-Family	169	1.00	2,429	\$2,855	\$6,934,413
Total	338				\$14,222,827
Cost Allocated to Existing Development & Funded Through Other Sources					\$22,267,418
Total Net Park and Recreation Facilities Costs					\$36,490,245

If development takes place as projected in Section III, the fee amounts presented in Table 5-14 are expected to finance 38.98% of the net costs of the park and recreation facilities on the Needs List. The remaining 61.02% of the net costs of the park and recreation facilities will be funded through other sources on behalf of existing development.

E. LIBRARY FACILITIES

The library facilities will serve the residents of the City by promoting literacy and learning, as well as, providing an improved quality of life. The Fee Study includes a component for expanding and remodeling the existing library facilities, including acquiring library books and materials for these facilities. The costs of the library facilities have been allocated to new residential development only.

1. Nexus Requirement of AB 1600

TABLE 5-15
LIBRARY AMENITIES
AB 1600 NEXUS TEST

Identify Purpose of Fee	Library Facilities
Identify Use of Fee	Expanding and remodeling of existing library facilities, including the acquisition of books and materials for these facilities
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential development will generate additional residents who will become library patrons that will demand increased library services, remodeling of the library and addition of a study center and branch library. Collections will have expanded and additional volumes acquired to meet this increased demand. Fees collected from new development will be used for the remodeling/expansion of the existing library facilities, and the acquisition of books and materials

2. Apportionment of Library Facilities Costs

Calculation Methodology

Fee amounts for this element were calculated for residential land uses as detailed in Appendix A-6. Each of the land use categories (Single Family and Multi-Family) is assigned an EDU factor derived from the number of persons per household as presented in Table 5-16.

The City currently utilizes an approximate 20,610 square foot building for the branch library and a separate 1,920 square foot study center located at 3600 Oak Street. According to the City, the current level of services is adequate to serve the existing development within the City. The City has determined that an expansion and remodel of the existing library facilities, including acquiring library books and materials for these facilities, will be needed as a result of new development. Therefore, 100% of the costs will be allocated to new development.

**TABLE 5-16
LIBRARY FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Residents per Unit	EDUs per Unit	Number of Future EDUs	Development Impact Fee per Unit	Library Facilities Costs Financed by Fees
Single Family	2.66	1.00	2,553	\$942	\$2,405,983
Multi-Family	2.66	1.00	2,429	\$942	\$2,289,124
Total			4,982		\$4,695,107
Cost Allocated to Existing Development & Funded Through Other Sources					\$0
Total Net Library Facilities Costs					\$4,695,107

Based on the development projections in Section III, the fee amounts presented in Table 5-16 are expected to finance 100% of the net costs of the library facilities on the Needs List.

VI. SUMMARY OF FEES

The total impact fee amounts to finance new development's share of the costs of facilities in the Needs Lists are summarized in Table 6-1.

**TABLE 6-1
DEVELOPMENT IMPACT FEE SUMMARY**

Facility	Residential Development		Non-Residential Development	
	Single Family (\$ per unit)	Multi-Family (\$ per unit)	Commercial (\$ per 1,000 SF)	Industrial (\$ per 1,000 SF)
A. Transportation Facilities	\$11,653	\$8,031	\$10,543	\$2,959
B. Public Safety Facilities				
Police Facilities	\$74	\$87	\$112	\$28
<u>Fire Facilities</u>	<u>\$1,008</u>	<u>\$1,008</u>	<u>\$365</u>	<u>\$199</u>
Subtotal Public Safety Facilities	\$1,082	\$1,095	\$477	\$227
C. General Government Facilities	\$2,920	\$2,920	\$1,057	\$576
D. Park and Recreation Facilities	\$2,855	\$2,855	NA	NA
E. Library Facilities	\$942	\$942	NA	NA
Total Impact Fees	\$19,452	\$15,843	\$12,077	\$3,762
<i>(S per BSF for Non-Residential)</i>	<i>NA</i>	<i>NA</i>	<i>\$12.077</i>	<i>\$3.762</i>

Appendix A
Fee Derivation Worksheets

Appendix A-1

City of El Paso de Robles

Transportation Facilities Fee Calculation

I. Existing Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (commercial pass- throughs deducted)	Number of Units / Non- Res. SF	Total Daily Trips
Single Family Residential	7.56	7,437	56,224
Multi Family Residential	5.21	4,274	22,268
Commercial	6.84	4,044,000	27,661
Industrial	1.92	2,093,000	4,019
Total Existing Daily Trips			110,171

II. Projected Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (commercial pass- throughs deducted)	Number of Units / Non- Res. SF	Total Daily Trips
Single Family Residential	7.56	2,553	19,301
Multi Family Residential	5.21	2,429	12,655
Commercial	6.84	2,896,000	19,809
Industrial	1.92	1,498,000	2,876
Total Projected Daily Trips			54,641

III. Proposed Transportation Facilities Costs

Facilities Type	Facilities Costs
City-Wide Transportation Facilities Costs	\$247,791,720
Offsetting Revenues - Total	(\$13,460,227)
Net City-Wide Transportation Facilities Costs	\$234,331,493
Plus: Specific Plan Facilities	\$6,247,329
Total Transportation Facilities Costs	\$240,578,822

IV. Allocation of City-Wide Transportation Facilities Costs (based on Daily Trips)

Development Description	Total Daily Trips	Percentage of Costs Allocated	Facilities Costs
Existing Development	110,171	66.85%	\$165,640,334
New Development	54,641	33.15%	\$82,151,386
Total City-Wide Transportation Facilities Costs	164,811	100.00%	\$247,791,720

Appendix A-1

City of El Paso de Robles

Transportation Facilities Fee Calculation

V. Allocation of Specific Plan Facilities Costs (based on Daily Trips)

Development Description	Percentage of Costs Allocated	Facilities Costs
Specific Plan Development	66.85%	\$4,176,127
New Development (Outside of Specific Plan)	33.15%	\$2,071,202
Total Specific Plan Facilities Costs	100.00%	\$6,247,329

VI. Allocation of Transportation Facilities Costs to New Development (based on Projected Daily Trips)

Facility Type	Projected Daily Trips	Facilities Costs Allocated to New Development	Facilities Cost Per Daily Trip
Transportation Facilities Costs	54,641	\$84,222,588	\$1,541.39
Transportation Facilities Costs Summary	54,641		\$1,541.39

VII. Development Impact Fee per Residential Unit / per 1,000 Non-Residential Bldg. SF

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (commercial pass- throughs deducted)	Transportation Facilities Cost per Unit / per Non- Res. 1,000 SF	Transportation Facilities Costs Financed by DIF
Single Family Residential	7.56	\$11,653	\$29,749,932
Multi Family Residential	5.21	\$8,031	\$19,506,466
Commercial	6.84	\$10,543	\$30,532,898
Industrial	1.92	\$2,959	\$4,433,293
Gross Allocation to New Development			\$84,222,588
Gross Allocation to Existing Development			\$169,816,461
Total Transportation Facilities Costs			\$254,039,049
Offsetting Revenues Not Yet Committed - Allocated to Existing Development			\$ (13,460,227)
Net Transportation Facilities Costs			\$240,578,822

Notes:

[1] Based on daily trip rates extrapolated from the Fehr & Peers Traffic Demand Forecast Model incorporated in the 2011 Circulation Element.

[2] Assumes allowance for diverted trips or pass-throughs: 75% for Commercial and 55% for Industrial. Based on direction received from Public Works Department.

**Appendix A-2
City of El Paso de Robles
Police Facilities Fee Calculation**

I. Inventory of Existing Facilities

Facility	Quantity	Facility Units
Patrol and Specialty Vehicles	25	Each
Assigned Officer Equipment	33	Each
Computers & Comm Equipment	33	Each
Multi-channel Portable Radios	41	Each
Shooting Range	0	Each

II. Existing EDU Calculation

Land Use Type	[a] Number of Units/ Non-Res 1,000 SF	[b] Total Calls ¹¹⁾	[c] Calls per Unit/ Employees per Non-Res. 1,000 SF ¹¹⁾	[d] EDU's per Unit/ Non-Res. 1,000 SF	[e] Total Number of EDU's [a] * [d]
Single Family	7,437	10,397	1.40	1.00	7,437
Multi-Family	4,274	7,033	1.65	1.18	5,031
Commercial	4,044	8,529	2.11	1.51	6,101
Industrial	2,093	1,090	0.52	0.37	780
Total					19,348

III. Existing Service Standard

Facility	Quantity	Facility Units	Quantity per 1,000 EDU's
Patrol and Specialty Vehicles	25	Each	1.29
Assigned Officer Equipment	33	Each	1.71
Computers & Comm Equipment	33	Each	1.71
Multi-channel Portable Radios	41	Each	2.12
Shooting Range	0	Each	0.00

IV. Future EDU Calculations

Land Use Type	[a] Number of Units/ Non-Res 1,000 SF ¹²⁾	[b] Total Projected Calls	[c] Calls per Unit/ Employees per Non-Res. 1,000 SF ¹¹⁾	[d] EDU's per Unit/ Non-Res. 1,000 SF	[e] Total Number of EDU's [a] * [d]
Single Family	2,553	3,569	1.40	1.00	2,553
Multi-Family	2,429	3,997	1.65	1.18	2,859
Commercial	2,896	6,108	2.11	1.51	4,369
Industrial	1,498	780	0.52	0.37	558
Total					10,339

V. Proposed Inventory, Cost, and Service Standard

Facility	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDU's
Patrol and Specialty Vehicles	13	Each	\$420,900	1.26
Assigned Officer Equipment	28	Each	\$100,200	2.71
Computers & Comm Equipment	18	Each	\$225,000	1.74
Multi-channel Portable Radios	16	Each	\$36,000	1.55
Shooting Range	1	Each	\$416,240	0.10
Offsetting Revenues			(\$132,539)	
Total Cost of Police Facilities			\$1,065,801	

VI. Allocation of Police Facilities to Existing & New Development (based on total EDUs)

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d] - [a]	[f] Facility Units Beyond Existing Service Standard [4] [b] * [e]	[g] Total Proposed New Facility Units [c] + [f]
1.29	10,338.76	13.36	1.26	0.00	0.00	13.00

A.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

A.3 Cost Allocated Between Existing and New Development

Facility Type	Total Number of Vehicles	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	13.00	100.00%	\$420,900
Total	13.00	100.00%	\$420,900

B.1 Assigned Officer Equipment

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d] - [a]	[f] Facility Units Beyond Existing Service Standard [4] [b] * [e]	[g] Total Proposed New Facility Units [c] + [f]
1.71	10,338.76	17.63	2.71	1.00	10.37	28.00

**Appendix A-2
City of El Paso de Robles
Police Facilities Fee Calculation**

B.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development					
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated
Existing	19,348	65.17%	6.76	NA	6.76
New Development	10,339	34.83%	3.61	17.63	21.24
Total	29,687	100.00%	10.37		28.00

B.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	6.76	24.13%	\$24,177
New Development	21.24	75.87%	\$76,023
Total	28.00	100.00%	\$100,200

C.1 Computers and Communication Equipment						
[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
1.71	10,338.76	17.63	1.74	0.04	0.37	18.00

C.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development						
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated	
Existing	19,348	65.17%	0.24	NA	0.24	
New Development	10,339	34.83%	0.13	17.63	17.76	
Total	29,687	100.00%	0.37		18.00	

C.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.24	1.33%	\$2,982
New Development	17.76	98.67%	\$222,018
Total	18.00	100.00%	\$225,000

D.1 Multi-Channel Portable Radios						
[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EBU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
2.12	10,338.76	21.91	1.55	0.00	0.00	16.00

D.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development - Not Applicable

D.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	16.00	100.00%	\$36,000
Total	16.00	100.00%	\$36,000

E.1 Shooting Range						
[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EBU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
0.00	10,338.76	0.00	0.10	0.10	1.00	1.00

E.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development					
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated
Existing	19,348	65.17%	0.65	NA	0.65
New Development	10,339	34.83%	0.35	NA	0.35
Total	29,687	100.00%	1.00		1.00

**Appendix A-2
City of El Paso de Robles
Police Facilities Fee Calculation**

E.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.65	65.17%	\$271,279
New Development	0.35	34.83%	\$144,961
Total	1.00	100.00%	\$416,240

VII. Summary Cost Data

Section VI	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	Patrol and Specialty Vehicles	\$420,900	10,339	\$40.71
B.3	Assigned Officer Equipment	\$76,023	10,339	\$7.35
C.3	Computers & Comm Equipment	\$222,018	10,339	\$21.47
D.3	Multi-channel Portable Radios	\$36,000	10,339	\$3.48
E.3	Shooting Range	\$144,961	10,339	\$14.02
	Offsetting Revenues	(\$132,539)	10,339	(\$12.82)
Total		\$767,363		\$74.22

VIII. Development Impact Fee per Unit or per 1,000 Non-Res. SF

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$74	2,553	\$189,489
Multi-Family	1.18	\$87	2,429	\$212,209
Commercial	1.51	\$112	2,896	\$324,255
Industrial	0.37	\$28	1,498	\$41,410
Total Allocated to New Development				\$767,363
Outside Funding Responsibility				\$298,438
Total Police Facilities Costs				\$1,065,801

Notes:

[1] Estimated calendar year phone log, provided by City of El Paso de Robles.

[2] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element.

[3] Allocates 100% to new development square feet/equipment or vehicles necessary to fund existing service standard for new residents.

[4] Denotes proposed service standard in excess to that currently provided to existing residents.

Appendix A-3
City of El Paso de Robles
Fire Facilities Fee Calculation

I. Inventory of Existing Facilities

Facility Type	Quantity	Facility Units
Three Fire Stations	27,500	Square Feet
Rescue Unit	1	Each
Type I Fire Engine	3	Each
Aircraft Crash Response	1	Each
Staff Vehicle	4	Each

II. Existing EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF	Residents per Unit/ Employees Per 1,000 Non-Res. SF	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	7,437	2.66	1.00	7,437
Multi-Family	4,274	2.66	1.00	4,274
Commercial	4,044	0.96	0.36	1,465
Industrial	2,093	0.52	0.20	413
Total				13,588

III. Existing Facility Standard

Facility Type	Quantity	Facility Units	Quantity per 1,000 EDU's
Three Fire Stations	27,500	Square Feet	2,023.77
Rescue Unit	1	Each	0.07
Type I Engine	4	Each	0.29
Aircraft Crash Response	1	Each	0.07
Staff Vehicle	4	Each	0.29

IV. Future EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF ⁽¹⁾	Residents per Unit/ Employees per Non-Res. 1,000 SF ⁽²⁾	EDUs per Unit/ per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	2,553	2.66	1.00	2,553
Multi Family	2,429	2.66	1.00	2,429
Commercial	2,896	0.96	0.36	1,049
Industrial	1,498	0.52	0.20	295
Total				6,326

V. Proposed Inventory, Cost, and Service Standard

Facility Type	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDU's
Fire Station	6,660	Square Feet	\$6,408,790	1,052.74
Type I Engine	1	Each	\$500,000	0.16
Fire Training Facility	7,200	Square Feet	\$3,381,375	1,138.10
Off-setting Revenues			(\$1,606,538)	
Total Cost of Fire Facilities			\$8,683,627	

VI. Allocation of Fire Facilities to Existing & New Development (based on total EDUs)

A.1 Fire Station							
[a]	[b]	[c]	[d]	[e]	[f]	[g]	
Existing SF Per 1,000 EDU's	Total Future EDU's	SF Allocated 100% To New Development ⁽¹⁾	Proposed Service Standard Per 1,000 EDU's	SF per EDU Beyond Existing [d]-[a]	SF Beyond Existing Service Standard ⁽⁴⁾ [b]*[e]	Total Proposed New SF [c]+[f]	
2,023.77	6,326.33	12,803.07	1,052.74	0.00	0.00	6,660.00	

A.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

A.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	6,660.00	100.00%	\$6,408,790
Total	6,660.00	100.00%	\$6,408,790

Appendix A-3
City of El Paso de Robles
Fire Facilities Fee Calculation

B.1 Type I Fire Engine	[a]	[b]	[c]	[d]	[e]	[f]	[g]
Existing Facility Units Per 1,000 EDU's	Total Future EDU's	Facility Units Allocated 100% To New Development ⁽¹⁾	Proposed Service Standard Per 1,000 EDU's	Facility Units per EBU Beyond Existing	Facility Units Beyond Existing Service Standard ⁽⁴⁾	Total Proposed New Facility Units	
		[a]*[b]		[d]-[a]	[b]*[e]	[c]+[f]	
	6,326.33	1.86	0.16	0.00	0.00	1.00	

B.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

B.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Vehicles	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	1.86	100.00%	\$500,000
Total	1.86	100.00%	\$500,000

C.1 Fire Training Facility	[a]	[b]	[c]	[d]	[e]	[f]	[g]
Existing Facility Units Per 1,000 EDU's	Total Future EDU's	Facility Units Allocated 100% To New Development ⁽¹⁾	Proposed Service Standard Per 1,000 EDU's	Facility Units per EBU Beyond Existing	Facility Units Beyond Existing Service Standard ⁽⁴⁾	Total Proposed New Facility Units	
		[a]*[b]		[d]-[a]	[b]*[e]	[c]+[f]	
	6,326.33	0.00	1,138.10	1138.10	7,200.00	7,200.00	

C.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development					
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated
Existing	13,588	68.23%	4,912.78	NA	4,912.78
New Development	6,326	31.77%	2,287.22	NA	2,287.22
Total	19,915	100.00%	7,200.00		7,200.00

C.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	4,912.78	68.23%	\$2,307,214
New Development	2,287.22	31.77%	\$1,074,161
Total	7,200.00	100.00%	\$3,381,375

Appendix A-3
City of El Paso de Robles
Fire Facilities Fee Calculation

VII. Summary Cost Data

Section VI	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	Fire Station	\$6,408,790	6,326	\$1,013.03
B.3	Type I Engine	\$500,000	6,326	\$79.03
C.3	Fire Training Facility	\$1,074,161	6,326	\$169.79
	Offsetting Revenues	(\$1,606,538)	6,326	(\$253.94)
Total		\$6,376,413		\$1,007.92

VIII. Development Impact Fee per Unit or per 1,000 Non-Res. SF

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/ Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$1,008	2,553	\$2,573,211
Multi-Family	1.00	\$1,008	2,429	\$2,448,229
Commercial	0.36	\$365	2,896	\$1,057,168
Industrial	0.20	\$199	1,498	\$297,805
Total Allocated to New Development				\$6,376,413
Outside Funding Responsibility				\$2,307,214
Total Fire Facilities Costs				\$8,683,627

Notes:

- [1] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element.
- [2] Average Household Size Based on information obtained from the 2012 Land Use Element.
- [3] Allocates 100% to new development square feet or vehicles necessary to fund existing service standard for new residents.
- [4] Denotes proposed service standard in excess to that currently provided to existing residents.

Appendix A-4
City of El Paso de Robles
General Government Facilities Fee Calculation

I. Inventory of Existing Facilities

Facility	Quantity	Facility Units
City Hall	14,815	Square Feet
Community Center	0	Square Feet
Performing Arts Center	0	Square Feet
Parking Structure	80,000	Square Feet
City Yard(s)	121,300	Square Feet

II. Existing EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF	Residents per Unit/ Employees Per 1,000 Non-Res. SF	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	7,437	2.66	1.00	7,437
Multi-Family	4,274	2.66	1.00	4,274
Commercial	4,044	0.96	0.36	1,465
Industrial	2,093	0.52	0.20	413
Total				13,588

III. Existing Service Standard

Facility Type	Quantity	Facility Units	Quantity per 1,000 EDUs
City Hall	14,815	Square Feet	1,090.26
Community Center	0	Square Feet	0.00
Performing Arts Center	0	Square Feet	0.00
Parking Structure	80,000	Square Feet	5,887.35
City Yard(s)	121,300	Square Feet	8,926.69

IV. Future EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF ⁽¹⁾	Residents per Unit/ Employees Per 1,000 Non-Res. SF ⁽²⁾	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	2,553	2.66	1.00	2,553
Multi Family	2,429	2.66	1.00	2,429
Commercial	2,896	0.96	0.36	1,049
Industrial	1,498	0.52	0.20	295
Total				6,326

V. Proposed Inventory, Cost, and Service Standard

Facility	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDUs
City Hall	15,185	Square Feet	\$7,212,875	2,400.29
Public Meeting Facility	6,000	Square Feet	\$2,565,000	948.42
Downtown Parking	40,000	Square Feet	\$14,800,000	6,322.78
Consolidated Corporate Yard	46,000	Square Feet	\$8,428,045	7,271.20
Offsetting Revenues			(\$4,619,206)	
Proposed New General Government Facilities Cost			\$28,386,714	
Plus: Proposed City Hall Facilities Costs Allocable to Existing Development			\$7,037,125	
Total General Government Facilities Costs			\$35,423,839	

VI. Allocation of General Government Facilities to Existing & New Development (based on total EDU's)

A.1 City Hall							
[a]	[b]	[c]	[d]	[e]	[f]	[g]	
Existing SF Per 1,000 EDU's	Total Future EDU's	SF Allocated 100% To New Development ⁽³⁾	Proposed Service Standard Per 1,000 EDU's	SF per EBU Beyond Existing	SF Beyond Existing Service Standard ⁽⁴⁾	Total Proposed New SF	
		[a]*[b]		[d]-[a]	[b]*[e]	[c]+[f]	
1,090.26	6,326.33	6,897.36	2,400.29	1,310.02	8,287.64	15,185.00	

**Appendix A-4
City of El Paso de Robles
General Government Facilities Fee Calculation**

A.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development						
Facility Type	Number of EDU's	Percentage of Total EDU's	SF Split Between New and Existing Development	SF Allocated 100% To New Development	Total SF Allocated	
Existing	13,588	68.23%	5,654.91	NA	5,654.91	
New Development	6,326	31.77%	2,632.73	6,897.36	9,530.09	
Total	19,915	100.00%	8,287.64		15,185.00	

A.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	5,654.91	37.24%	\$2,686,080
New Development	9,530.09	62.76%	\$4,526,795
Total	15,185.00	100.00%	\$7,212,875

B.1 Public Meeting Facility							
[a] Existing SF Per 1,000 EDU's	[b] Total Future EDU's	[c] SF Allocated 100% To New Development ^(b)	[d] Proposed Service Standard Per 1,000 EDU's	[e] SF per EBU Beyond Existing	[f] SF Beyond Existing Service Standard ^(d)	[g] Total Proposed New SF	
		[a]*[b]		[d]-[a]	[b]*[e]	[c]+[f]	
0.00	6,326.33	0.00	948.42	948.42	6,000.00	6,000.00	

B.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development						
Facility Type	Number of EDU's	Percentage of Total EDU's	SF Split Between New and Existing Development	SF Allocated 100% To New Development	Total SF Allocated	
Existing	13,588	68.23%	4,093.98	NA	4,093.98	
New Development	6,326	31.77%	1,906.02	0.00	1,906.02	
Total	19,915	100.00%	6,000.00		6,000.00	

B.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	4,093.98	68.23%	\$1,750,177
New Development	1,906.02	31.77%	\$814,823
Total	6,000.00	100.00%	\$2,565,000

C.1 Allocation of Downtown Parking Facilities Costs (based on total EDUs)						
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated	
Existing	13,588	68.23%	27,293.21	NA	27,293.21	
New Development	6,326	31.77%	12,706.79	0.00	12,706.79	
Total	19,915	100.00%	40,000.00		40,000.00	

**Appendix A-4
City of El Paso de Robles
General Government Facilities Fee Calculation**

C.2 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	27,293.21	68.23%	\$10,098,486
New Development	12,706.79	31.77%	\$4,701,514
Total	40,000.00	100.00%	\$14,800,000

D.1 Consolidated Corporate Yard						
[a] Existing SF Per 1,000 EDU's	[b] Total Future EDU's	[c] SF Allocated 100% To New Development ^(a) [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] SF per EBU Beyond Existing [d]-[a]	[f] SF Beyond Existing Service Standard ⁽⁴⁾ [b]*[e]	[g] Total Proposed New SF [c]+[f]
8,926.69	6,326.33	56,473.17	7,271.20	0.00	0.00	46,000.00

D.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

D.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	46,000.00	100.00%	\$8,428,045
Total	46,000.00	100.00%	\$8,428,045

VII. Summary Cost Data

Section VI	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	City Hall	\$4,526,795	6,326	\$715.55
B.3	Public Meeting Facility	\$814,823	6,326	\$128.80
C.2	Downtown Parking	\$4,701,514	6,326	\$743.17
D.3	Consolidated Corporate Yard	\$8,428,045	6,326	\$1,332.22
	Offsetting Revenues	\$0	6,326	\$0.00
Total		\$18,471,177		\$2,919.73

VIII. Development Impact Fee per Unit or per 1,000 Non-Res. SF

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/ Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$2,920	2,553	\$7,454,070
Multi-Family	1.00	\$2,920	2,429	\$7,092,024
Commercial	0.36	\$1,057	2,896	\$3,062,402
Industrial	0.20	\$576	1,498	\$862,680
Total Allocated to New Development				\$18,471,177
Outside Funding Responsibility				\$16,952,662
Total General Government Facilities Costs				\$35,423,839

Notes:

- [1] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element.
- [2] Average Household Size Based on information obtained from the 2012 Land Use Element.
- [3] Allocates 100% to new development square feet necessary to fund existing service standard for new residents.
- [4] Denotes proposed service standard in excess to that currently provided to existing residents.

Appendix A-5
City of El Paso de Robles
Park and Recreation Facilities Fee Calculation

I. Inventory of Existing Facilities

Facility	Size (Acre)
Parks	
Barney Schwartz Park	36.9
Casa Robles Park	0.36
Centennial Park	17.87
Creston Road Median	1.48
Downtown Civic Center Park	4.27
Family Park at 36th and Oak	1.00
Mandrella Park	0.65
Oak Creek Park	7.06
Pioneer Park	4.87
Robbins Baseball Field	2.50
Royal Oak Park	7.53
Scott Street Park	0.50
Sherwood Park	11.40
Sherwood Forest Playground	2.00
Turtle Creek Park	1.53
Subtotal	99.955
Recreation Amenities	
Aquatic Facility	NA
Total	99.96

II. Existing EBU Calculation

Land Use Type	Number of Residents	Residents Per Unit	Potential Recreation Hours/Week per Unit ⁽¹⁾	EBU per Unit	Number of Units	Total Number of EBUs
Single Family Residential	19,782	2.66	169	1.00	7,437	7,437
Multi Family Residential	11,369	2.66	169	1.00	4,274	4,274
Total	31,151					11,711

III. Existing Facility Standard

Facility Type	Facility Unit	Facility Units Per 1,000 Residents	Facility Units Per 1,000 EBUs
Parks	Acre	3.21	8.54

IV. Future EBU Calculation

Land Use Type	Number of Residents	Residents Per Unit	Potential Recreation Hours/Week per Unit ⁽¹⁾	EBU per Unit	Number of Units	Total Number of EBUs
Single Family Residential	6,791	2.66	169	1.00	2,553	2,553
Multi Family Residential	6,461	2.66	169	1.00	2,429	2,429
Total	13,252					4,982

Appendix A-5
City of El Paso de Robles
Park and Recreation Facilities Fee Calculation

V (A). Inventory of Proposed Park Facilities (Land Acquisition)

Facility	Total Acres	Facility Cost
Salinas River Land Acquisition	117	\$4,680,000
Parks Subtotal V (A). Land Acquisition	117	\$4,680,000

V (B). Inventory of Proposed Park Facilities (Land Improvements)

Facility	Total Acres	Facility Cost
Centennial Park Amphitheatre	16	\$300,000
Sherwood Park Land Improvements	28	\$10,009,600
Uptown Park Development	10	\$8,748,495
Town Centre Park Redevelopment	NA	\$4,629,760
Parks Subtotal V (B). Land Improvements	54	\$23,687,855
Parks Total	171	\$28,367,855

V (C). Allocation of Park Facilities to Existing and New Development (based on total EBUs)

Facility	Total Acres	Cost Per EBU	Facility Cost	Percentage of Cost Allocated
Existing Development	120	\$1,699.39	\$19,901,513	70.16%
New Development	51	\$1,699.39	\$8,466,342	29.84%
Total Recreation Cost	171		\$28,367,855	100.00%

VI. Inventory of Proposed Park Facilities Allocated to New Development

Facility	Total Acres	Facility Cost
Montebello Park Acquisition and Development	3	\$4,750,000
Parks Total	3	\$4,750,000

VII. Inventory of Proposed Recreation Facilities

Facility	Total Acres	Facility Cost
Aquatic Facility	10	\$5,000,000
Offsetting Revenues		(\$391,479)
Total Recreation Cost		\$4,608,521

VIII. Allocation of Recreation Facilities to Existing and New Development (based on total EBUs)

Facility	Total Acres	Cost Per EBU	Facility Cost	Percentage of Cost Allocated
Existing Development	7	\$276.08	\$3,233,115	70.16%
New Development	3	\$276.08	\$1,375,406	29.84%
Total Recreation Cost	10		\$4,608,521	100.00%

IX. Costs allocated to New Development for Parks and Recreation Facilities

Facility	Facility Unit	Cost Per Facility Unit	Facility Units Per 1,000 EBUs	Cost Per EBU
Parks	Acre	\$244,590	10.85	\$2,653
Recreation Facilities - (Aquatic Facility)	Acre	\$460,852.10	0.60	\$276
Total Facility Cost per EBU				\$2,929
Total Facilities Costs Allocated to New Development				\$14,591,748
Offsetting Revenues Not Yet Committed - New Development				(\$368,921)
Net Facilities Costs Allocated to New Development				\$14,222,827
Net Facility Cost per EBU				\$2,855

X. Development Impact Fee per Unit

Land Use Type	EBUs Per Unit	Fees Per Unit	Cost Financed by DIF
Single Family Residential	1.00	\$2,855	\$7,288,414
Multi Family Residential	1.00	\$2,855	\$6,934,413
Net Allocation to New Development			\$14,222,827
Net Allocated to Existing Development			\$23,134,628
Offsetting Revenues Not Yet Committed - Existing Development			(\$867,210)
Total Park and Recreation Facilities Costs			\$36,490,245

Notes:

[1] Please refer to "EBU & EDU Calculation Year to Build-Out" worksheet contained herein.

**Appendix A-6
City of El Paso de Robles
Library Facilities Fee Calculation**

I. Inventory of Existing Facilities

Facility	Quantity	Facility Units
Library & Other Improvements	22,530	Square Feet
Library Books/Materials	74,990	Each

II. Existing EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF	Residents per Unit/ Employees Per 1,000 Non-Res. SF	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	7,437	2.66	1.00	7,437
Multi-Family	4,274	2.66	1.00	4,274
Total				11,711

III. Existing Facility Standard

Facility Type	Quantity	Facility Units	Quantity per 1,000 EDU's
Library & Other Improvements	22,530	Square Feet	1,923.83
Library Books/Materials	74,990	Each	6,403.38

IV. Future EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF ⁽¹⁾	Residents per Unit/ Employees Per 1,000 Non-Res. SF ⁽²⁾	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	2,553	2.66	1.00	2,553
Multi-Family	2,429	2.66	1.00	2,429
Total				4,982

V. Proposed Inventory, Cost, and Service Standard

Facility	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDUs
Library & Other Improvements	9,500	Square Feet	\$4,450,000	1,906.86
Library Books/Materials	11,530	Each	\$1,196,000	2,314.33
Offsetting Revenues			(\$950,893)	
Total			\$4,695,107	

**Appendix A-6
City of El Paso de Robles
Library Facilities Fee Calculation**

VI. Allocation of General Government Facilities to Existing & New Development (based on total EDU's)

A.1 Library Facility (Upstairs) and Study Center							
[a] Existing SF Per 1,000 EDU's	[b] Total Future EDU's	[c] SF Allocated 100% To New Development [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] SF per EDU Beyond Existing [d]-[a]	[f] SF Beyond Existing Service Standard ^[4] [b] * [e]	[g] Total Proposed New SF [c]+[f]	
1,923.83	4,982.00	9,584.53	1,906.86	0.00	0.00	9,500.00	

A.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development - Not Applicable

A.3 Cost Allocated Between Existing and New Development

Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	9,500.00	100.00%	\$4,450,000
Total	9,500.00	100.00%	\$4,450,000

B.1 Library Books/Materials

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development ^[3] [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard ^[4] [b] * [e]	[g] Total Proposed New Facility Units [c]+[f]
6,403.38	4,982.00	31,901.65	2,314.33	0.00	0.00	11,530.00

B.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

B.3 Cost Allocated Between Existing and New Development

Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	11,530.00	100.00%	\$1,196,000
Total	11,530.00	100.00%	\$1,196,000

VII. Summary Cost Data

Section VII.	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	Library Facility/Study Center	\$4,450,000	4,982	\$893.22
B.3	Library Books/Materials	\$1,196,000	4,982	\$240.06
	Offsetting Revenues	(\$950,893)	4,982	(\$190.87)
Total		\$4,695,107		\$942.41

VIII. Development Impact Fee per Unit

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$942	2,553	\$2,405,983
Multi-Family	1.00	\$942	2,429	\$2,289,124
Total Allocated to New Development				\$4,695,107
Outside Funding Responsibility				\$0
Total Cost of Library Facilities				\$4,695,107

Notes:

[1] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element

[2] Average Household Size Based on information obtained from the 2012 Land Use Element

[3] Allocates 100% to new development square feet or facility units necessary to fund existing service standard for new residents

[4] Denotes proposed service standard in excess to that currently provided to existing residents

Appendix B
EBU & EDU Calculation Worksheet

Appendix B
City of El Paso de Robles
EBU & EDU Calculation Worksheet

Existing EDU Calculation [1]

Service Factor (Residents and Employees)

Land Use Type	Number of Persons Served **	Residents per Unit/ Persons Served per 1,000 Non-Res. SF	EDUs per Unit/ per 1,000 Non-Res. SF	Number of Units/ Non-Res. SF	Total Number of EDUs
Single Family Residential	19,782	2.66	1.00	7,437	7,437
Multi Family Residential	11,369	2.66	1.00	4,274	4,274
Commercial	3,896	0.96	0.36	4,044,000	1,465
Industrial	1,098	0.52	0.20	2,093,000	413
Total	36,145				13,588

Source: David Taussig & Associates; City of El Paso de Robles, Revised 2012 Land Use Element.

** Persons Served = Residents plus 50% of Employees, customary industry practice designed to capture the reduced levels of service demanded by employees.

Future EDU Calculation [1]

Service Factor (Future Residents and Employees)

Land Use Type	Number of Persons Served **	Residents per Unit/ Persons Served per 1,000 Non-Res. SF	EDUs per Unit/ per 1,000 Non-Res. SF	Number of Units/ Non-Res. SF	Total Number of EDUs
Single Family Residential	6,791	2.66	1.00	2,553	2,553
Multi Family Residential	6,461	2.66	1.00	2,429	2,429
Commercial	2,790	0.96	0.36	2,896,000	1,049
Industrial	786	0.52	0.20	1,498,000	295
Total	16,828				6,326

Source: David Taussig & Associates; City of El Paso de Robles, Revised 2012 Land Use Element.

** Persons Served = Residents plus 50% of Employees, customary industry practice designed to capture the reduced levels of service demanded by employees.

EBU Calculation

I. Total Hours of Potential Parks Usage per Week.

User of Facilities	Potential Recreation Hours Work Day	Number of Work Days per Week	Hours Per Weekend Day	Number of Weekend Days Per Week	Potential Recreation Hours Per Week Per Person
Resident, non-working	12	5	12	2	84
Resident, working	2	5	12	2	34
Employee (comm/ind)	2	5	12	0	10

II a. Total Potential Recreation Hours per Week. (Single Family Residential)

Type Of Resident	Number Per Household	Potential Recreation Hours/ Week per Person	Potential Recreation Hours/ Week per Households
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

II b. Total Potential Recreation Hours per Week. (Multi-Family Residential)

Type Of Resident	Number Per Household	Potential Recreation Hours/ Week per Person	Potential Recreation Hours/ Week per Household
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

Assume the potential recreation hours per single family residential detached dwelling unit equals 1 EBU

Notes:

[1] Applies to Fire, General Government, Park and Recreation, and Library facilities apportionment.

Appendix C
Department Contact List

Department Contact List

Transportation Facilities:

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Email: JFalkenstien@prcity.com

Police Facilities:

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Email: KJohnson@prcity.com

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Email: DMonn@prcity.com

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Email: JApp@prcity.com

John Falkenstien, City Engineer
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Email: JFalkenstien@prcity.com

Park and Recreation Facilities:

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Email: JFalkenstien@prcity.com

Library Facilities:

Julie Dahlen, Recreation Director
Telephone: (805) 237-3993
Email: LRSDDirector@prcity.com

MEMORANDUM

November 7, 2013

To: John Falkenstein, City of Paso Robles
From: David Taussig & Associates, Inc.
Subject: APPLICATION OF "PASS-THROUGH" TRIP ASSUMPTIONS ON NON-RESIDENTIAL DEVELOPMENT

David Taussig and Associates, Inc. ("DTA") has prepared this memorandum to (i) briefly discuss the application of "pass-through" trip assumptions on non-residential development, and (ii) identify the development impact fees that could be incorporated into the proposed City of Paso Robles ("City") AB 1600 Development Impact Fee Justification Study update (the "Study") resulting from the implementation of varying "pass-through" trip assumptions on non-residential development.

I "Pass-Through" Trip Assumptions

Commercial development trip generation rates vary widely depending upon specific commercial uses. For example, a gas station or auto care center generates over 500 Average Daily Trips ("ADTs") per 1,000 square feet of building space, while office development might generate as few as 7 ADTs per 1,000 square feet of building space. Without having specific knowledge regarding the exact types of commercial uses that will locate within the City through 2025, DTA extrapolated daily trip rates for commercial development from the Traffic Demand Forecast Model prepared by Fehr and Peers Transportation Consultants (hereinafter the "Traffic Model") incorporated in the 2011 Circulation Element. More specifically, DTA determined a weighted average daily trip rate for commercial development of approximately 27.4 ADTs based on the commercial land uses and daily trip rates for such land uses identified in Table 2 of the Traffic Study, and applied this weighted average daily trip rate to the commercial development in the Study. Similarly, DTA extrapolated daily trip rates for light and heavy industrial development from the Traffic Model and determined a weighted average daily trip rate for industrial development of approximately 4.3 ADTs based on the industrial land uses and daily trip rates for such land uses identified in Table 2 of the Traffic Study, and applied this weighted average daily trip rate to the industrial development in the Study.

Next, DTA considered an applicable "pass-through" trip assumption to apply towards non-residential development. Typical trip generation rates are derived from counts taken at driveways of various land uses. For many land uses, not all of the trips

generated at the driveway represent new trips added to the roadways. This is due to “pass-through” trips. Pass-through trips are made by traffic already using the adjacent roadway and enter the site as an intermediate stop on the way from another destination. The trip may not necessarily be generated by the land use under consideration, and thus, not a new trip added to the roadways for such land use. This pass-through factor should be taken into account when determining applicable ADTs for incorporation into the Study.

For purposes of this memorandum, DTA analyzed the application of three (3) pass-through trip assumptions, *Scenario 1* – a 35% allowance for pass-through trips allocable to commercial development per data provided in the Institute of Transportation Engineers’ latest trip generation manual, and a 25% allowance for pass-through trips allocable to industrial development, *Scenario 2* – a 55% allowance for pass-through trips allocable to commercial development, and a 40% allowance for pass-through trips allocable to industrial development, and *Scenario 3* – an aggressive 75% allowance for pass-through trips allocable to commercial development, and a 55% allowance for pass-through trips allocable to industrial development, that if incorporated into the Study would need approval from the City’s Public Works Department. Application of a pass-through credit of 35% against commercial development in Scenario 1 would reduce the 27.4 ADTs per 1,000 square feet of commercial building space to 17.8 ADTs, and the application of a pass-through credit of 25% against industrial development in this same scenario would reduce the 4.3 ADTs per 1,000 square feet of industrial building space to 3.2 ADTs. Application of a pass-through credit of 55% against commercial development in Scenario 2 would reduce the 27.4 ADTs per 1,000 square feet of commercial building space to 12.3 ADTs, and the application of a pass-through credit of 40% against industrial development in this same scenario would reduce the 4.3 ADTs per 1,000 square feet of industrial building space to 2.6 ADTs. Application of a pass-through credit of 75% against commercial development in Scenario 3 would reduce the 27.4 ADTs per 1,000 square feet of commercial building space to 6.8 ADTs, and the application of a pass-through credit of 55% against industrial development in this same scenario would reduce the 4.3 ADTs per 1,000 square feet of industrial building space to 1.9 ADTs.

**SUMMARY OF PASS-THROUGH TRIP ASSUMPTIONS PER
1,000 NON-RESIDENTIAL BUILDING SQUARE FEET**

Land Use Type	Unadjusted Daily Trip Rate	*Scenario 1*	*Scenario 2*	*Scenario 3*
		Daily Trip Rates with 35% Commercial & 25% Industrial Pass-Through Allowance	Daily Trip Rates with 55% Commercial & 40% Industrial Pass-Through Allowance	Daily Trip Rates with 75% Commercial & 55% Industrial Pass-Through Allowance
Commercial	27.4	17.8	12.3	6.8
Industrial	4.3	3.2	2.6	1.9

Each of the above referenced scenarios, and the detailed methodologies associated with each, is included as an attachment to this memorandum. Scenario 1 is included as Attachment A, Scenario 2 is included as Attachment B, and Scenario 3 is included as Attachment C.

II “Pass-Through” Trip Implementation

The table below summarizes the development impact fees resulting from the implementation of the varying pass-through assumptions referenced above.

**DEVELOPMENT IMPACT FEES PER RESIDENTIAL UNIT OR
1,000 NON-RESIDENTIAL BUILDING SQUARE FEET**

Land Use Type	Number of Units / Non-Res Bldg. SF	*Scenario 1*	*Scenario 2*	*Scenario 3*
		Facilities Costs per Unit / per Non-Res. 1,000 SF	Facilities Costs per Unit / per Non-Res. 1,000 SF	Facilities Costs per Unit / per Non-Res. 1,000 SF
Single Family Residential	3,359	\$8,233.07	\$9,831.31	\$12,207.73
Multi-Family Residential	2,692	\$5,673.85	\$6,775.28	\$8,413.00
Commercial Development	2,131,329	\$19,373.85	\$16,021.39	\$11,045.09
Industrial Development	862,855	\$3,474.01	\$3,329.12	\$3,100.38
Facilities Financed by DIF	NA	\$87,218,488	\$88,281,829	\$89,869,457

Please note, while the application of a pass-through credit does have the desirable result of reducing the development impact fee applicable to commercial and industrial development, it also shifts the burden to other land uses types resulting in increased development impact fees for single family and multi-family residential development.

If you have any questions upon review of the attached analysis, please feel free to call me at (949) 955-1500.

ATTACHMENT A

**PASO ROBLES, CALIFORNIA
TRANSPORTATION FACILITIES FEE CALCULATION**

SCENARIO 1

**35% ALLOWANCE FOR PASS-THROUGHS
ALLOCABLE TO COMMERCIAL DEVELOPMENT
&
25% ALLOWANCE FOR PASS-THROUGHS
ALLOCABLE TO INDUSTRIAL DEVELOPMENT**

DEVELOPMENT IMPACT FEE PROGRAM
CITY OF PASO ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facility Costs	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
A. TRANSPORTATION FACILITIES						
CITY-WIDE FACILITIES						
1 Highway 101/46East-Dual Left- 17th Street Ramps	\$16,139,000	\$0	\$16,139,000	32.33%	\$5,216,934	Circulation Element
2 Union Road - Highway 46E Interchange	\$30,000,000	\$0	\$30,000,000	32.33%	\$9,697,504	Circulation Element
3 Connection Road 46E to Airport Road, bridge over Huer Huero Road	\$25,005,917	\$0	\$25,005,917	32.33%	\$8,083,166	Circulation Element
4 Airport Road - Dry Creek Road Roundabout	\$2,976,962	\$0	\$2,976,962	32.33%	\$962,303	Circulation Element
5 Dry Creek Road - Airport Road to Aerotech Center Way	\$7,728,241	\$0	\$7,728,241	32.33%	\$2,498,155	Circulation Element
6 Huer Huero Bridge Dry Creek Road to Golden Hill Road	\$18,411,076	\$0	\$18,411,076	32.33%	\$5,951,383	Circulation Element
7 Connection Road - Mill Road to Union Road	\$2,812,872	\$0	\$2,812,872	32.33%	\$909,261	Updated SOI
8 River Oaks Drive - N. River Road	\$1,055,145	\$0	\$1,055,145	32.33%	\$341,076	Circulation Element
9 Buena Vista Drive - Cuesta College Frontage	\$1,316,341	\$0	\$1,316,341	32.33%	\$425,507	Circulation Element
10 Buena Vista Drive - Highway 46E	\$1,322,951	\$0	\$1,322,951	32.33%	\$427,644	Circulation Element
11 Creston Road - River Road to Rolling Hills Road	\$16,271,218	\$0	\$16,271,218	32.33%	\$5,259,673	Circulation Element
12 Creston Road - Lana Street	\$2,470,559	\$0	\$2,470,559	32.33%	\$798,609	Circulation Element
13 Creston Road - Niblick Road to Scott Street	\$5,704,224	\$0	\$5,704,224	32.33%	\$1,843,891	Circulation Element
14 Creston Road - Scott Street Roundabout	\$3,069,462	\$0	\$3,069,462	32.33%	\$992,204	Circulation Element
15 Creston Road - Meadowlark Road	\$3,675,194	\$0	\$3,675,194	32.33%	\$1,188,007	Circulation Element
16 Charolais Road - S. River Road Roundabout	\$6,223,415	\$0	\$6,223,415	32.33%	\$2,011,720	Circulation Element
17 Union Road - Kleck Road to Golden Hill Road	\$9,875,660	\$0	\$9,875,660	32.33%	\$3,192,308	Circulation Element
18 Union Road - Golden Hill Road Roundabout	\$6,502,163	\$0	\$6,502,163	32.33%	\$2,101,825	Circulation Element
19 Union Road - Golden Hill Road to East City Limits	\$5,239,735	\$0	\$5,239,735	32.33%	\$1,693,745	Circulation Element
20 Spring Street - 1st to 36th Streets	\$9,909,580	\$0	\$9,909,580	32.33%	\$3,203,273	Town Centre-Uptown Plan
21 Spring Street Traffic Signal Coordination	\$253,008	\$0	\$253,008	32.33%	\$81,785	Circulation Element
22 Vine Street - 32nd to 36th Streets	\$527,443	\$0	\$527,443	32.33%	\$170,496	Uptown Plan
23 24th Street - Mountain Springs Road	\$135,958	\$0	\$135,958	32.33%	\$43,948	Council Objective
24 Riverside Ave - 4th Street to Black Oak Drive	\$7,219,661	\$0	\$7,219,661	32.33%	\$2,333,756	Town Centre-Uptown Plan
25 Railroad Street - 10th Street to 14th Street	\$2,340,988	\$0	\$2,340,988	32.33%	\$756,725	Town Centre Plan
26 4th Street - Pine Street to Riverside - 101 Ramps	\$16,325,665	\$0	\$16,325,665	32.33%	\$5,277,273	Circulation Element
27 Paso Robles Street Off-Ramp	\$4,835,961	\$0	\$4,835,961	32.33%	\$1,563,225	Circulation Element
28 Paso Robles Street	\$302,921	\$0	\$302,921	32.33%	\$97,919	Town Centre Plan
29 <i>Highway 101/46W Interchange (City's Allocation) *</i>	\$23,816,000	\$0	\$23,816,000	32.33%	\$7,698,525	Circulation Element
30 Theatre Drive to South City Limits	\$2,050,400	\$0	\$2,050,400	32.33%	\$662,792	Circulation Element
31 Bike Master Plan Facilities	\$16,973,000	\$0	\$16,973,000	32.33%	\$5,486,525	Circulation Element
SPECIFIC PLAN FACILITIES						
32 <i>Airport Road - Union Road to Linne Road *</i>	\$14,543,974	\$0	\$14,543,974	30.00%	\$4,363,192	Circulation Element
33 <i>Chandler East - West Road *</i>	\$3,841,372	\$0	\$3,841,372	10.00%	\$384,137	Circulation Element
34 <i>Airport Road - Meadowlark Road to Creston Road</i>	\$5,000,000	\$0	\$5,000,000	30.00%	\$1,500,000	Circulation Element
35 Transportation Facilities Revenues Not Yet Committed	NA	\$ (1,559,485)	(\$1,559,485)	0.00%	\$0	NA
TOTAL - TRANSPORTATION FACILITIES	\$273,876,066	(\$1,559,485)	\$272,316,581	32.03%	\$87,218,488	

City of Paso Robles Transportation Facilities Fee Calculation

I. Existing Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Number of Units / Non-Res. SF	Total Daily Trips
Single Family Residential	7.56	6,549	49,510
Multi Family Residential	5.21	4,421	23,033
Commercial	17.79	4,845,671	86,204
Industrial	3.19	2,797,085	8,923
Total Existing Daily Trips			167,671

II. Projected Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Number of Units / Non-Res. SF	Total Daily Trips
Single Family Residential	7.56	3,359	25,394
Multi Family Residential	5.21	2,692	14,025
Commercial	17.79	2,131,329	37,916
Industrial	3.19	862,855	2,753
Total Projected Daily Trips			80,088

III. Proposed Transportation Facilities Costs

Facilities Type	Facilities Costs
City-Wide Transportation Facilities Costs	\$250,490,720
Offsetting Revenues	(\$1,559,485)
Net City-Wide Transportation Facilities Costs	\$248,931,235
Plus: Specific Plan Facilities	\$23,385,346
Total Transportation Facilities Costs	\$272,316,581

IV. Allocation of City-Wide Transportation Facilities Costs (based on Daily Trips)

Development Description	Total Daily Trips	Percentage of Costs Allocated	Facilities Costs
Existing Development	167,671	67.67%	\$169,519,561
New Development	80,088	32.33%	\$80,971,159
Total City-Wide Transportation Facilities Costs	247,759	100.00%	\$250,490,720

City of Paso Robles Transportation Facilities Fee Calculation

V. Allocation of Specific Plan Facilities Costs (Further Discussion & Analysis Required)

Development Description	Percentage of Costs Allocated	Facilities Costs
Specific Plan Development	73.29%	\$17,138,017
New Development (Outside of Specific Plan)	26.71%	\$6,247,329
Total Specific Plan Facilities Costs	100.00%	\$23,385,346

VI. Allocation of Transportation Facilities Costs to New Development (based on Projected Daily Trips)

Facility Type	Projected Daily Trips	Facilities Costs Allocated to New Development	Facilities Cost Per Daily Trip
Transportation Facilities Costs	80,088	\$87,218,488	\$1,089.03
Transportation Facilities Costs Summary	80,088		\$1,089.03

VII. Development Impact Fee per Residential Unit / per 1,000 Non-Residential Bldg. SF

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Transportation Facilities Cost per Unit / per Non-Res. 1,000 SF	Transportation Facilities Costs Financed by DIF
Single Family Residential	7.56	\$8,233.07	\$27,654,879
Multi Family Residential	5.21	\$5,673.85	\$15,273,999
Commercial	17.79	\$19,373.85	\$41,292,047
Industrial	3.19	\$3,474.01	\$2,997,564
Gross Allocation to New Development			\$87,218,488
Gross Allocation to Existing Development			\$186,657,578
Total Transportation Facilities Costs			\$273,876,066
Offsetting Revenues to Existing Development			(\$1,559,485)
Net Transportation Facilities Costs			\$272,316,581

Notes:

[1] Based on daily trip rates extrapolated from the Fehr & Peers Traffic Demand Forecast Model incorporated in the 2011 Circulation Element.

[2] Assumes allowance for diverted trips or pass-throughs; 35% for Commercial and 25% for Industrial. Subject to approval from Public Works Department.

ATTACHMENT B

**PASO ROBLES, CALIFORNIA
TRANSPORTATION FACILITIES FEE CALCULATION**

SCENARIO 2

**55% ALLOWANCE FOR PASS-THROUGHS
ALLOCABLE TO COMMERCIAL DEVELOPMENT
&
40% ALLOWANCE FOR PASS-THROUGHS
ALLOCABLE TO INDUSTRIAL DEVELOPMENT**

DEVELOPMENT IMPACT FEE PROGRAM
CITY OF PASO ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facility Costs	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
A. TRANSPORTATION FACILITIES						
CITY-WIDE FACILITIES						
1 Highway 101/46East-Dual Left- 17th Street Ramps	\$16,139,000	\$0	\$16,139,000	32.75%	\$5,285,444	Circulation Element
2 Union Road - Highway 46E Interchange	\$30,000,000	\$0	\$30,000,000	32.75%	\$9,824,855	Circulation Element
3 Connection Road 46E to Airport Road, bridge over Huer Huero Road	\$25,005,917	\$0	\$25,005,917	32.75%	\$8,189,317	Circulation Element
4 Airport Road - Dry Creek Road Roundabout	\$2,976,962	\$0	\$2,976,962	32.75%	\$974,941	Circulation Element
5 Dry Creek Road - Airport Road to Aerotech Center Way	\$7,728,241	\$0	\$7,728,241	32.75%	\$2,530,962	Circulation Element
6 Huer Huero Bridge Dry Creek Road to Golden Hill Road	\$18,411,076	\$0	\$18,411,076	32.75%	\$6,029,538	Circulation Element
7 Connection Road - Mill Road to Union Road	\$2,812,872	\$0	\$2,812,872	32.75%	\$921,202	Updated SOI
8 River Oaks Drive - N. River Road	\$1,055,145	\$0	\$1,055,145	32.75%	\$345,555	Circulation Element
9 Buena Vista Drive - Cuesta College Frontage	\$1,316,341	\$0	\$1,316,341	32.75%	\$431,095	Circulation Element
10 Buena Vista Drive - Highway 46E	\$1,322,951	\$0	\$1,322,951	32.75%	\$433,260	Circulation Element
11 Creston Road - River Road to Rolling Hills Road	\$16,271,218	\$0	\$16,271,218	32.75%	\$5,328,745	Circulation Element
12 Creston Road - Lana Street	\$2,470,559	\$0	\$2,470,559	32.75%	\$809,096	Circulation Element
13 Creston Road - Niblick Road to Scott Street	\$5,704,224	\$0	\$5,704,224	32.75%	\$1,868,106	Circulation Element
14 Creston Road - Scott Street Roundabout	\$3,069,462	\$0	\$3,069,462	32.75%	\$1,005,234	Circulation Element
15 Creston Road - Meadowlark Road	\$3,675,194	\$0	\$3,675,194	32.75%	\$1,203,608	Circulation Element
16 Charolais Road - S. River Road Roundabout	\$6,223,415	\$0	\$6,223,415	32.75%	\$2,038,138	Circulation Element
17 Union Road - Kleck Road to Golden Hill Road	\$9,875,660	\$0	\$9,875,660	32.75%	\$3,234,231	Circulation Element
18 Union Road - Golden Hill Road Roundabout	\$6,502,163	\$0	\$6,502,163	32.75%	\$2,129,427	Circulation Element
19 Union Road - Golden Hill Road to East City Limits	\$5,239,735	\$0	\$5,239,735	32.75%	\$1,715,988	Circulation Element
20 Spring Street - 1st to 36th Streets	\$9,909,580	\$0	\$9,909,580	32.75%	\$3,245,340	Town Centre-Uptown Plan
21 Spring Street Traffic Signal Coordination	\$253,008	\$0	\$253,008	32.75%	\$82,859	Circulation Element
22 Vine Street - 32nd to 36th Streets	\$527,443	\$0	\$527,443	32.75%	\$172,735	Uptown Plan
23 24th Street - Mountain Springs Road	\$135,958	\$0	\$135,958	32.75%	\$44,526	Council Objective
24 Riverside Ave - 4th Street to Black Oak Drive	\$7,219,661	\$0	\$7,219,661	32.75%	\$2,364,404	Town Centre-Uptown Plan
25 Railroad Street - 10th Street to 14th Street	\$2,340,988	\$0	\$2,340,988	32.75%	\$766,662	Town Centre Plan
26 4th Street - Pine Street to Riverside - 101 Ramps	\$16,325,665	\$0	\$16,325,665	32.75%	\$5,346,576	Circulation Element
27 Paso Robles Street Off-Ramp	\$4,835,961	\$0	\$4,835,961	32.75%	\$1,583,754	Circulation Element
28 Paso Robles Street	\$302,921	\$0	\$302,921	32.75%	\$99,205	Town Centre Plan
29 <i>Highway 101/46W Interchange (City's Allocation) *</i>	\$23,816,000	\$0	\$23,816,000	32.75%	\$7,799,625	Circulation Element
30 Theatre Drive to South City Limits	\$2,050,400	\$0	\$2,050,400	32.75%	\$671,496	Circulation Element
31 Bike Master Plan Facilities	\$16,973,000	\$0	\$16,973,000	32.75%	\$5,558,575	Circulation Element
SPECIFIC PLAN FACILITIES						
32 <i>Airport Road - Union Road to Linne Road *</i>	\$14,543,974	\$0	\$14,543,974	30.00%	\$4,363,192	Circulation Element
33 <i>Chandler East - West Road *</i>	\$3,841,372	\$0	\$3,841,372	10.00%	\$384,137	Circulation Element
34 <i>Airport Road - Meadowlark Road to Creston Road</i>	\$5,000,000	\$0	\$5,000,000	30.00%	\$1,500,000	Circulation Element
35 Transportation Facilities Revenues Not Yet Committed	NA	\$ (1,559,485)	(\$1,559,485)	0.00%	\$0	NA
TOTAL - TRANSPORTATION FACILITIES	\$273,876,066	(\$1,559,485)	\$272,316,581	32.42%	\$88,281,829	

City of Paso Robles Transportation Facilities Fee Calculation

I. Existing Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Number of Units / Non-Res. SF	Total Daily Trips
Single Family Residential	7.56	6,549	49,510
Multi Family Residential	5.21	4,421	23,033
Commercial	12.32	4,845,671	59,699
Industrial	2.56	2,797,085	7,161
Total Existing Daily Trips			139,403

II. Projected Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Number of Units / Non-Res. SF	Total Daily Trips
Single Family Residential	7.56	3,359	25,394
Multi Family Residential	5.21	2,692	14,025
Commercial	12.32	2,131,329	26,258
Industrial	2.56	862,855	2,209
Total Projected Daily Trips			67,886

III. Proposed Transportation Facilities Costs

Facilities Type	Facilities Costs
City-Wide Transportation Facilities Costs	\$250,490,720
Offsetting Revenues	(\$1,559,485)
Net City-Wide Transportation Facilities Costs	\$248,931,235
Plus: Specific Plan Facilities	\$23,385,346
Total Transportation Facilities Costs	\$272,316,581

IV. Allocation of City-Wide Transportation Facilities Costs (based on Daily Trips)

Development Description	Total Daily Trips	Percentage of Costs Allocated	Facilities Costs
Existing Development	139,403	67.25%	\$168,456,221
New Development	67,886	32.75%	\$82,034,499
Total City-Wide Transportation Facilities Costs	207,289	100.00%	\$250,490,720

City of Paso Robles

Transportation Facilities Fee Calculation

V. Allocation of Specific Plan Facilities Costs (Further Discussion & Analysis Required)

Development Description	Percentage of Costs Allocated	Facilities Costs
Specific Plan Development	73.29%	\$17,138,017
New Development (Outside of Specific Plan)	26.71%	\$6,247,329
Total Specific Plan Facilities Costs	100.00%	\$23,385,346

VI. Allocation of Transportation Facilities Costs to New Development (based on Projected Daily Trips)

Facility Type	Projected Daily Trips	Facilities Costs Allocated to New Development	Facilities Cost Per Daily Trip
Transportation Facilities Costs	67,886	\$88,281,829	\$1,300.44
Transportation Facilities Costs Summary	67,886		\$1,300.44

VII. Development Impact Fee per Residential Unit / per 1,000 Non-Residential Bldg. SF

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Transportation Facilities Cost per Unit / per Non-Res. 1,000 SF	Transportation Facilities Costs Financed by DIF
Single Family Residential	7.56	\$9,831.31	\$33,023,367
Multi Family Residential	5.21	\$6,775.28	\$18,239,055
Commercial	12.32	\$16,021.39	\$34,146,858
Industrial	2.56	\$3,329.12	\$2,872,548
Gross Allocation to New Development			\$88,281,829
Gross Allocation to Existing Development			\$185,594,237
Total Transportation Facilities Costs			\$273,876,066
Offsetting Revenues to Existing Development			(\$1,559,485)
Net Transportation Facilities Costs			\$272,316,581

Notes:

[1] Based on daily trip rates extrapolated from the Fehr & Peers Traffic Demand Forecast Model incorporated in the 2011 Circulation Element.

[2] Assumes allowance for diverted trips or pass-throughs; 55% for Commercial and 40% for Industrial. Subject to approval from Public Works Department.

ATTACHMENT C

**PASO ROBLES, CALIFORNIA
TRANSPORTATION FACILITIES FEE CALCULATION**

SCENARIO 3

**75% ALLOWANCE FOR PASS-THROUGHS
ALLOCABLE TO COMMERCIAL DEVELOPMENT
&
55% ALLOWANCE FOR PASS-THROUGHS
ALLOCABLE TO INDUSTRIAL DEVELOPMENT**

DEVELOPMENT IMPACT FEE PROGRAM
CITY OF PASO ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facility Costs	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
A. TRANSPORTATION FACILITIES						
CITY-WIDE FACILITIES						
1 Highway 101/46East-Dual Left- 17th Street Ramps	\$16,139,000	\$0	\$16,139,000	33.38%	\$5,387,735	Circulation Element
2 Union Road - Highway 46E Interchange	\$30,000,000	\$0	\$30,000,000	33.38%	\$10,014,997	Circulation Element
3 Connection Road 46E to Airport Road, bridge over Huer Huero Road	\$25,005,917	\$0	\$25,005,917	33.38%	\$8,347,806	Circulation Element
4 Airport Road - Dry Creek Road Roundabout	\$2,976,962	\$0	\$2,976,962	33.38%	\$993,809	Circulation Element
5 Dry Creek Road - Airport Road to Aerotech Center Way	\$7,728,241	\$0	\$7,728,241	33.38%	\$2,579,944	Circulation Element
6 Huer Huero Bridge Dry Creek Road to Golden Hill Road	\$18,411,076	\$0	\$18,411,076	33.38%	\$6,146,229	Circulation Element
7 Connection Road - Mill Road to Union Road	\$2,812,872	\$0	\$2,812,872	33.38%	\$939,030	Updated SOI
8 River Oaks Drive - N. River Road	\$1,055,145	\$0	\$1,055,145	33.38%	\$352,242	Circulation Element
9 Buena Vista Drive - Cuesta College Frontage	\$1,316,341	\$0	\$1,316,341	33.38%	\$439,438	Circulation Element
10 Buena Vista Drive - Highway 46E	\$1,322,951	\$0	\$1,322,951	33.38%	\$441,645	Circulation Element
11 Creston Road - River Road to Rolling Hills Road	\$16,271,218	\$0	\$16,271,218	33.38%	\$5,431,873	Circulation Element
12 Creston Road - Lana Street	\$2,470,559	\$0	\$2,470,559	33.38%	\$824,755	Circulation Element
13 Creston Road - Niblick Road to Scott Street	\$5,704,224	\$0	\$5,704,224	33.38%	\$1,904,260	Circulation Element
14 Creston Road - Scott Street Roundabout	\$3,069,462	\$0	\$3,069,462	33.38%	\$1,024,688	Circulation Element
15 Creston Road - Meadowlark Road	\$3,675,194	\$0	\$3,675,194	33.38%	\$1,226,902	Circulation Element
16 Charolais Road - S. River Road Roundabout	\$6,223,415	\$0	\$6,223,415	33.38%	\$2,077,583	Circulation Element
17 Union Road - Kleck Road to Golden Hill Road	\$9,875,660	\$0	\$9,875,660	33.38%	\$3,296,824	Circulation Element
18 Union Road - Golden Hill Road Roundabout	\$6,502,163	\$0	\$6,502,163	33.38%	\$2,170,638	Circulation Element
19 Union Road - Golden Hill Road to East City Limits	\$5,239,735	\$0	\$5,239,735	33.38%	\$1,749,198	Circulation Element
20 Spring Street - 1st to 36th Streets	\$9,909,580	\$0	\$9,909,580	33.38%	\$3,308,147	Town Centre-Uptown Plan
21 Spring Street Traffic Signal Coordination	\$253,008	\$0	\$253,008	33.38%	\$84,462	Circulation Element
22 Vine Street - 32nd to 36th Streets	\$527,443	\$0	\$527,443	33.38%	\$176,078	Uptown Plan
23 24th Street - Mountain Springs Road	\$135,958	\$0	\$135,958	33.38%	\$45,387	Council Objective
24 Riverside Ave - 4th Street to Black Oak Drive	\$7,219,661	\$0	\$7,219,661	33.38%	\$2,410,163	Town Centre-Uptown Plan
25 Railroad Street - 10th Street to 14th Street	\$2,340,988	\$0	\$2,340,988	33.38%	\$781,500	Town Centre Plan
26 4th Street - Pine Street to Riverside - 101 Ramps	\$16,325,665	\$0	\$16,325,665	33.38%	\$5,450,050	Circulation Element
27 Paso Robles Street Off-Ramp	\$4,835,961	\$0	\$4,835,961	33.38%	\$1,614,405	Circulation Element
28 Paso Robles Street	\$302,921	\$0	\$302,921	33.38%	\$101,125	Town Centre Plan
29 <i>Highway 101/46W Interchange (City's Allocation) *</i>	\$23,816,000	\$0	\$23,816,000	33.38%	\$7,950,572	Circulation Element
30 Theatre Drive to South City Limits	\$2,050,400	\$0	\$2,050,400	33.38%	\$684,492	Circulation Element
31 Bike Master Plan Facilities	\$16,973,000	\$0	\$16,973,000	33.38%	\$5,666,152	Circulation Element
SPECIFIC PLAN FACILITIES						
32 <i>Airport Road - Union Road to Linne Road *</i>	\$14,543,974	\$0	\$14,543,974	30.00%	\$4,363,192	Circulation Element
33 <i>Chandler East - West Road *</i>	\$3,841,372	\$0	\$3,841,372	10.00%	\$384,137	Circulation Element
34 <i>Airport Road - Meadowlark Road to Creston Road</i>	\$5,000,000	\$0	\$5,000,000	30.00%	\$1,500,000	Circulation Element
35 Transportation Facilities Revenues Not Yet Committed	NA	\$ (1,559,485)	(\$1,559,485)	0.00%	\$0	NA
TOTAL - TRANSPORTATION FACILITIES	\$273,876,066	(\$1,559,485)	\$272,316,581	33.00%	\$89,869,457	

City of Paso Robles Transportation Facilities Fee Calculation

I. Existing Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Number of Units / Non-Res. SF	Total Daily Trips
Single Family Residential	7.56	6,549	49,510
Multi Family Residential	5.21	4,421	23,033
Commercial	6.84	4,845,671	33,144
Industrial	1.92	2,797,085	5,370
Total Existing Daily Trips			111,059

II. Projected Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Number of Units / Non-Res. SF	Total Daily Trips
Single Family Residential	7.56	3,359	25,394
Multi Family Residential	5.21	2,692	14,025
Commercial	6.84	2,131,329	14,578
Industrial	1.92	862,855	1,657
Total Projected Daily Trips			55,654

III. Proposed Transportation Facilities Costs

Facilities Type	Facilities Costs
City-Wide Transportation Facilities Costs	\$250,490,720
Offsetting Revenues	(\$1,559,485)
Net City-Wide Transportation Facilities Costs	\$248,931,235
Plus: Specific Plan Facilities	\$23,385,346
Total Transportation Facilities Costs	\$272,316,581

IV. Allocation of City-Wide Transportation Facilities Costs (based on Daily Trips)

Development Description	Total Daily Trips	Percentage of Costs Allocated	Facilities Costs
Existing Development	111,059	66.62%	\$166,868,592
New Development	55,654	33.38%	\$83,622,128
Total City-Wide Transportation Facilities Costs	166,713	100.00%	\$250,490,720

City of Paso Robles Transportation Facilities Fee Calculation

V. Allocation of Specific Plan Facilities Costs (Further Discussion & Analysis Required)

Development Description	Percentage of Costs Allocated	Facilities Costs
Specific Plan Development	73.29%	\$17,138,017
New Development (Outside of Specific Plan)	26.71%	\$6,247,329
Total Specific Plan Facilities Costs	100.00%	\$23,385,346

VI. Allocation of Transportation Facilities Costs to New Development (based on Projected Daily Trips)

Facility Type	Projected Daily Trips	Facilities Costs Allocated to New Development	Facilities Cost Per Daily Trip
Transportation Facilities Costs	55,654	\$89,869,457	\$1,614.78
Transportation Facilities Costs Summary	55,654		\$1,614.78

VII. Development Impact Fee per Residential Unit / per 1,000 Non-Residential Bldg. SF

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (pass-throughs deducted)	Transportation Facilities Cost per Unit / per Non-Res. 1,000 SF	Transportation Facilities Costs Financed by DIF
Single Family Residential	7.56	\$12,207.73	\$41,005,767
Multi Family Residential	5.21	\$8,413.00	\$22,647,795
Commercial	6.84	\$11,045.09	\$23,540,720
Industrial	1.92	\$3,100.38	\$2,675,175
Gross Allocation to New Development			\$89,869,457
Gross Allocation to Existing Development			\$184,006,609
Total Transportation Facilities Costs			\$273,876,066
Offsetting Revenues to Existing Development			(\$1,559,485)
Net Transportation Facilities Costs			\$272,316,581

Notes:

[1] Based on daily trip rates extrapolated from the Fehr & Peers Traffic Demand Forecast Model incorporated in the 2011 Circulation Element.

[2] Assumes allowance for diverted trips or pass-throughs; 75% for Commercial and 55% for Industrial. Subject to approval from Public Works Department.

MEMORANDUM

October 1, 2012

To: John Falkenstein, City of Paso Robles

From: David Taussig, David Taussig & Associates, Inc.

Subject: **STRATEGY TO EQUITABLY ALLOCATE DEVELOPMENT IMPACT FEES BETWEEN RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT**

I Introduction

David Taussig & Associates, Inc. ("DTA") has been asked to assist the City of Paso Robles (the "City") in the formulation of a strategy to equitably apportion Transportation Development Impact Fees ("DIFs") between future residential and non-residential development within the City. The methodology utilized in this strategy involves a comparison of the relative annual fiscal contributions made to the City General Fund by residential and non-residential development, followed by a proportionate reduction in the Transportation DIFs for those land uses that generate a fiscal surplus to the General Fund. These fiscal surpluses can then be utilized to backfill any loss of revenues resulting from this reduction in Transportation DIF funding. However, as the loss of General Fund funding surpluses to backfill the reduced Transportation DIFs might make it difficult for the City to continue providing its existing levels of public services, DTA was also asked to propose alternative funding sources that might compensate the City for this loss of these fiscal surpluses.

II Development Impact Fee Reduction Analysis

Methodology

In preparing the City's Transportation DIF Program as part of a previous engagement, DTA bifurcated the City's existing and future non-residential development into two separate land use categories; Commercial and Industrial Development. For purposes of analyzing the annual fiscal impacts of these two types of development, DTA utilized the City's most recent Fiscal Impact Analysis ("FIA"), which was prepared by DTA in 2004. As the non-residential revenues and costs listed in the FIA were separated into a series of seven land use categories, the revenues for the Industrial and Business Park categories in the FIA were combined into one "Industrial Development" land use category, while Neighborhood

Commercial, Office Professional, Community Commercial, Regional Commercial and Commercial Services were combined into one "Commercial Development" category.

The annual revenues generated within the FIA for each 1,000 building square feet of Commercial Development, as well as for each 1,000 square feet of Industrial Development, were then compared with the annual cost to the City General Fund of providing public services to each of these types of development. The result of these analyses were projections of the surplus revenue streams generated annually on behalf of the City General Fund from each of these two development types. By establishing the net present values (using a 3% discount rate) of these revenue streams over a 13 year period after building permit issuance (which mimics the 13 year period from 2012 - 2025 utilized in the City's most recent draft DIF Justification Study), DTA was able to determine in 2012 dollars the surplus contribution of 1,000 building square feet of Commercial Development and Industrial Development to the City's General Fund. As the City could theoretically utilize these surplus General Fund revenues to fund transportation improvements on the City's current Transportation DIF Needs List, a reduction in the Commercial and Industrial Development DIFs to compensate for the surplus revenues generated by these two non-residential land use types can be justified.

Analysis

Table 1, below, summarizes the findings for this preliminary analysis. As noted in the table, 1,000 building square feet of Commercial Development generates a surplus of \$2,721 to the City General Fund on an annual basis. Similarly, 1,000 building square feet of Industrial Development generates a surplus of \$383 to the City General Fund each year.

TABLE 1
ANNUAL COMMERCIAL & INDUSTRIAL DEVELOPMENT FISCAL SURPLUS

		COMMERCIAL BUILD-OUT	INDUSTRIAL BUILT-OUT	TOTAL BUILD-OUT
FISCAL YEAR	(\$s x1,000)	2025	2025	2025
ONGOING REVENUES				
TOTAL NON-RESIDENTIAL REVENUES		\$9,321.9	\$736.3	\$10,058.2
ONGOING COSTS				
TOTAL NON-RESIDENTIAL COSTS		\$1,206.1	\$145.6	\$1,351.7
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT)		\$8,115.8	\$590.6	\$8,706.4
<i>ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT) PER 1,000 SQ. FT.</i>		<i>\$2.721</i>	<i>\$0.383</i>	<i>\$1.92</i>

Source: City of Paso Robles, Fiscal Impact Report, DTA (2004).

Utilizing these fiscal surpluses and assuming that they are being generated over the thirteen year period during which the City's DIF Transportation Needs List improvements are to be constructed, a net present value equivalent can be calculated for the surplus cashflows anticipated to be generated by 1,000 building square feet of Commercial Development and by 1,000 building square feet of Industrial Development. The net present value figures listed in Table 2 below assume a 3% discount rate over the 13 year period following building permit issuance. Assuming that these surplus amounts could be deducted from current City Transportation DIF fee levels of \$13,161.64 for 1,000 building square feet of Commercial Development and \$8,774.43 for 1,000 building square feet of Industrial Development, the Transportation DIF fees for these types of development could be reduced by 220% and 46%, respectively. These reduction percentages are reflected in Table 2 and Attachment A-1.

TABLE 2
JUSTIFIABLE REDUCTION IN COMMERCIAL DEVELOPMENT FEE AND
INDUSTRIAL DEVELOPMENT FEE

Commercial	
Net Present Value of Commercial Development Fiscal Surplus	\$28,938 [1]
Justifiable Reduction (%) = Justifiable Reduction/Current Commercial Fee of \$13,161.64	219.86%
Industrial	
Net Present Value of Industrial Development Fiscal Surplus	\$4,073 [2]
Justifiable Reduction (%) = Justifiable Reduction/Current Industrial Fee of \$8,774.43	46.42%
<small>1. Reflects NPV in 2012 \$ of surplus Commercial Development fiscal revenues accruing over 13 years period (2012-2025)</small>	
<small>2. Reflects NPV in 2012 \$ of surplus Industrial Development fiscal revenues accruing over 13 years period (2012-2025)</small>	

While relatively large reductions in Commercial Development Transportation DIFs can theoretically be justified, there is a reasonable concern that the damage to the General Fund inflicted by the transfer of too much in annual revenues to build improvements from the City's Transportation DIF Needs List be severe, and the City would be hard pressed to supply the levels of public services that it currently provides. At the same time, however, the City has a wish to reduce non-residential Transportation DIFs, at least temporarily, to promote Commercial and Industrial Development within its jurisdiction. As such, DTA selected a mid-range reduction levels, including a 50% reduction rate for Commercial Development Transportation DIFs, and a 40% reduction rate for Industrial Development Transportation DIFs.

The resulting fees decreased fees are listed in Table 3, below:

TABLE 3
HYPOTHETICAL REDUCED TRANSPORTATION DEVELOPMENT IMPACT FEES

	Commercial Development	Industrial Development
Current Transportation DIF	\$13,161.64	\$8,774.43
Reduction Percentage	50%	40%
Reduced Transportation DIF	\$6,581	\$5,265

Table 3 highlights one example of a justifiable reduction in Transportation DIFs that could be implemented by the City for non-residential development. When selecting an appropriate reduction level, the City must balance the loss of Transportation DIF revenues with the subsequent decrease in the City's General Fund if it is utilized to backfill the loss in DIFs and assure the construction of all of the City's Transportation DIF Needs List. One method of alleviating this concern would involve the implementation of a special financing district on all future Commercial and Industrial Development to replenish the City General Fund and/or backfill the loss of Transportation DIFs resulting from a fee reduction. The attributes of this type of special financing district is further discussed in Section III, below.

III Addition of Special Financing District to Replace Loss of Transportation DIF Revenues

Methodology

To alleviate concerns regarding the decrease in Transportation DIF revenues or the City's General Fund revenues, the City might consider the establishment of a Community Facilities District ("CFD") that would apply to all future Commercial and Industrial Development within the City. As CFD special taxes could be collected annually over a period of years, as opposed to all being collected upfront at building permit as is the case for a Transportation DIF payment, Commercial and Industrial developers may prefer the CFD special tax as the lesser of two evils. In fact, an annual CFD special tax combined with a smaller Transportation DIF upfront might be preferable to one much larger upfront Transportation DIF. This is particularly true should the non-residential real estate market strengthen within the City, as smaller and mid-sized commercial and industrial tenants have been known to pay their landlord's CFD special taxes through a triple net lease, thereby obviating the need for some property owners to directly pay these special taxes.

Analysis

As an example, DTA has prepared a preliminary special tax analysis for a potential pay-as-you-go CFD under which future non-residential development would be

charged a special tax that could be utilized by the City to cover shortfalls in its transportation infrastructure budget caused by reduced non-residential Transportation DIFs. DTA utilized land use and demographic projections from the current draft Citywide DIF Update, and assumed a 50% reduction in Commercial Development Transportation DIFs and a 40% reduction in Industrial Development Transportation DIFs, as was illustrated in Table 3.

The CFD summarized in Table 4 assumes 13 years of projected Commercial and Industrial Development within the City, with each square foot of such future non-residential development paying CFD special taxes for a 13 years period. To generate funding equal to the loss of Transportation DIFs as listed in Table 4, each building square foot of new Commercial Development would pay \$0.41 per year, while each building square foot of new Industrial Development would pay \$0.33 per year, with both special tax levels escalating by 3% each year. This would fully reimburse the City for its \$1,143,873 in lost Transportation DIF revenues resulting from the DIF reductions discussed above. The one caveat is that since, according to the City, it would take 13 years for all the future Commercial and Industrial Development building permits to be issued, and since each new project would pay its special taxes over a period of 13 years, the CFD special tax revenues would not all be collected until 2038. However, the net present value analysis did contemplate a 3% discount rate, so that the City would be compensated for its patience through the collection of an additional 3% in special taxes per year. The calculations utilized to prepare Table 4 may be found in Attachment A-2.

Table 4
CFD Special Tax Rates on Future Commercial and Industrial Development in City to Compensate for Table 3 Reductions in Transportation DIF Fees

CFD Assumptions/ Conclusions	Units/ Quantities
Increase in Sq. Ft. through Target Year (2025)	
i. Commercial	1,955,798
ii. Industrial	1,043,742
Estimated Annual Special Tax per Sq. Ft.	
i. Commercial	\$0.41
ii. Industrial	\$0.33
Absorption Period (through 2025)	13 years
Estimated Annual CFD Special Taxes	\$1,143,873

IV Conclusions

The concepts discussed in this memo represent one method of justifying a reduced level of Transportation DIFs that could be applied to future Commercial and Industrial Development in order to encourage such development. While there is no State legal requirement that the maximum justifiable DIF be imposed on any specific land use type, the City has concerns that any such reduction be validated for political purposes through a supportable empirical analysis, and this memo provides such an analysis. The fact remains that residential development within the City, at least in 2004, did not provide sufficient revenues to pay for the police, fire and other services provided by the City General Fund, while non-residential development actually produced an annual fiscal surplus. The 50% and 40% reductions proposed herein for Commercial and Industrial Transportation DIFs, respectively, are provided only as examples of the levels of fee reductions that can be justified utilizing the methodology described in this memo. The City must evaluate the levels of reduction actually necessary to encourage these types of non-residential development, and only reduce its Transportation DIFs by those specific amounts to maintain as high a balance of these fees as possible and not put unnecessary pressure on the General Fund to backfill this funding.

One very important limitation must be recognized when evaluating the conclusions reached in this memo. In point of fact, all of the annual fiscal data utilized was drawn from a 2004 City-wide FIA that is eight years out of date. It is questionable whether the specific annual fiscal surplus projections arising from this analysis necessarily reflect the surplus amounts that would have been generated in 2012 or in future years. As such, **DTA recommends that the City update its City-wide FIA to reflect fiscal conditions in existence within the City today.** The analysis described above could then be undertaken a second time based on realistic current fiscal factors, and an updated set of Commercial and Industrial Development fiscal surpluses could hopefully be justified. The preparation of such an update was not part of the Scope of Work for this DTA engagement.

If you have any questions upon review of the attached analysis, please feel free to call me at (949) 955-1500.

[http://127.0.0.1/resources/Clients/Paso Robles/Non-Res. Strategy Memorandum2.docx](http://127.0.0.1/resources/Clients/Paso%20Robles/Non-Res.Strategy%20Memorandum2.docx)

EXHIBIT A-1

PASO ROBLES, CALIFORNIA

DEVELOPMENT IMPACT FEE REDUCTION JUSTIFICATION ANALYSIS

PASO ROBLES, CALIFORNIA
DEVELOPMENT IMPACT FEE REDUCTION JUSTIFICATION ANALYSIS

DEVELOPMENT IMPACT FEES ("DIFs")

I. Transportation Facilities Fee Calculation Assumptions [1]

A. Single-Family Dwelling ("SFD")	
Trip Generation Rate per Unit	10.00
B. Non-Residential	
Trip Generation Rate per 1,000 Square Feet Commercial	18.00
C. Non-Residential	
Trip Generation Rate per 1,000 Square Feet Industrial	12.00
D. Other Assumptions	
Cost per Average Daily Trip ("ADT")	\$731.20
Assumed City Reduction of Commercial Transportation DIFs	50%
Assumed City Reduction of Industrial Transportation DIFs	40%

FISCAL CONTRIBUTION

II. Fiscal Impact Assumptions [2]

A. Non-Residential	
Fiscal Surplus/(Deficit) per 1,000 Square Feet Commercial	\$2,721
B. Non-Residential	
Fiscal Surplus/(Deficit) per 1,000 Square Feet Industrial	\$383
C. Other Assumptions - Net Present Value ("NPV")	
Discount Rate	3%
Periods [3]	13

NET IMPACT CALCULATION

III. <u>Net Impact [3]</u>	Fiscal Impact Amount
A. Development Impact Fees	
1,000 Square Feet Commercial **Assuming 50% Reduction**	\$6,581
1,000 Square Feet Industrial **Assuming 40% Reduction**	\$5,265
B. Fiscal Impact Analysis - NPV	
Justifiable Levels of One-Time Reduction [4]	
Commercial	\$28,938
Justifiable Reduction (%) = Justifiable Reduction/Current Non-Reduced Non-Residential Fee (\$13,161.64)	219.86%
Industrial	\$4,073
Justifiable Reduction (%) = Justifiable Reduction/Current Non-Reduced Non-Residential Fee (\$8,774.43)	46.42%

NOTES:

- [1] Source: Draft Citywide DIF Update, Transportation Facilities Fee Calculation, City of Paso Robles, DTA (2012).
DIF calculation reflects facilities costs and demographic information through 2025.
Current Analysis assumes (i) one (1) SFD and (ii) 1,000 Commercial/Industrial Square Feet are equivalent land uses.
- [2] Source: City of Paso Robles, Fiscal Impact Report, DTA (2004).
It is understood that these estimates will need to be updated to reflect the current City fiscal conditions (2012) if they are ultimately to be applied to new formal City studies, but such an update is not part of this Scope of Work given scheduling concerns.
- [3] By taking the NPV of any surplus fiscal contributions made by non-residential development through 2025 (the time horizon of the Citywide DIF Update), DTA has provided the City with a justifiable level of reduction in the Transportation DIFs for non-residential development, with the understanding that despite a 50% reduction in its Transportation DIFs, the non-residential development will still be paying its "fair share" of City costs through the annual surplus fiscal contributions.
- [4] Reflects NPV of spread between residential (II.A.) and commercial/industrial (II.B. / II.C.) fiscal contributions through 2025 at a 3.0% discount rate.

* ***All figures subject to rounding***

EXHIBIT A-2

PASO ROBLES, CALIFORNIA

**CFD SPECIAL TAX RATES
ON PROJECT FUTURE COMMERCIAL AND INDUSTRIAL
DEVELOPMENT IN CITY OF PASO ROBLES TO COMPENSATE FOR
REDUCTIONS IN TRANSPORTATION DIF FEES**

FISCAL YEAR - COLLECTION OF SPECIAL TAXES CALENDAR YEAR	2012-13 2013	2013-14 2014	2014-15 2015	2015-16 2016	2016-17 2017	2017-18 2018	2018-19 2019
I. DEVELOPMENT IMPACT FEES							
CUMULATIVE COMMERCIAL SQUARE FEET	150,446	300,892	451,338	601,784	752,230	902,676	1,053,122
CUMULATIVE INDUSTRIAL SQUARE FEET	80,288	160,576	240,864	321,151	401,439	481,727	562,015
VALUE OF COMMERCIAL DIF REDUCTION	\$990,084	\$1,009,886	\$1,030,084	\$1,050,686	\$1,071,699	\$1,093,133	\$1,114,996
VALUE OF INDUSTRIAL DIF REDUCTION	\$422,715	\$431,169	\$439,793	\$448,589	\$457,561	\$466,712	\$476,046
TOTAL ANNUAL DIF REDUCTIONS	\$1,412,799	\$1,441,055	\$1,469,877	\$1,499,275	\$1,529,260	\$1,559,845	\$1,591,042
CUMULATIVE COMMERCIAL DIF REDUCTIONS (13 YEARS)	\$990,084	\$1,999,970	\$3,030,054	\$4,080,740	\$5,152,439	\$6,245,572	\$7,360,568
CUMULATIVE INDUSTRIAL DIF REDUCTIONS (13 YEARS)	\$422,715	\$853,884	\$1,293,677	\$1,742,266	\$2,199,827	\$2,666,539	\$3,142,585
CUMULATIVE TOTAL DIF REDUCTIONS (13 YEARS)	\$1,412,799	\$2,853,854	\$4,323,731	\$5,823,006	\$7,352,266	\$8,912,111	\$10,503,153
II. SPECIAL TAX REVENUES							
COMMERCIAL SPECIAL TAX REVENUES	\$0	\$61,663	\$127,026	\$196,256	\$269,524	\$347,012	\$428,907
CUMULATIVE COMMERCIAL SPECIAL TAX REVENUES	\$0	\$61,663	\$188,689	\$384,945	\$654,469	\$1,001,482	\$1,430,389
INDUSTRIAL SPECIAL TAX REVENUES	\$0	\$26,327	\$54,234	\$83,791	\$115,073	\$148,157	\$183,121
CUMULATIVE INDUSTRIAL SPECIAL TAX REVENUES	\$0	\$26,327	\$80,561	\$164,352	\$279,425	\$427,581	\$610,703
TOTAL ANNUAL SPECIAL TAX REVENUES	\$0	\$87,990	\$181,260	\$280,047	\$384,597	\$495,169	\$612,029
CUMULATIVE TOTAL SPECIAL TAX REVENUES	\$0	\$87,990	\$269,250	\$549,297	\$933,894	\$1,429,063	\$2,041,092
			<u>Tax Rate (PSF)</u>				
			\$0.41				
							<u>NPV</u>
							\$14,534,770
							\$6,205,600
							\$20,740,370

FISCAL YEAR - COLLECTION OF SPECIAL TAXES CALENDAR YEAR	2019-20 2020	2020-21 2021	2021-22 2022	2022-23 2023	2023-24 2024	2024-25 2025	2025-26 2026
I. DEVELOPMENT IMPACT FEES							
CUMULATIVE COMMERCIAL SQUARE FEET	1,203,568	1,354,014	1,504,460	1,654,906	1,805,352	1,955,798	1,955,798
CUMULATIVE INDUSTRIAL SQUARE FEET	642,303	722,591	802,879	883,167	963,454	1,043,742	1,043,742
VALUE OF COMMERCIAL DIF REDUCTION Per 1,000 SF	\$1,137,296	\$1,160,042	\$1,183,243	\$1,206,908	\$1,231,046	\$1,255,667	
VALUE OF INDUSTRIAL DIF REDUCTION Per 1,000 SF	\$485,567	\$495,278	\$505,184	\$515,288	\$525,593	\$536,105	
TOTAL ANNUAL DIF REDUCTIONS	\$1,622,863	\$1,655,320	\$1,688,427	\$1,722,196	\$1,756,639	\$1,791,772	
CUMULATIVE COMMERCIAL DIF REDUCTIONS (13 YEARS)	\$8,497,864	\$9,657,906	\$10,841,149	\$12,048,057	\$13,279,103	\$14,534,770	
CUMULATIVE INDUSTRIAL DIF REDUCTIONS (13 YEARS)	\$3,628,152	\$4,123,430	\$4,628,614	\$5,143,902	\$5,669,495	\$6,205,600	
CUMULATIVE TOTAL DIF REDUCTIONS (13 YEARS)	\$12,126,016	\$13,781,336	\$15,469,763	\$17,191,959	\$18,948,598	\$20,740,370	
II. SPECIAL TAX REVENUES							
COMMERCIAL SPECIAL TAX REVENUES	\$515,404	\$606,704	\$703,018	\$804,565	\$911,572	\$1,024,276	\$1,142,921
CUMULATIVE COMMERCIAL SPECIAL TAX REVENUES	\$1,945,793	\$2,552,497	\$3,255,515	\$4,060,080	\$4,971,652	\$5,995,928	\$7,138,849
INDUSTRIAL SPECIAL TAX REVENUES	\$220,051	\$259,031	\$300,153	\$343,508	\$389,195	\$437,313	\$487,969
CUMULATIVE INDUSTRIAL SPECIAL TAX REVENUES	\$830,754	\$1,089,785	\$1,389,938	\$1,733,446	\$2,122,640	\$2,559,953	\$3,047,922
TOTAL ANNUAL SPECIAL TAX REVENUES	\$735,455	\$865,735	\$1,003,171	\$1,148,073	\$1,300,767	\$1,461,589	\$1,630,890
CUMULATIVE TOTAL SPECIAL TAX REVENUES	\$2,776,547	\$3,642,282	\$4,645,453	\$5,793,526	\$7,094,293	\$8,555,882	\$10,186,771
			Tax Rate (PSF)				
			\$0.41				
							NPV
							\$14,534,770
							\$6,205,600
							\$20,740,370

FISCAL YEAR - COLLECTION OF SPECIAL TAXES CALENDAR YEAR	2026-27 2027	2027-28 2028	2028-29 2029	2029-30 2030	2030-31 2031	2031-32 2032	2032-33 2033
I. DEVELOPMENT IMPACT FEES							
CUMULATIVE COMMERCIAL SQUARE FEET	1,955,798	1,955,798	1,955,798	1,955,798	1,955,798	1,955,798	1,955,798
CUMULATIVE INDUSTRIAL SQUARE FEET	1,043,742	1,043,742	1,043,742	1,043,742	1,043,742	1,043,742	1,043,742
VALUE OF COMMERCIAL DIF REDUCTION Per 1,000 SF	<u>\$6,581</u>						
VALUE OF INDUSTRIAL DIF REDUCTION Per 1,000 SF	<u>\$5,265</u>						
TOTAL ANNUAL DIF REDUCTIONS							
CUMULATIVE COMMERCIAL DIF REDUCTIONS (13 YEARS)							
CUMULATIVE INDUSTRIAL DIF REDUCTIONS (13 YEARS)							
CUMULATIVE TOTAL DIF REDUCTIONS (13 YEARS)							
II. SPECIAL TAX REVENUES							
COMMERCIAL SPECIAL TAX REVENUES	\$1,177,209	\$1,212,525	\$1,248,901	\$1,286,368	\$1,324,959	\$1,364,708	\$1,405,649
CUMULATIVE COMMERCIAL SPECIAL TAX REVENUES	\$8,316,058	\$9,528,583	\$10,777,484	\$12,063,852	\$13,388,811	\$14,753,518	\$16,159,167
INDUSTRIAL SPECIAL TAX REVENUES	\$502,608	\$517,686	\$533,216	\$549,213	\$565,689	\$582,660	\$600,140
CUMULATIVE INDUSTRIAL SPECIAL TAX REVENUES	\$3,550,530	\$4,068,215	\$4,601,432	\$5,150,645	\$5,716,334	\$6,298,994	\$6,899,134
TOTAL ANNUAL SPECIAL TAX REVENUES	\$1,679,816	\$1,730,211	\$1,782,117	\$1,835,581	\$1,890,648	\$1,947,368	\$2,005,789
CUMULATIVE TOTAL SPECIAL TAX REVENUES	\$11,866,588	\$13,596,799	\$15,378,916	\$17,214,497	\$19,105,145	\$21,052,512	\$23,058,301
	Tax Rate (PSF)						
	\$0.41						
	NPV						
	<u>\$14,534,770</u>						
	<u>\$6,205,600</u>						
	<u>\$20,740,370</u>						

FISCAL YEAR - COLLECTION OF SPECIAL TAXES CALENDAR YEAR	2033-34 2034	2034-35 2035	2035-36 2036	2036-37 2037	2037-38 2038
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I. DEVELOPMENT IMPACT FEES

CUMULATIVE COMMERCIAL SQUARE FEET	1,955,798	1,955,798	1,955,798	1,955,798	1,955,798
CUMULATIVE INDUSTRIAL SQUARE FEET	1,043,742	1,043,742	1,043,742	1,043,742	1,043,742
VALUE OF COMMERCIAL DIF REDUCTION Per 1,000 SF	\$5,581				
VALUE OF INDUSTRIAL DIF REDUCTION Per 1,000 SF	\$5,265				

II. SPECIAL TAX REVENUES

	Tax Rate (PSE)	NPV
COMMERCIAL SPECIAL TAX REVENUES	\$0.47	\$14,534,770
CUMULATIVE COMMERCIAL SPECIAL TAX REVENUES		\$1,447,818
INDUSTRIAL SPECIAL TAX REVENUES	\$0.33	\$618,144
CUMULATIVE INDUSTRIAL SPECIAL TAX REVENUES		\$17,606,985
TOTAL ANNUAL SPECIAL TAX REVENUES		\$2,065,962
CUMULATIVE TOTAL SPECIAL TAX REVENUES		\$25,124,263

**FISCAL IMPACT SUMMARY
CITY OF PASO ROBLES
GENERAL PLAN ALTERNATIVES**

November 11, 2003

**FISCAL IMPACT SUMMARY
CITY OF PASO ROBLES
GENERAL PLAN ALTERNATIVES**

Prepared For

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Prepared By

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EXECUTIVE SUMMARY

BACKGROUND

This executive summary describes a series of analyses of the potential fiscal impacts to the City of Paso Robles (the "City") expected to result from the future development of currently undeveloped and underdeveloped areas within the existing City limits and the proposed annexation areas under consideration as of October 14, 2003 as part of the 2003 General Plan Update. In preparing these analyses, David Taussig & Associates, Inc. ("DTA") relied on information provided by Rincon Consultants on the proposed General Plan Land Use Alternatives that are being reviewed and considered by the City. The fiscal analyses performed by DTA also used information from the City's 2003-04 Operating Budget (which has been reviewed for accuracy by the City's Administrative Services Director), as well as a series of interviews and discussions with the City's department heads.

PROJECT DESCRIPTION

DTA used three different approaches to project the fiscal impacts of new development on the City's General Fund.

- Evaluate fiscal impacts of buildout in accordance with the proposed General Plan within the current City boundaries (infill);
- Evaluate the fiscal impacts of buildout for just the proposed annexation areas;
- Evaluate the combination of infill and annexation development.

The first set of evaluations are based on anticipated future development within the existing City limits ("Buildout of Existing City"). Buildout of Existing City is expected to encompass 5,447 dwelling units and 4,525,825 building square feet of nonresidential development, with a total of 14,706 new residents and 8,565 new employees. Also, 968 new hotel rooms are expected to be constructed within the existing City limits by buildout.

The second set of evaluations focus on future development projected for all undeveloped land outside the existing City limits, but within the City's Sphere and expansion areas ("Buildout of Sphere & Expansion Areas"). Development within the potential annexation areas is expected to include 1,702 new dwelling units constructed on 509 newly annexed residential acres, but no nonresidential development. Buildout of Sphere & Expansion Areas is also expected to generate 4,595 residents, but no new employees. (There may be neighborhood commercial land uses provided but the amount and number of employees would not be significant.)

The third set of fiscal impact evaluations encompass future development on all undeveloped land both within the City's existing boundaries and within the City's Sphere and expansion areas ("Total Buildout"). The total development potential of the Draft 2003 General Plan Update is expected to include 7,149 new dwelling units, 4,525,825 building square feet of nonresidential development and 968 hotel rooms. The Total Buildout scenario is expected to generate 19,302 new residents and 8,565 new employees.

SCOPE AND METHODOLOGY

The fiscal impacts identified in this report include recurring municipal revenues and costs to the City that result from future development of currently undeveloped or underdeveloped properties. City revenues are generated from a variety of taxes, license and permit fees, fines, and other revenue sources, as listed in Figure 1. City expenditures are associated with a variety of services, such as police protection, fire protection, public works services, general government costs, community development costs, library costs, and recreation services.

Fiscal impacts have been estimated based on the level of development expected to have occurred by the year 2025, as assumed in the General Plan Alternatives. However, all fiscal projections are stated in constant / uninflated 2003 dollars, based on the assumption that the impacts of inflation on City revenues and costs will be identical through 2025.

The methodology employed in estimating the fiscal impacts for the analyses involved a combination of *Case Study* and *Per Capita Multiplier* methods for various cost and revenue categories, as formulated by City staff and DTA in the development of the fiscal impact model that provides the foundation for this analysis.

The three different approaches assuming buildout within the City, buildout outside the City, and the combined total buildout (as discussed above) were each analyzed at three separate levels of service for both police and fire protection (i.e., high, medium and low service levels). Specifically, high levels of service for police and fire protection were, respectively, 1.6 officers and 1.3 firefighters per thousand residents, and medium levels of service for police and fire protection were, respectively, 1.5 officers and 1.0 firefighter per thousand residents. Low levels of service for police and fire protection were, respectively, 1.4 officers and 0.8 firefighters per thousand residents.

CONCLUSIONS OF THE FISCAL IMPACT ANALYSES

Figures 4, 5, 6 and 7 depict the surplus/(deficit) of each buildout projection that was analyzed. The Buildout of Sphere & Expansion Areas analyses were characterized by the highest deficit levels, as a result of the fact that this scenario consists exclusively of residential development. As retail development generates direct sales tax, which is the largest source of City revenues, the absence of this type of development for a particular buildout projection causes the City General Fund to experience a negative fiscal impact, no matter what level of service is provided. For example, assuming that the City adopts high levels of service, Buildout of Sphere and Expansion Areas creates a deficit of services costs versus City revenues of \$2,207,542 per year. The annual deficit per dwelling unit for this scenario is forecasted at \$1,297 per year.

On the other hand, the best performing analysis from a fiscal impact perspective is the Buildout of Existing City, in which a combination of new residential and nonresidential development would generate a surplus for each level of service evaluated (high, medium and low). For example, based on low levels of service, the total surplus generated for the City under Buildout of Existing City is estimated at \$4,544,842 per year. Please note that this buildout projection assumes the successful development of 2,906,529 square feet of retail space and 968 new hotel rooms. As new residential development by itself would generate a deficit projected at \$663 per dwelling unit, the Buildout of Existing City would also create a deficit without retail and hotel development. However, the deficit per dwelling unit is lower for all three levels of service for the Buildout of Existing City versus the Buildout of Sphere and Expansion Areas as a result of limitations established by the County on the property tax revenues apportioned to the City under all future annexations.

The Total Buildout includes both the deficit from the Buildout of Sphere & Expansion Areas and the surplus from the Buildout of Existing City, so it provides a middle ground for the City's fiscal future. The Total Buildout creates a surplus of \$1,017,512 per year with high levels of service, a surplus of \$2,001,975 with medium levels of service, and a surplus of \$2,749,689 with low levels of service.

It is important to note that the costs associated with residential development may be somewhat overstated in these analyses because all police and fire protection costs were calculated based on the number of residents generated, and therefore were exclusively assigned to residential development. Should a share of these costs be apportioned to non-residential development, the positive fiscal impacts of future non-residential development would be reduced, while the fiscal impacts of future residential development on the City would be less negative than indicated herein. Also, these analyses assume that the City's current basic revenue and cost structures will remain the same indefinitely (e.g., assumes that Motor Vehicle In-Lieu Fees will not be reduced or eliminated, assumes that the "triple-flip" proposal regarding property tax and sales tax revenues will not be implemented, and assumes no changes in current laws). Finally, the expectation of 968 hotel rooms is expected to generate almost \$2.5 million in revenues for the Existing City and Total Buildout analyses. The relaxation of this assumption has a significant effect on the overall results for the Existing City and Total Buildout scenarios.

AB 7X and AB1766, otherwise known as the "Triple Flip" legislation, require that cities give up .5% of sales tax in their jurisdictions (1/2 of the sales tax they would receive without the legislation) to the State in exchange for an equal share of property tax. The Triple Flip allows cities to recoup their loss in sales tax via a State backfill property taxes that would ordinarily be directed to school districts as part of the Educational Revenue Augmentation Fund ("ERAF"). The provisions of the Triple Flip are expected to continue until all outstanding bonds/ancillary obligations issued to cover the State's current budget deficit have been paid/retired. The legislation will become effective in July, 2004; preliminary estimates of the effective window of this legislation are approximately five years. Unfortunately, there are concerns that due to the magnitude of the State's deficit, the State may unilaterally decide not to backfill local agencies, thereby causing a net loss to these agencies equal to one-half of their sales tax revenues. Figure 8 compares the total surplus/(deficit) for Existing City Buildout, Sphere & Expansion Buildout, and Total Buildout at medium levels of service assuming the scenario under which the State backfills 100% of the sales tax owed for reimbursement versus the scenario under which the State defaults on its backfill. Total Buildout and Buildout of Existing City stand to lose approximately \$2.8 million per year if the State defaults; Buildout of Sphere and Expansion Areas only stands to lose approximately \$62,000 per year if the State defaults, due to the lack of retail development planned for these areas. Please note, however, that this legislation is expected to be effective for only five years, whereas buildout is expected to occur in 2025. Therefore, if the State does default, the negative fiscal impacts of the Triple Flip will only affect the City for a five-year period.

A sample of the fiscal impact model for the Total Buildout – Medium Levels of Service is attached to this summary report to illustrate the factors utilized in the analyses.

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FIGURES 1-8

Fiscal Impact Analyses



FIGURE 1

City of Paso Robles

Recurring City Revenues

- Secured Property Tax
- Unsecured Property Tax
- Property Transfer Tax
- Sales Tax
- Safety Sales Tax
- Transient Occupancy Tax
- Franchise Fee Revenue
- Business License Revenue
- Licenses, Permits & Fines
- State Revenue
- Gasoline Tax / Traffic Congestion Relief
- Miscellaneous Revenue
- Investment Income Revenue

Recurring City Costs

- Police Protection
- Fire Protection
- Public Works
- General Government
- Community Development
- Library
- Recreation Services

FIGURE 2 – REVENUES FOR TOTAL BUILDOUT: MEDIUM LEVELS OF SERVICE City of Paso Robles

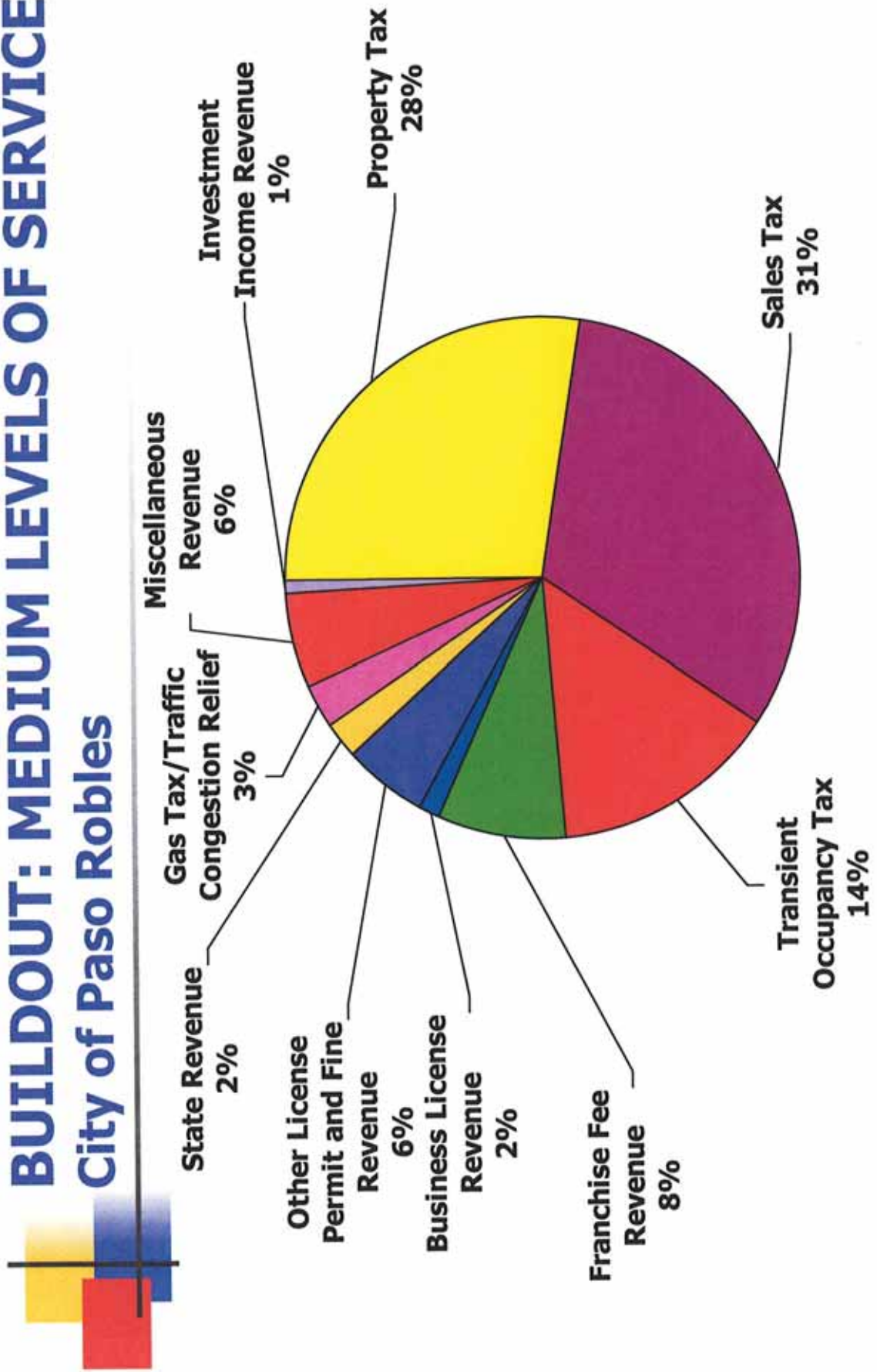


FIGURE 3 – COSTS FOR TOTAL BUILDOUT: MEDIUM LEVELS OF SERVICE City of Paso Robles

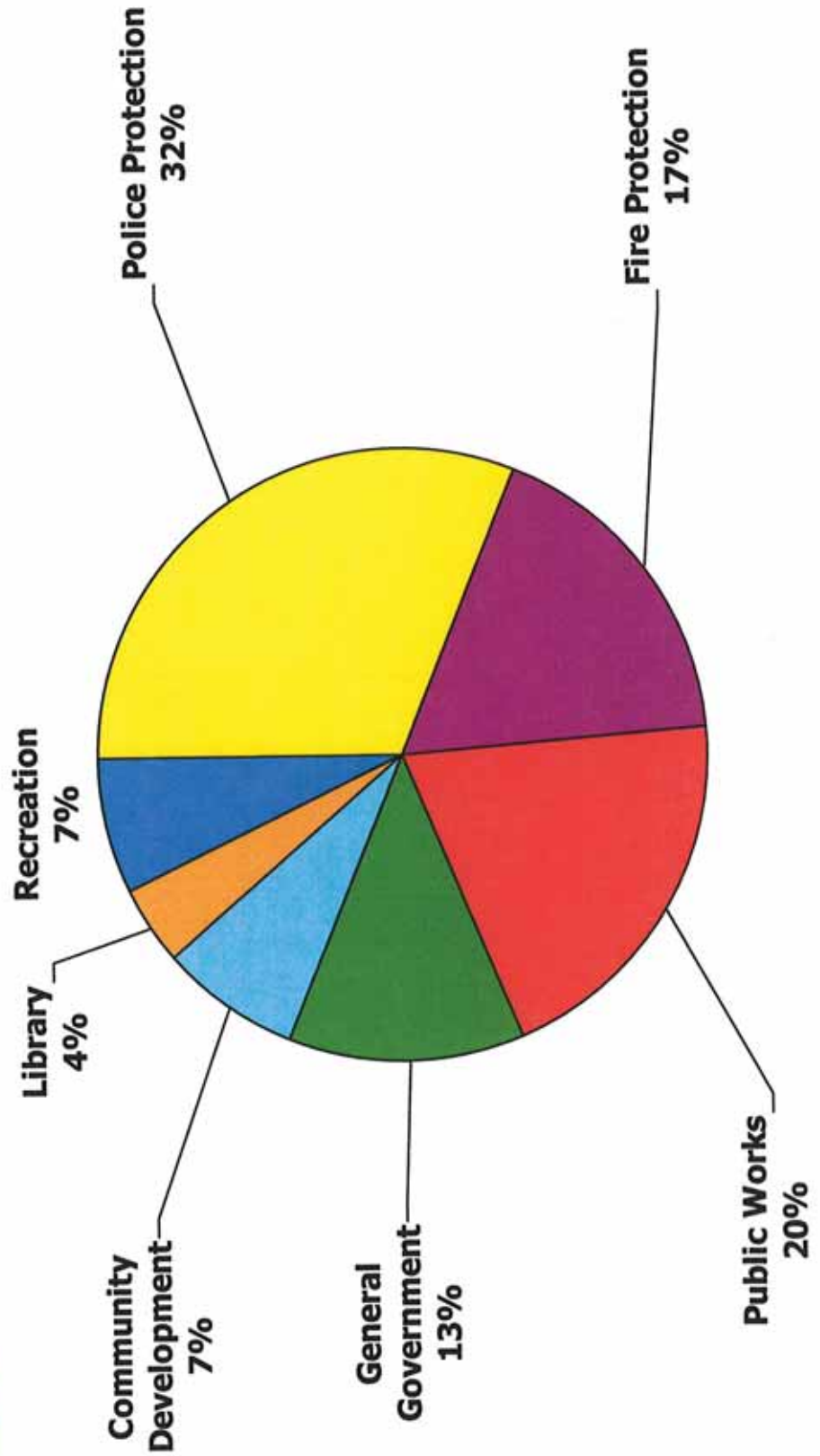


FIGURE 4 – TOTAL SURPLUS/(DEFICIT)

City of Paso Robles



LEVELS OF SERVICE

	High	Medium	Low
Existing City Buildout	\$3,225,053	\$3,975,140	\$4,544,842
Sphere & Expansion Buildout	(\$2,207,542)	(\$1,973,165)	(\$1,795,153)
Total Buildout	\$1,017,512	\$2,001,975	\$2,749,689

LAND-USE SCENARIOS

Existing City Buildout

Sphere & Expansion Buildout

Total Buildout

FIGURE 5 – DEFICIT PER DWELLING UNIT/1 City of Paso Robles



LEVELS OF SERVICE

	High	Medium	Low
Existing City Buildout	(\$905)	(\$767)	(\$663)
Sphere & Expansion Buildout	(\$1,297)	(\$1,159)	(\$1,055)
Total Buildout	(\$1,000)	(\$862)	(\$758)

LAND-USE SCENARIOS

1. Does not consider the surplus generated by non-residential development.

FIGURE 6 – TOTAL SURPLUS/(DEFICIT)

City of Paso Robles

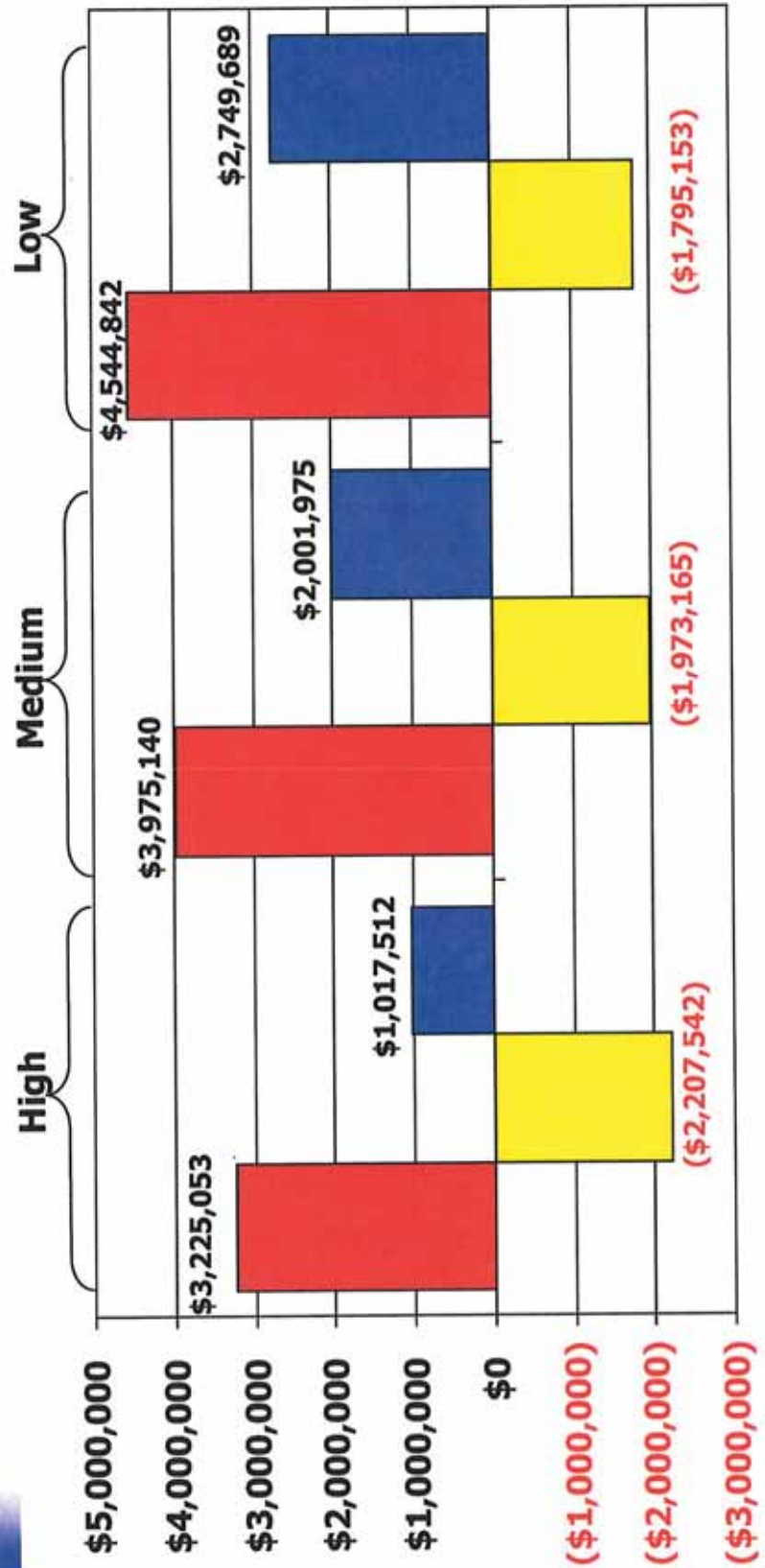


FIGURE 7 – DEFICIT PER DWELLING

UNIT City of Paso Robles

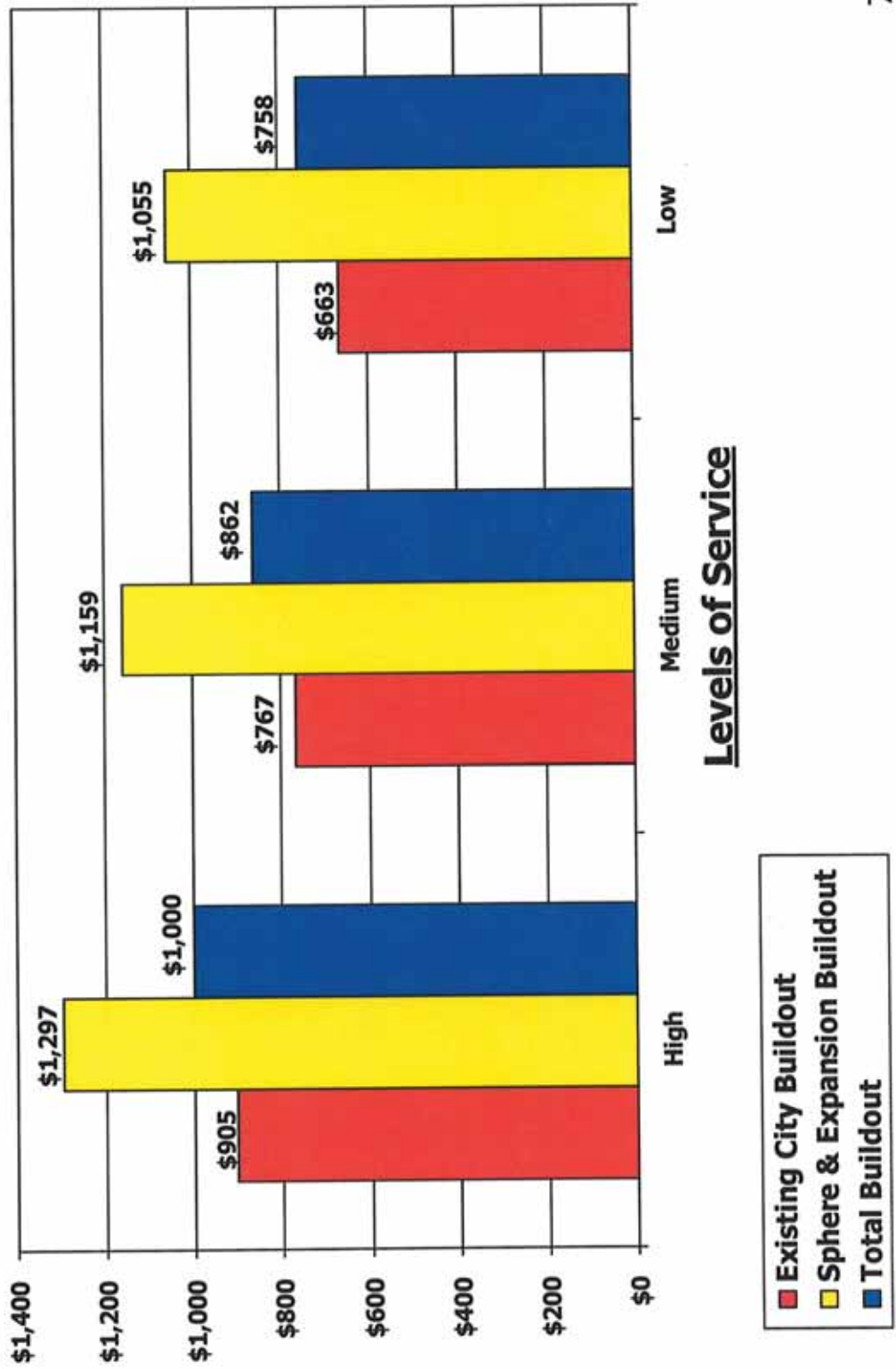
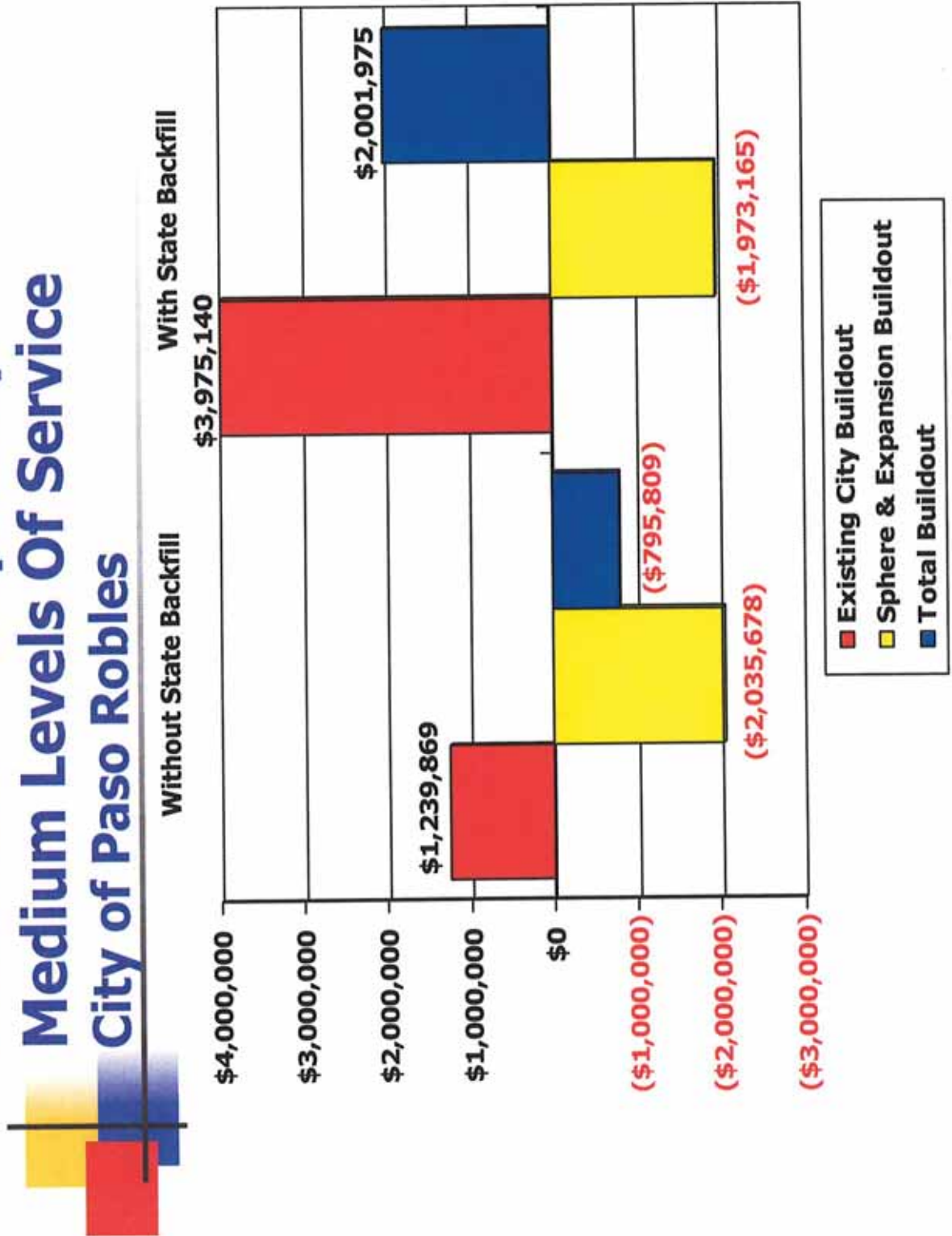


FIGURE 8 – “Triple-Flip” Medium Levels Of Service City of Paso Robles



TABLES 1-8
SAMPLE FISCAL IMPACT ANALYSIS
TOTAL DEVELOPMENT
MEDIUM LEVELS OF SERVICE

**TABLE 1
 CITY OF EL PASO DE ROBLES : MODEL
 LAND USE SUMMARY: RESIDENTIAL AND COMMERCIAL
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

LAND USE	BUILD-OUT		
	WITHIN CITY LIMITS	OUTSIDE CITY LIMITS	2025 TOTAL
DWELLING UNITS			
Single-Family Residential	3,129	1,271	4,400
Multi-Family Residential	<u>2,318</u>	<u>431</u>	<u>2,749</u>
TOTAL, DWELLING UNITS	5,447	1,702	7,149
PROJECT RESIDENTS /1			
Single-Family Residential	NA	NA	11,880
Multi-Family Residential	NA	NA	<u>7,422</u>
TOTAL, PROJECT RESIDENTS			19,302
PROJECT ACREAGE			
Single-Family Residential	NA	NA	4,446
Multi-Family Residential	NA	NA	<u>773</u>
TOTAL, RESIDENTIAL ACREAGE			5,219
SEE FOOTNOTES ON FOLLOWING PAGE			

TABLE 1 CONTINUED

**BUILD-OUT
2025**

LAND NONRESIDENTIAL ACRES

NONRESIDENTIAL ACRES

Neighborhood Commercial (NC)	46
Office Professional (OP)	7
Community Commercial (CC)	10
Regional Commercial (RC)	60
Commercial Service (CS)	248
Business Park (BP)	1112
<u>Industrial (IND)</u>	<u>2</u>
TOTAL, NON-RESIDENTIAL	1,486

BUILDING NONRESIDENTIAL SQ.FT.

Neighborhood Commercial (NC)	505,304
Office Professional (OP)	76,146
Community Commercial (CC)	106,933
Regional Commercial (RC)	661,103
Commercial Service (CS)	1,633,189
Business Park (BP)	1,539,882
<u>Industrial (IND)</u>	<u>3,267</u>
TOTAL, NON-RESIDENTIAL	4,525,825

NONRESIDENTIAL EMPLOYEES /2

TOTAL, NON-RESIDENTIAL EMPLOYEES	8,565
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NOTES:

1. U.S. Census

Persons Per Household - Single Family Detached

2.700

2. Economic Development Department, State of California

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 2
 CITY OF EL PASO DE ROBLES : MODEL
 CASE STUDY REVENUES: PROPERTY TAXES
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

ASSESSED VALUATION ASSUMPTIONS

RESIDENTIAL

Single-Family Residential	\$418,707
Multi-Family Residential	\$258,987

NON-RESIDENTIAL

Neighborhood Commercial (NC)	\$125
Office Professional (OP)	\$110
Community Commercial (CC)	\$125
Regional Commercial (RC)	\$125
Commercial Service (CS)	\$125
Business Park (BP)	\$110
Industrial (IND)	\$75

Base Year Value Per Unit	\$150,000
--------------------------	-----------

SECURED PROPERTY TAX ASSUMPTIONS

APPORTIONMENT FACTOR AS A PERCENT OF 1%	
PROPERTY TAXES PASSED THROUGH TO CITY - PROPERTY WITHIN CITY LIMITS	17.00%
PROPERTY TAXES PASSED THROUGH TO CITY - PROPERTY OUTSIDE CITY LIMITS	8.20%

UNSECURED PROPERTY TAX ASSUMPTIONS

RESIDENTIAL:	
UNSECURED TAXES AS A % OF SECURED	2.75%
NON-RESIDENTIAL:	
UNSECURED TAXES AS A % OF SECURED	10.00%

TABLE 2 CONTINUED**BUILD-OUT**

FISCAL YEAR

(\$s x1,000)

2025

SECURED ASSESSED VALUE CALCULATION:ANNUAL ASSESSED VALUESWITHIN CITY LIMITS

Single-Family Residential	\$1,310,135.7
Multi-Family Residential	\$600,330.8

OUTSIDE CITY LIMITS

Single-Family Residential	\$532,177.2
Multi-Family Residential	\$111,623.2

TOTAL RESIDENTIAL \$2,554,266.9

NON-RESIDENTIAL

Neighborhood Commercial (NC)	\$63,163.0
Office Professional (OP)	\$8,376.1
Community Commercial (CC)	\$13,366.7
Regional Commercial (RC)	\$82,637.8
Commercial Service (CS)	\$204,148.6
Business Park (BP)	\$169,387.0
Industrial (IND)	\$245.0
TOTAL NON-RESIDENTIAL	\$541,324.3

SECURED PROPERTY TAX REVENUE CALCULATION:

CITY OF EL PASO DE ROBLES

RESIDENTIAL	\$3,566.4
<u>NON-RESIDENTIAL</u>	<u>\$920.3</u>

TOTAL SECURED TAX REVENUES TO CITY \$4,486.6

UNSECURED PROPERTY TAX REVENUE CALCULATION:

CITY OF EL PASO DE ROBLES

RESIDENTIAL	\$98.1
<u>NON-RESIDENTIAL</u>	<u>\$92.0</u>

TOTAL UNSECURED TAX REVENUES TO CITY \$190.1

TOTAL PROPERTY TAXES TO CITY \$4,676.7

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 3
 CITY OF EL PASO DE ROBLES : MODEL
 CASE STUDY: SALES TAXES AND PROPERTY TRANSFER TAXES
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

RESIDENTIAL INDIRECT SALES TAX GENERATION ASSUMPTIONS

AVERAGE HOUSEHOLD INCOME ASSUMPTIONS:

WEIGHTED AVERAGE RESIDENTIAL PRICE	\$357,290
AVERAGE RESIDENTIAL MORTGAGE (45% DOWN)	\$196,510
ANNUAL MORTGAGE PAYMENTS @ 8.00% & 30 YEARS	\$17,303
AVG. HOUSEHOLD INCOME (4:1 INCOME/PAYMENT RATIO):	\$69,212
RETAIL TAXABLE EXPENDITURES (% OF INCOME):	20.0%
PROJECT RESIDENTS' PURCHASES OUTSIDE PROJECT AND WITHIN INCORPORATED CITY:	50.0%

PROPERTY TRANSFER TAX ASSUMPTIONS

RESIDENTIAL PROPERTY TURNOVER RATE	10.00%
BUS & COM PROPERTY TURNOVER RATE	5.00%
TRANSFER TAX AS A % OF PRICE	0.11%
PROPERTY TRANSFER TAX PASSED THROUGH TO CITY	50.00%

BUSINESS DIRECT SALES & USE TAX GENERATION ASSUMPTIONS

SALES TAXES PASSED THROUGH TO CITY, APPLIED TO COSTS:	1.00%
COUNTYWIDE AND STATE POOLED TAX REVENUE (% of 1%)	0.00%
SAFETY SALES TAX REVENUE	0.0025%
DISPLACED EXISTING CITY SALES TAX	25.00%

PROJECT RETAIL TAXABLE SALES PER SQ. FT:

Neighborhood Commercial (NC)	\$225.00
Office Professional (OP)	\$15.00
Community Commercial (CC)	\$225.00
Regional Commercial (RC)	\$225.00
Commercial Service (CS)	\$225.00
Business Park (BP)	\$15.00
Industrial (IND)	\$10.00

TABLE 3 CONTINUED

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
SALES & USE TAX REVENUE CALCULATION (CUMULATIVE):		
<u>INDIRECT SALES TAX GENERATION</u>		
RESIDENTIAL TAXABLE EXPENDITURES		\$98,959.4
<u>TOTAL TAXABLE PURCHASES WITHIN CITY</u>		<u>\$49,479.7</u>
RESIDENTIAL SALES TAX GENERATION		\$494.8
<u>DIRECT SALES TAX GENERATION</u>		
Neighborhood Commercial (NC)		\$113,693.4
Office Professional (OP)		\$1,142.2
Community Commercial (CC)		\$24,060.0
Regional Commercial (RC)		\$148,748.1
Commercial Service (CS)		\$367,467.5
Business Park (BP)		\$23,098.2
Industrial (IND)		\$32.7
SUB-TOTAL DIRECT TAXABLE SALES		\$678,242.2
<u>LESS: DISPLACED EXISTING CITY SALES TAX</u>		<u>\$169,560.5</u>
TOTAL DIRECT TAXABLE SALES		\$508,681.6
TOTAL DIRECT SALES TAX GENERATION		\$5,086.8
<u>TOTAL PROJECT SALES & USE TAX REVENUES, APPLIED TO COSTS</u>		<u>\$5,581.6</u>
RESIDENTIAL SAFETY SALES TAX REVENUES		\$1.2
NON-RESIDENTIAL SAFETY SALES TAX REVENUES		\$12.7
<u>TOTAL PROJECT SALES & USE TAX REVENUES</u>		<u>\$5,595.6</u>
PROPERTY TRANSFER TAX CALCULATION (CUMULATIVE):		
RESIDENTIAL PROPERTY TRANSFER TAXES		\$140.5
NON-RESIDENTIAL PROPERTY TRANSFER TAXES		\$14.9
<u>TOTAL ANNUAL PROPERTY TRANSFER TAXES</u>		<u>\$155.4</u>

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 4
CITY OF EL PASO DE ROBLES : MODEL
BUSINESS LICENSE, FRANCHISE FEE, T.O.T. REVENUES
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

BUSINESS LICENSE FEE REVENUE		
RESIDENTIAL		NA
NON-RESIDENTIAL (PER EMPLOYEE)		\$31.09
FRANCHISE FEES (RESIDENTIAL - PER CAPITA; NONRESIDENTIAL - PER CAPITA AND EMPLOYEE)		
	RESIDENTIAL	NON-RESIDENTIAL
CABLE	\$11.38	NA
GAS/ELECTRIC	\$10.27	\$10.27
LANDFILL	\$26.58	\$26.58
SOLID WASTE	\$5.15	\$5.15
TOTAL FRANCHISE	\$53.38	\$42.00
TRANSIENT OCCUPANCY TAX		
NUMBER OF AVAILABLE HOTEL ROOMS		988
OCCUPANCY RATE		70.00%
AVERAGE BILLING RATE PER ROOM		\$100.00
% PASSED THROUGH TO CITY		10.00%
FISCAL YEAR (\$s x1,000)		BUILD-OUT 2025
BUSINESS LICENSE FEE REVENUE		
TOTAL RESIDENTIAL		NA
NONRESIDENTIAL		
TOTAL NONRESIDENTIAL		\$266.3
TOTAL, BUSINESS LICENSE FEE REVENUE		\$266.3
FRANCHISE FEE REVENUE		
RESIDENTIAL CABLE FRANCHISE FEES		\$219.7
NON-RESIDENTIAL CABLE FRANCHISE FEES		\$0.0
RESIDENTIAL GAS & ELECTRIC FRANCHISE FEES		\$198.3
NON-RESIDENTIAL GAS & ELECTRIC FRANCHISE FEES		\$88.0
RESIDENTIAL LANDFILL FRANCHISE FEES		\$513.0
NON-RESIDENTIAL LANDFILL FRANCHISE FEES		\$227.6
RESIDENTIAL SOLID WASTE FRANCHISE FEES		\$99.4
NON-RESIDENTIAL SOLID WASTE FRANCHISE FEES		\$44.1
TOTAL, FRANCHISE FEE REVENUE		\$1,390.1
TRANSIENT OCCUPANCY TAX REVENUE		
TOTAL, TRANSIENT OCCUPANCY TAX REVENUE		\$2,473.2

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 5
CITY OF EL PASO DE ROBLES : MODEL
OTHER REVENUE AND REVENUE SUMMARY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

OTHER GENERAL REVENUES (MULTIPLIER METHOD)		
	RESIDENTIAL	NONRESIDENTIAL
OTHER LICENSES/PERMITS/FINES	\$25.45	\$52.61
STATE REVENUES	\$18.76	\$0.00
GASOLINE TAXES/TDA FUND	\$25.59	NA
MISCELLANEOUS REVENUES/SERVICE CHARGES	\$36.41	\$36.41

INCOME FROM INVESTMENTS	
EFFECTIVE INTEREST /1	1.77%

1. Local Agency Investment Fund ("LAIF") Rat

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
PER CAPITA REVENUES		
<u>OTHER LICENSES/PERMITS/FINES</u>		
RESIDENTIAL		\$491.2
NON-RESIDENTIAL		\$450.6
TOTAL, LICENSES, PERMITS AND FINES		\$941.8
<u>STATE REVENUES</u>		
RESIDENTIAL		\$362.2
NON-RESIDENTIAL		\$0.0
TOTAL, STATE REVENUES		\$362.2
<u>GASOLINE TAXES/TDA FUND</u>		
RESIDENTIAL		\$493.9
NON-RESIDENTIAL		\$0.0
TOTAL, GASOLINE/TDA FUND REVENUES		\$493.9
<u>MISCELLANEOUS REVENUES</u>		
RESIDENTIAL		\$702.7
NON-RESIDENTIAL		\$311.8
TOTAL, MISCELLANEOUS REVENUES		\$1,014.5
TOTAL RESIDENTIAL PER CAPITA REVENUES		\$3,080.3
TOTAL NON-RESIDENTIAL PER CAPITA REVENUES		\$1,388.4
TOTAL PER CAPITA REVENUES		\$4,468.7
TOTAL CASE STUDY RESIDENTIAL REVENUES		\$4,301.0
TOTAL CASE STUDY NON-RESIDENTIAL REVENUES		\$8,599.9
TOTAL CASE STUDY REVENUES		\$12,900.9
RESIDENTIAL REV AVAILABLE FOR INV. INCOME		\$7,381.3
NON-RESIDENTIAL REV AVAILABLE FOR INV. INCOME		\$9,988.3
TOTAL REVENUES AVAILABLE FOR INVESTMENT INCOME		\$17,369.6
RESIDENTIAL INVESTMENT INCOME		\$65.3
NON-RESIDENTIAL INVESTMENT INCOME		\$88.4
TOTAL INVESTMENT INCOME		\$153.7

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 6
CITY OF EL PASO DE ROBLES : MODEL
POLICE DEPARTMENT, FIRE DEPARTMENT, PUBLIC WORKS & PER CAPITA COSTS
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

POLICE DEPARTMENT COSTS

# OF SWORN OFFICERS PER 1,000 POPULATION /1	1.50
# OF NON-SWORN OFFICERS PER 1,000 POPULATION /2	0.50

- Existing multiple of sworn officers per thousand population: 1.36
- Existing multiple of non-sworn officers per thousand population: .54

FIRE DEPARTMENT COSTS

# OF FIREFIGHTERS PER 1,000 POPULATION /1	1.00
# OF SUPPORT PERSONNEL PER THOUSAND POPULATION /2	0.11

- Existing multiple of firefighters per thousand population: .67
- Existing multiple of support personnel per thousand population: .11

PUBLIC INFRASTRUCTURE REQUIREMENTS

ROADS (LANE MILES)	204.6
SIGNALIZED INTERSECTIONS	33.5
PARK ACREAGE (GROSS) /1	135.1
OPEN SPACE (ACRES)	1199.4
TRAILS (LINEAL MILE)	40.9
STORM DRAIN MILES	125.5

- 7 ACRES PER THOUSAND POPULATION (NEW DEVELOPMENT)

PUBLIC WORKS MAINTENANCE COSTS

	COST	PERCENT RESIDENTIAL
PAVEMENT MAINTENANCE PER LANE MILE	\$1,116	69%
SIGNALIZED INTERSECTION	\$10,371	69%
PARK MAINTENANCE PER ACRE	\$10,285	69%
OPEN SPACE MAINTENANCE PER ACRE	\$43	69%
TRAIL MAINTENANCE PER MILE	\$1,116	69%
STORM DRAIN MILES	\$8,334	69%

OTHER COSTS (MULTIPLIER METHOD)

	RESIDENTIAL	NONRESIDENTIAL
COMMUNITY DEVELOPMENT	\$40.94	\$40.94
LIBRARY	\$34.45	\$0.00
RECREATION SERVICES	\$57.94	\$0.00
GENERAL GOVERNMENT	\$70.46	\$70.46

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 6 CONTINUED

BUILD-OUT

FISCAL YEAR	(\$s x1,000)	2025
CITY DIRECT COSTS		
<u>POLICE DEPARTMENT COSTS</u>		
RESIDENTIAL		\$4,817.2
<u>NON-RESIDENTIAL</u>		<u>\$0.0</u>
TOTAL, POLICE DEPARTMENT COSTS		\$4,817.2
<u>FIRE DEPARTMENT COSTS</u>		
RESIDENTIAL		\$2,707.1
<u>NON-RESIDENTIAL</u>		<u>\$0.0</u>
TOTAL, FIRE DEPARTMENT COSTS		\$2,707.1
<u>PUBLIC WORKS COSTS</u>		
RESIDENTIAL PAVEMENT MAINTENANCE		\$158.2
NONRESIDENTIAL PAVEMENT MAINTENANCE		\$70.2
RESIDENTIAL TRAFFIC SIGNAL OPERATION		\$240.8
NONRESIDENTIAL TRAFFIC SIGNAL OPERATION		\$106.9
RESIDENTIAL PARK MAINTENANCE		\$962.5
NONRESIDENTIAL PARK MAINTENANCE		\$427.1
RESIDENTIAL OPEN SPACE MAINTENANCE		\$36.1
NONRESIDENTIAL OPEN SPACE MAINTENANCE		\$16.0
RESIDENTIAL TRAIL MAINTENANCE		\$31.6
NONRESIDENTIAL TRAIL MAINTENANCE		\$14.0
RESIDENTIAL STORM DRAIN MAINTENANCE		\$724.4
<u>NONRESIDENTIAL STORM DRAIN MAINTENANCE</u>		<u>\$321.5</u>
TOTAL, PUBLIC WORKS COSTS		\$3,109.3
<u>COMMUNITY DEVELOPMENT COSTS</u>		
RESIDENTIAL		\$790.2
<u>NON-RESIDENTIAL</u>		<u>\$350.6</u>
TOTAL, COMMUNITY DEVELOPMENT COSTS		\$1,140.9
<u>LIBRARY</u>		
RESIDENTIAL		\$664.9
<u>NON-RESIDENTIAL</u>		<u>NA</u>
TOTAL, ANIMAL CONTROL COSTS		\$664.9
<u>RECREATION SERVICES</u>		
RESIDENTIAL		\$1,118.4
<u>NON-RESIDENTIAL</u>		<u>NA</u>
TOTAL, RECREATION SERVICES COSTS		\$1,118.4
<u>GENERAL GOVERNMENT</u>		
RESIDENTIAL		\$1,360.0
<u>NONRESIDENTIAL</u>		<u>\$603.5</u>
TOTAL, GENERAL GOVERNMENT COSTS		\$1,963.5

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 7
CITY OF EL PASO DE ROBLES : MODEL
DETAILED SUMMARY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING REVENUES			
<u>SECURED PROPERTY TAXES</u>			
RESIDENTIAL		\$3,566.4	20.35%
NON-RESIDENTIAL		\$920.3	5.25%
<u>UNSECURED PROPERTY TAXES</u>			
RESIDENTIAL		\$98.1	0.56%
NON-RESIDENTIAL		\$92.0	0.53%
<u>PROPERTY TRANSFER TAXES</u>			
RESIDENTIAL		\$140.5	0.80%
NON-RESIDENTIAL		\$14.9	0.08%
<u>SALES TAXES</u>			
RESIDENTIAL		\$494.8	2.82%
NON-RESIDENTIAL		\$5,086.8	29.03%
<u>SAFETY SALES TAXES</u>			
RESIDENTIAL		\$1.2	0.01%
NON-RESIDENTIAL		\$12.7	0.07%
<u>TRANSIENT OCCUPANCY TAX</u>			
RESIDENTIAL		\$0.0	0.00%
NON-RESIDENTIAL		\$2,473.2	14.11%
<u>FRANCHISE FEE REVENUES</u>			
RESIDENTIAL		\$1,030.4	5.88%
NON-RESIDENTIAL		\$359.7	2.05%
<u>BUSINESS LICENSE REVENUES</u>			
RESIDENTIAL		NA	0.00%
NON-RESIDENTIAL		\$266.3	1.52%
<u>OTHER LICENSES/PERMITS/FINES</u>			
RESIDENTIAL		\$491.2	2.80%
NON-RESIDENTIAL		\$450.6	2.57%
<u>STATE REVENUES</u>			
RESIDENTIAL		\$362.2	2.07%
NON-RESIDENTIAL		\$0.0	0.00%
<u>GASOLINE TAXES/TRAFFIC CONGESTION RELIEF</u>			
RESIDENTIAL		\$493.9	2.82%
NON-RESIDENTIAL		\$0.0	0.00%
<u>MISCELLANEOUS REVENUES</u>			
RESIDENTIAL		\$702.7	4.01%
NON-RESIDENTIAL		\$311.8	1.78%
<u>INVESTMENT INCOME REVENUES</u>			
RESIDENTIAL		\$65.3	0.37%
NON-RESIDENTIAL		\$88.4	0.50%
TOTAL RESIDENTIAL REVENUES		\$7,446.6	
TOTAL NON-RESIDENTIAL REVENUES		<u>\$10,076.7</u>	
TOTAL ONGOING REVENUES		<u>\$17,523.3</u>	

TABLE 7 CONTINUED

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING COSTS			
<u>POLICE DEPARTMENT COSTS</u>			
RESIDENTIAL		\$4,817.2	31.04%
NON-RESIDENTIAL		\$0.0	0.00%
<u>FIRE DEPARTMENT COSTS</u>			
RESIDENTIAL		\$2,707.1	17.44%
NON-RESIDENTIAL		\$0.0	0.00%
<u>PUBLIC WORKS DEPARTMENT COST</u>			
RESIDENTIAL		\$2,153.7	13.88%
NON-RESIDENTIAL		\$955.7	6.16%
<u>GENERAL GOVERNMENT COSTS</u>			
RESIDENTIAL		\$1,360.0	8.76%
NON-RESIDENTIAL		\$603.5	3.89%
<u>COMMUNITY DEVELOPMENT COSTS</u>			
RESIDENTIAL		\$790.2	5.09%
NON-RESIDENTIAL		\$350.6	2.26%
<u>LIBRARY COSTS</u>			
RESIDENTIAL		\$664.9	4.28%
NON-RESIDENTIAL		NA	0.00%
<u>RECREATION SERVICES COSTS</u>			
RESIDENTIAL		\$1,118.4	7.21%
NON-RESIDENTIAL		NA	0.00%
TOTAL RESIDENTIAL COSTS		\$13,611.5	
<u>TOTAL NON-RESIDENTIAL COSTS</u>		<u>\$1,909.8</u>	
TOTAL ONGOING COSTS		\$15,521.4	
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		(\$6,164.9)	
ANNUAL NON-RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		<u>\$8,166.9</u>	
TOTAL ANNUAL ONGOING SURPLUS/(DEFICIT)		\$2,002.0	
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55	
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28	
<u>TOTAL ANNUAL REVENUE/COST RATIO</u>		<u>1.13</u>	

**TABLE 8a
 CITY OF EL PASO DE ROBLES : MODEL
 RESIDENTIAL ONLY
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
ONGOING REVENUES		
TOTAL RESIDENTIAL REVENUES		\$7,446.6
ONGOING COSTS		
TOTAL RESIDENTIAL COSTS		\$13,611.5
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		(\$6,164.9)
ANNUAL RESIDENTIAL SURPLUS/(DEFICIT) PER DWELLING UNIT		(\$0.862)
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55

**TABLE 8b
 CITY OF EL PASO DE ROBLES : MODEL
 NON-RESIDENTIAL ONLY
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
ONGOING REVENUES		
TOTAL NON-RESIDENTIAL REVENUES		\$10,076.7
ONGOING COSTS		
TOTAL NON-RESIDENTIAL COSTS		\$1,909.8
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT)		\$8,166.9
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT) PER NON-RESIDENTIAL ACRE		\$5.5
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28

**TABLE 8c
 CITY OF EL PASO DE ROBLES : MODEL
 SUMMARY - MIXED
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING REVENUES			
TOTAL RESIDENTIAL REVENUES		\$7,446.6	42.50%
<u>TOTAL NON-RESIDENTIAL REVENUES</u>		<u>\$10,076.7</u>	57.50%
TOTAL ON-GOING REVENUES		\$17,523.3	
ONGOING COSTS			
TOTAL RESIDENTIAL COSTS		\$13,611.5	87.70%
<u>TOTAL NON-RESIDENTIAL COSTS</u>		<u>\$1,909.8</u>	12.30%
TOTAL ON-GOING COSTS		\$15,521.4	
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		(\$6,164.9)	
ANNUAL NON-RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		<u>\$8,166.9</u>	
TOTAL ANNUAL ONGOING SURPLUS/(DEFICIT)		\$2,001.975	
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55	
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28	
TOTAL ANNUAL REVENUE/COST RATIO		1.13	

RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
ADOPTING THE DEVELOPMENT IMPACT FEE CALCULATION AND JUSTIFICATION
STUDY AND SUBSEQUENT DOCUMENTATION ACCOMPANYING SUCH REPORT AND
ESTABLISHING DEVELOPMENT IMPACT FEES FOR ALL DEVELOPMENT WITHIN THE
CITY OF EL PASO DE ROBLES

WHEREAS, the Land Use Element of the City's General Plan has as a policy that new development mitigate its share of the impacts to the natural and built environment and to be fiscally neutral and not result in a net loss for the City; and

WHEREAS, in accordance with policies established in the 2003 General Plan update, the City Council has directed staff to conduct a comprehensive review of the City's development impact fees to determine whether those fees are adequate to defray the cost of public facilities related to the development project; and

WHEREAS, the City contracted with David Taussig & Associates, Inc to provide a comprehensive evaluation of the City's existing development impact fees; and

WHEREAS, David Taussig & Associates, Inc. prepared a report, entitled *Development Impact Fee Justification Study*, dated March 20, 2014, attached to this resolution as Exhibit "B", that establishes amounts of the City's development impact fees and explains the nexus between the imposition of the fee and the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the *Development Impact Fee Justification Study* has been available for public review and comment; and

WHEREAS, the *Development Impact Fee Justification Study* substantiates the need for development impact fees amongst five different categories of services and facilities provided by the City; and

WHEREAS, the City has imposed development impact fees, including fees for transportation, park development, public safety, public facilities, and library since the adoption of Resolution 06-188; and

WHEREAS, the City Council desires to adopt new development impact fees, in accordance with the nexus calculations and recommendations in the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. in March, 2014; and

WHEREAS, in compliance with the Mitigation Fee Act (Government Code section 66000 *et seq.*), the City Council held noticed public hearings on the proposed development impact fees on February 18, 2014, and March 18, 2014, and April 1, 2014 to solicit public input on the proposed development impact fees;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Findings pursuant to Government Code section 66001.

The City Council finds and determines that the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. and dated March 20, 2014, complies with California Government Code section 66001 by establishing the basis for the imposition of fees on new development. This finding is based on the fact that the *Study*:

- (a) Identifies the purpose of the fee;
- (b) Identifies the use to which the fee will be put;
- (c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
- (d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and
- (e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

SECTION 2. Fees for Uses Consistent with the *Study*.

The City Council hereby determines that the fees collected pursuant to this resolution shall be used to finance the public facilities described or identified in the *Development Impact Fee Justification Study*, the Master Facilities Plan or other such facility master plans as may from time to time be adopted by the City Council.

SECTION 3. Approval of Items in *Development Impact Fee Justification Study*.

The City Council has considered the specific project descriptions and cost estimates identified in the *Development Impact Fee Justification Study* and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing certain development impact fees.

SECTION 4. Consistency with General Plan.

The City Council finds that the projects and fee methodology identified in the *Development Impact Fee Justification Study* are consistent with the City's General Plan which calls for development to mitigate its share of the impacts to City infrastructure and to be fiscally neutral.

SECTION 5. Differentiation Among Fees.

The City Council finds that the fees recommended in the *Development Impact Fee Justification Study* are separate and different from other fees the City may impose through the implementation of a Specific Plan or as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing ordinances, as may be amended from time to time. Specific Plan fees or fees imposed pursuant to the Subdivision Map Act and/or the Quimby Act and as determined by the environmental impacts of any given land development entitlement shall be credited for the deposit of Development Impact Fees as specified in Appendix A to the extent that the fees imposed are specifically identified to be used to fund the same project or facility as listed in Table 4-2 of the *Development Impact Fee Justification Study*.

In addition, this resolution shall not be deemed to affect the imposition or collection of the water and sewer connection fees authorized by section 14.04.020 and 14.16.020 of the Municipal Code.

SECTION 6. CEQA Finding.

The adoption of the *Development Impact Fee Justification Study* and the development impact fees are categorically exempt from environmental review pursuant to section 15061(b)(3) of the California Environmental Quality Act Guidelines. The intent of the *Study* and development impact fee is to provide one way to fund projects and services that have been identified in environmental analyses of other planning efforts, including the General Plan EIR, and various City master plans, among others.

SECTION 7. Adoption of Report.

The *Development Impact Fee Justification Study* is hereby adopted.

SECTION 8. Timing of Fee.

A development impact fee shall be imposed and paid upon occupancy of a building permit, or at such earlier time as permitted by law, as set forth in Government Code section 66007. A "development permit" means any permit or approval from the City including, but not limited to, subdivision map, revised final planned development, building permit or other permit for construction or reconstruction.

The fees as identified in attached Exhibit "A" shall take effect thirty (30) days following adoption of this resolution by the City Council with the following exceptions:

- (a) All residential building permit applications on properties west of the Salinas River that are, or were received by the City Building Division on or before September 1, 2014, and based upon the submissions made by that date have been deemed by the City to be accepted for review to determine their compliance with City requirements, shall be processed on a first-come, first-served basis, in accordance with the City's standard policies and practices shall be subject to the Transportation development impact fees that applied pursuant to Resolution No. 06-188, prior to adoption of this resolution;
- (b) All commercial building permit applications that are, or were received by the City Building Division on or before September 1, 2014, and based upon the submissions made by that date have been deemed by the City to be accepted for review to determine their compliance with City requirements, shall be processed on a first-come, first-served basis, in accordance with the City's standard policies and practices shall be subject to the development impact fees that applied pursuant to Resolution No. 06-188, prior to adoption of this resolution;
- (c) Except as provided in subparagraphs (a) and (b) above, the fees adopted by this resolution shall take effect on April 2, 2014.

SECTION 9. Amount of Fee.

The City Council hereby approves and adopts the development impact fees as set forth in Exhibit "A" to this resolution, attached hereto and incorporated herein. Exhibit "A" sets forth the aggregate amount imposed as a development impact fee for both residential and non-residential land uses and also sets forth the breakdown of each development impact fee by type of facility or service. The development impact fees set forth in Exhibit "A" are consistent with the Report. The amount of the development impact fees shall be modified annually each July 1 based on the change in the Engineering News Record's construction cost index as reported for the twelve month period ending in April of each year.

SECTION 10. Use of fee.

The development impact fees shall be solely used for (1) the purposes described in the *Development Impact Fee Justification Study*; (2) reimbursing the city for the development's fair share of those capital improvements already constructed by the City; or (3) reimbursing developers who have already constructed public facilities described in the *Development Impact Fee Justification Study* or the Master Facilities Plan or other facility master plans adopted from time to time by the City Council, where those facilities exceed mitigation of the impacts of the developers' project or projects.

A developer that has been required by the City to construct any facilities or improvements (or a portion thereof) described in Table 4-2 of the *Development Impact Fee Justification Study* as a condition of approval of a development entitlement may request an in-lieu credit from the Development Impact Fee fund. This credit may only be for the portion of the specific development impact fees attributable to the specific improvement project described in the *Study* and constructed in conjunction with the subject development. Upon request, an in-lieu credit of fees shall be granted for that portion of the facilities or improvements that exceed the mitigation of the need that is attributable to and reasonably related to the development as determined by the Community Development Director.

When an applicant is required, as a condition of approval of a development entitlement, to construct any facility or improvement listed in Table 4-2 of the *Development Impact Fee Justification Study*; which improvement is determined by the Community Development Director to exceed the need and mitigation of the development entitlement, the applicant may request in writing that a reimbursement agreement with the City be presented to the City Council for consideration. The amount reimbursed shall be that portion of the estimated cost of the improvement or facility that exceeds the need or mitigation attributable to the development.

Fees collected pursuant to Resolution 03-31 for Aquatic Facilities and for Public Meeting Facilities shall be used exclusively for those purposes and accounts for these fees shall remain in effect and shall be maintained by the Director of Administrative Services.

Fees collected under any of the five categories listed A through E in Table 4-2 of the *Development Impact Fee Justification Study* may be used to finance the construction or implementation of any project listed in those categories to the extent that use of the fees may not exceed the percentage allocated to new development of all of the projects listed in the category, or sub-category as shown on Table 4-2.

SECTION 11. Fee Determination by Type of Use.

A. Residential Development.

Development impact fees for residential development shall be based upon the type of unit constructed. The development impact fee categories as shown in Exhibit "A" generally correspond to the City's land use designations in the land use element of the City's general plan.

B. Nonresidential Land Uses.

Development impact fees for nonresidential land uses shall be based upon the square footage of the building. The development impact fee categories as shown in Exhibit "A" generally correspond to the City's land use designations in the land use element of the City's general plan.

C. Uses Not Specified.

In the event that there are land uses not specified in Exhibit "A", the development impact fee for such use shall be determined by the City's Community Development Director or his or her designee who shall determine such fee based on an analysis of the public service impacts of the proposed use in relation to other uses shown in Exhibit "A".

SECTION 12. Prior Resolutions and Ordinances Superseded.

The development impact fees approved and adopted by this resolution shall take effect in sixty (60) days and shall supersede previously adopted resolutions that set the amounts of development impact fees, including Resolution No. 06-188.

SECTION 13. Severability.

If any action, subsection, sentence, clause or phrase of this resolution or the imposition of a development impact fee for any project described in the Report or the application thereof to any person or circumstance shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this resolution or other fees levied by this resolution that can be given effect without the invalid provisions or application of fees.

SECTION 14. Effective Date.

Consistent with California Government Code section 66017(a), the fees as identified in attached Exhibit "A" adopted by this resolution shall take effect thirty (30) days following the adoption of this resolution by the City Council.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of April 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

TO: James L. App, City Manager

FROM: Ron Whisenand, Community Development Director

SUBJECT: Development Impact Fee Update Ad Hoc Committee

DATE: December 21, 2010

Needs: For the City Council to consider a reporting time frame for the ac hoc committee for review of the development impact fee program.

Facts:

1. On December 7, 2010, the Council formed an ad hoc committee to study the development impact fee program and to bring suggestions for modifications.
2. The purpose of development impact fees is to ensure that future residential, commercial and industrial development pays its proportionate share of public facilities needed to accommodate that development.
3. Impact fees are based upon a list of needed public facilities in eight categories including transportation, storm drains, bike paths, emergency services, police, government facilities, parks-recreation and library facilities.
4. The Needs List is based upon general plan policies and Council goals and is ultimately adopted by Council resolution.
5. The Council ad hoc committee is to provide a comprehensive review of each category in the Needs List and provide recommendations for modifications.

**Analysis &
Conclusion:**

Ultimately, a comprehensive update of the City's development impact fee program requires a justification report. The City is currently under contract with David Taussig and Associates for that purpose.

It is necessary that the Council and each department thoroughly re-visit each component of the current Needs List and work towards adoption of a comprehensive update. The updated Needs List will provide Taussig the direction he needs to produce an updated justification study. The Council ad hoc committee will provide valuable input in this process.

In addition to the Needs List, there are other policy issues associated with the program for which the committee could provide recommendation. Samples of these issues include;

- Interpretation of general plan language regarding development and acquisition of open space and park sites.
- The storm drain master plan

- The bikeway master plan
- Transportation improvement projects based upon an updated circulation element
- Transportation demand facilities including transit services and park and ride facilities
- Maintenance and depreciation costs of new facilities
- The discount of commercial and industrial development impact fees

Recaps of discussion and recommendations regarding each topic can be returned to the full council for discussion and direction.

Policy

Reference: 2003 General Plan.

Fiscal

Impact: There are significant financial impacts associated with the impact fee program. Inclusion, or exclusion of certain projects on the Needs List will result in funding, or lack thereof, for years to come.

Options:

- a. Request a report of progress of the ad hoc committee by March 15, 2011.
- b. That the City Council amend, modify or reject the above option.

TO: Council Ad Hoc Committee

FROM: Ron Whisenand, Community Development Director

SUBJECT: Development Impact Facility Needs List Review
General Government Facilities

DATE: February 18, 2011

Needs: For the Committee to discuss contents of the General Government Facilities Needs List.

- Facts:**
1. On December 7, 2010, the Council formed an ad hoc committee to review development impact facility needs.
 2. The council ad hoc committee last met on February 4, 2010, to discuss parameters related to a temporary waiver of certain impact fees.
 3. At its meeting of February 15, 2011, the Council adopted a resolution formulating a temporary waiver of certain development impacts fees, including those for government facilities.
 4. In 2009, the Council adopted Resolution No. 09-131 amending the Government Facilities Needs List to eliminate a Performing Arts Center.
 5. The current Government Facilities Needs List is comprised of the following four projects:

<u>Project</u>	<u>Cost</u>	<u>New Development's Share</u>	
City Hall	\$27,430,500	51.65%	\$13,815,787
Public Use Facility	\$ 3,085,000	38.96%	\$ 785,165
300 space parking structure	\$11,044,400	100.00%	\$11,044,400
Replace City Yard	\$4,634,200	100.00%	\$ 4,634,200

6. Development impact fees were established to assess new development their share of the costs associated with these projects.
7. Projects may be removed from the Needs List at the Council's discretion, and fees adjusted accordingly, provided the facility category account balance is less than the amount needed to fund remaining projects.
8. As of July 1, 2010, the fund balance in General Government Facilities was \$3,854,817. Additionally, there is a separate account for a Public Meeting Facility with a balance of 369,296.

Analysis & Conclusion:

The Facility Needs List includes projects that mitigate the impacts of new development and/or are of benefit to the community. Projects that are not explicit environmental

mitigations may be modified at the City Council's discretion. The Government Facilities List represent examples of such projects.

Construction of a new City Hall has been a council goal since the demolition of the City's facility at 1000 Spring Street in the late 1980s.

The public meeting/use facility first appeared on the impact fee list in 2003. Given that this account was established exclusively in 2003, it cannot be recommended for elimination. However, 2004 reporting for the public "use" facility indicates a 6,000 square foot building, constructed at a cost of \$2.5 million on newly acquired land of one-half acre. The building concept, corresponding details and cost estimate may be re-evaluated.

The 300-space parking structure was added in 2006. In the 2006 Justification Study, an assumption is made that the parking structure would provide for additional parking for the benefit of new development since 2006. 100% of the cost is therefore allocated to new development. Inclusion of the parking structure on the Needs List was a pointed area of concern by the Home Builders Association in 2006.

Similarly, expansion or consolidation of the corporate yard is shown as allocated 100% to new development as of 2006. However, a 2006 estimate for the project shows \$8.5 million, considerably higher than the project cost on the Needs List. Consolidation of the yard should result in more efficient use of resources and would make available certain City lands for other public, or private use. Revenue from properties could offset the community's cost share of other facilities.

Policy

Reference: 2003 General Plan; 2006 Council Goals; AB 1600.

Fiscal

Impact: Development impact fees are a means to offset the cumulative impacts of development. The Needs List is established to inventory those projects required to mitigate the impacts of new development. The Needs List may also include projects that reflect council goals. Projects that reflect Council goals may be deleted from the Needs List and fees reduced (so long as the facility category account balance is less than the amount needed to fund the projects remaining on the list).

Options:

- a. Recommendation to City Council for modification of the Government Facilities Needs List
- b. Amend, modify or reject the above option.

TO: Council Ad Hoc Committee

FROM: Ron Whisenand, Community Development Director

SUBJECT: Development Impact Facility Needs List Review
Parks-Recreation and Library Facilities

DATE: March 9, 2011

Needs: For the Committee to discuss contents of the Parks-Recreation and Library Needs Lists.

- Facts:**
1. On December 7, 2010, the Council formed an ad hoc committee to review development impact facility needs.
 2. The council ad hoc committee last met on February 18, 2011, to discuss the Government Facilities Needs List.
 3. At its meeting of February 15, 2011, the Council adopted a resolution formulating a temporary waiver of certain development impacts fees, including those for parks-recreation and library facilities.
 4. In 2009, the Council adopted Resolution No. 09-131 amending the Parks and Recreation Facilities Needs List to substantially scale back the scope of development of a new aquatics center.
 5. The current Parks and Recreation Facilities Needs List is comprised of the following projects:

<u>Project</u>	<u>Cost</u>	<u>New Development's Share</u>	
Centennial Park Improvements	\$ 1,000,000	80.78%	\$ 807,800
Sherwood Park Land Improvements	\$10,000,000	80.78%	\$ 8,078,000
Salinas Open Space Land (71 ac)	\$ 9,700,000	80.78%	\$ 7,835,660
Salinas Open Space Land Improvements	\$ 497,400	80.78%	\$ 401,800
Montebello Park Acquisition	\$ 750,000	80.78%	\$ 605,850
Montebello Park Land Improvements	\$ 4,250,000	80.78%	\$ 3,433,150
Aquatic Facility	\$ 1,072,985		\$ 689,571

6. The current Library Facilities Needs List is comprised of the following projects:

<u>Project</u>	<u>Cost</u>	<u>New Development's Share</u>	
Remodel Existing Library Upstairs	\$4,200,000	100.00%	\$4,195,492
Library Books	\$1,196,000	100.00%	\$1,196,000
Library Study Center	\$ 250,000	100.00%	\$ 250,000

7. Development impact fees were established to assess new development their share of the costs associated with these projects.

8. Projects may be removed from the Needs List at the Council's discretion, and fees adjusted accordingly, provided the facility category account balance is less than the amount needed to fund remaining projects.
9. As of July 1, 2010, the fund balance in Parks and Recreation Facilities was \$1,895,403. Additionally, there is a separate account for the aquatics facility with a balance of \$380,516.
10. As of July 1, 2010, the fund balance in Library Facilities was \$840,974.

**Analysis &
Conclusion:**

The Facility Needs List includes projects that mitigate the impacts of new development and/or are of benefit to the community. Projects that are not explicit environmental mitigations may be modified at the City Council's discretion. The Parks-Recreation and Library Facilities Lists represent examples of such projects.

Parks and Recreation Facilities

The remaining improvement currently under consideration for Centennial Park is the expansion of the amphitheatre, including terraced seating areas and significant electrical upgrades.

Sherwood Park is the subject of an approved master plan. The first phase was completed in 2008 at a cost of _____ \$.

In 2010 the City purchased 154 acres of Salinas River corridor open space with a state grant supplemented by impact fee funds at a cost of roughly \$13,000 per acre. There are other river properties desired. This item allows the City to pursue grants for purchases of River property by maintaining a balance available for any required matching funds.

The Town Centre Plan discusses a number of park acquisition/improvements including;

- Salinas River trails and an overlook/paseo facility
- A 10-acre park in the Uptown area
- Downtown park improvements

These are examples of adopted policy reflecting goals that could be added to the Needs List at the discretion of the Council.

Union-46 Specific Plan funds were used to purchase seven acres of Montebello Park land. Montebello park acquisition funds were placed on the Needs List in 2006 to purchase three adjacent acres owned by the School District and set aside for joint use play fields. Montebello park development funds are on the Needs List for development of the park improvements over those 10 acres.

The aquatics facility first appeared on the impact fee list in 2003. Given that this account was established exclusively, it cannot be recommended for elimination. The 2002 *Master Facilities Plan* estimates the cost of expanding the aquatics center with

generic pool construction costs spread over additional pool space based on 1990 General Plan population growth. It was anticipated that the expansion would occur at the 28th Street site.

In 2006, the aquatics center was upgraded to a \$12,000,000 facility, most likely on the Cuesta College campus. That project was eliminated from the list in 2009. The current update may include either project or both. The City's share of a cost of a joint facility could be re-evaluated as well as the spread of benefit over the community; rather than heavily weighted to new development, as was the case with the 2006 impact fee program.

Other athletic facilities, including substantial practice field space are included in the Cuesta College master plan. The General Plan encourages joint use. An item addressing this issue on the Needs List could position the City to eventually assist the College with development of these facilities, however College representatives advise us that State funding of such facilities is not on the horizon at this time.

A draft Needs List is attached to elicit conversation on the pros and cons of each item. Please disregard the numbers. At this stage, the discussion should revolve around need. In the future we will flush out costs and evaluate new development's share of those costs.

Library Facilities

The remodel-addition of library space is the driver of the need for new City office space. In the 2006 Justification Study, an assumption is made that expansion of the library would provide for additional services needed for new development since 2006. 100% of the cost is therefore allocated to new development.

Similarly, the purchase of additional books and other resources is allocated 100% to new development as of 2006.

The study center has been relocated to the First Five site at 36th and Oak. However, the Center still needs a permanent home and should stay on the Needs List. It may be prudent to include a branch library within the Study Center facility.

Policy

Reference: 2003 General Plan; 2006 Council Goals; AB 1600.

Fiscal

Impact: Development impact fees are a means to offset the cumulative impacts of development. The Needs List is established to inventory those projects required to mitigate the impacts of new development. The Needs List may also include projects that reflect council goals. Projects that reflect Council goals may be deleted from the Needs List and fees reduced (so long as the facility category account balance is less than the amount needed to fund the projects remaining on the list).

Options:

- a. Recommendation to City Council for modification of the Parks-Recreation and Library Facilities Needs Lists.

- b. Amend, modify or reject the above option.

Attachment:
Draft Needs List

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Development Impact Fees
DATE: April 19, 2011

Needs: For the City Council to receive a report of the ad hoc committee formed to review capital facility needs in relation to the AB 1600 development impact fee program.

Facts:

1. The General Plan and Council goals establish public facility standards, objectives, and requirements to offset the impacts of, and serve, development.
2. The development impact fee program is intended to help pay for public facilities needed to serve the community. The facilities Needs List is based upon General Plan standards, infrastructure master plans, environmental analysis, and Council goals. It also projects costs for those facilities.
3. Development's impacts may be offset by payment of impact fees that fund a proportionate share of the costs for needed public facilities.
4. A comprehensive update of the development impact fee program is underway. On December 7, 2010, the Council formed an AB 1600 ad hoc committee to study policies associated with the program, facility needs, and identify possible modifications.
5. The ad hoc committee met on February 18 and March 9, 2011, and discussed needs related to government facilities, parks-recreation and library. The following is a report of those discussions.

**Analysis &
Conclusion:**

Government Facilities

At its meeting of February 18, 2011, the ad hoc committee discussed needs related to government facilities. Specifically, four projects were discussed; city hall, public meeting facility, downtown parking and a consolidated corporate yard.

City hall currently resides in a building dedicated for future library space. Estimated costs for a new city hall have ranged from \$14 million in 2002 to \$27 million in 2006. The ad hoc committee suggests we look at alternatives to new construction such as leasing or buying existing building space. Staff will investigate potential costs with a goal of determining the most efficient avenue to obtain office space for the future relocation/consolidation of City Hall.

The public meeting facility appears on the 2003 Impact Fee Needs List as a sole fee category and therefore has its own distinct account. Public meeting space is defined as *"available to community groups for meetings and functions"* in the 2002 Development

Impact Fee Nexus Report. The Centennial Park Gym and Community Center are cited as samples. Staff will provide the ad hoc committee options for a specific project for which this fund may be dedicated.

The ad hoc committee recommends that the parking structure be redefined more generally as "downtown parking" and that its potential costs be spread more evenly over the community. Potential expenditures could include angled street parking, land acquisition, surface parking, meter facilities, and/or a parking structure. Downtown parking plans and funding studies will be reviewed for guidance.

The concept of consolidating public works facilities into one corporate yard remains a desirable goal. City properties currently consumed by these uses are populated with obsolete facilities and could be redeveloped with higher uses that would contribute to neighborhood commercial revitalization. More research will be applied towards opportunities and cost estimates.

Parks and Recreation

At its meeting of March 9, 2010, the ad hoc committee discussed needs related to parks-recreation and library facilities. Needs recommended for further review and consideration include;

Centennial Park Amphitheatre
Sherwood Park Master Planned Improvements
Salinas River Property Acquisitions
Salinas River Park Improvements
Montebello Park Acquisition and Improvements
Aquatics Center
Uptown Park

All of the improvements on the list must be re-considered individually with regard to cost and their benefit to existing community versus new development; and in the case of the Uptown Park, its neighborhood benefit versus City-wide.

Library

The need to expand library space upstairs contributes to the need for new City Hall space. Costs for the library expansion will be re-evaluated. The study center has been relocated to the County Office of Education property at 36th and Oak, however, its status as temporary remains. New building costs, to include a branch library, will be considered.

Policy

Reference:

2003 General Plan (G.P.); 2006 Economic Strategy (E.S.); and 2009 City Council Goals (C.G.); Government Code section 66000 *et seq.*

- *"Strive to ensure that City services and facilities are maintained at current levels and/or in accordance with adopted standards". (G. P.-Goal 4)*
- *". . . should be evaluated on . . . long-term benefits and impact on the whole community, not on short-term job or revenue increases. Public investment should be*

equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises instead of individual firms.” (Economic Strategy)

- *“Requiring new development to mitigate a fair share of the impact created by the development.” (G.P.-Policy CE-1Aj)*
- *“Use development impact fees to fund any needed improvements. (G.P.-Action Item No. 9)*
- *“Establish stable long-term funding for infrastructure.” (Economic Strategy)*
- *“Maintain fiscal neutrality and stability” (Council Goals)*
- *“Live within our means” (Council Goals)*

Fiscal

Impact:

Development impact fees aid in offsetting the infrastructure impacts of new development.

Options:

- a. Receive and file report. The ad hoc committee will continue with review of public safety and transportation needs and will report back to council in September.
- b. Amend, modify or reject the above option.

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Facility Needs List Review
Transportation Facilities

DATE: July, 2011

Needs: Draft report of transportation needs for ad hoc committee review in relation to the AB 1600 development impact fee program.

Facts:

1. Action Item No. 1 of the 2011 Circulation Element of the General Plan states; *“develop a multimodal transportation mitigation fee program that will list needed improvements to automobile, pedestrian, bicycle and transit facilities”.*
2. The current impact fee program includes transportation fees that are related to automobile centric improvements and a separate bike and pedestrian fee for bike lane and trail improvements.
3. The transportation section divides the City over the Salinas River. It assigns the cost of certain improvements to all permits City-wide and then goes on to assign all other projects to the east or west sides of the City respectively. Since most of the projects are located on, and benefit the east side of the City; east side development is assessed a higher transportation impact fee (see attached current fee schedule and adopted Needs List)
4. Projects listed in the transportation impact fee program should be supported by policy based in the Circulation Element of the General Plan.

Analysis &

Conclusion: As an action item, the 2011 Circulation Element of the General Plan advises that we *“view all transportation improvements as opportunities to improve safety, access, and mobility for all travelers”.* Although we distinguish auto centric transportation projects from bicycle-pedestrian projects it is important to recognize that each project brings with it ancillary benefits to all modes of transportation. The distinction then is based on the primary need for the improvement; but each project, regardless of categorization, addresses the importance of other modes of transportation.

Attached are draft Needs Lists. All of the improvements listed will be analyzed individually to estimate their cost as accurately as possible and to assess their benefit to the existing community versus new development.

Automobile Centric Improvement Facilities

Seven projects are listed as beneficial to the entire City and therefore funding is augmented by permit fees City-wide. Examples of those projects are the 101-46E dual left turn/17th Street freeway ramps; the 4th Street extension to Riverside Avenue, which would include freeway ramp improvements; and the development of a new intersection at Union Road and 46E as conceived in the 2008 Caltrans Comprehensive Corridor Study.

Three projects are listed as specifically beneficial to non-residential development north of Highway 46E. All three are policy based in the 2007 Parallel Routes Study, reiterated in the 2011 Circulation Element and needed to mitigate development's impact on the highway. To date, mitigation of impacts on the highway has been a combination of AB 1600 fees, Borkey fees and specific mitigation measures resulting from environmental analysis on a case by case basis. Current commercial and industrial impact fees are discounted and, by themselves, do not provide adequate mitigation for transportation impacts in this area.

Ideally, the AB 1600 program update can be crafted so that the Borkey fees can be eliminated. A project specific surcharge for the area north of the highway could conceivably accomplish this goal.

Projects located on and benefitting the areas east of the Salinas River are generally located on all of the main corridors of Creston Road, Golden Hill Road, Niblick Road, Union Road and River Road. The elimination of the Charolais bridge project is the significant departure from the current impact fee program, however, other projects including the Union Road – 46E intersection and the connection road to the airport are added in and therefore a calculation of a similar fee is anticipated.

West side projects have been augmented to include improvement goals of the Town Centre and Uptown Plans including makeovers of Spring Street and Riverside Avenue. West side fees will remain lower than east side fees, however, inclusion of these projects in the program would close the gap.

Subsequent to the development of the Target Center, the SR 46W – 101 interchange not only operated below acceptable Level of Service D, but queues on the southbound 101 off ramp would back up dangerously close to the mainline. In response to this concern, all further development (including McDonalds-Chevron, the hotels on Alexa Court, Idlers and many others) participated in a \$2 million dollar improvement of the southbound ramp and traffic signal to accommodate projected queues. Given the need for continued improvements at the interchange it is appropriate that future development continue to make similar significant contributions.

The City's share of contribution to the interchange is proposed to be spread over the remaining vacant lands within the benefit area. The projected fees will be high, but they should be similar to the contributions made by the developments that preceded them and that financed the infrastructure that makes any development feasible today.

Bike and Pedestrian Facilities

Bike and pedestrian facilities are primarily driven by the Bike Master Plan and augmented by the Town Centre and Uptown plans. The draft list is divided by east and west sides of the City for organizational purposes, however, separate fees for each side are not proposed. The intention is to foster the goals of the Circulation Element and the Bike Master Plan by developing connections to commercial and employment centers, neighborhoods, schools and other destination points through out the City.

Transit Facilities

Transit facilities are not currently included in the impact fee program. As the City grows, transit needs will grow, and therefore it is appropriate that new development have a role in financing expanded services. In-fill projects, however, have access to and will benefit the existing system by generating ridership and revenue without necessarily generating need for more facilities. This is particularly true of high-density in-fill development.

Alternatively, the Chandler and Olsen-Beechwood specific plans have high-density pockets in geographic locations that will stretch the service boundary of current transit operations and therefore will have a profound impact on operational costs and effectiveness.

As an alternative to a city-wide transit impact fee, it appears appropriate to assess specific plan fees, or some other form of mitigation directly to the Plans. By the same logic, non-residential projects, City-wide, that become destination points should provide needed facilities and/or other forms of mitigation as determined through their environmental processes.

Developer Funded Improvements

Placement of any item on the AB 1600 Needs List must be accompanied by careful consideration of City-wide need versus benefit to a single developer (or a small defined group of developers). The Circulation Element describes a transportation system designed to respond to the needs of the Land Use Element. The Land Use Element includes specific plans that have a profound affect on certain facilities. A developer is entitled reimbursement of all expenses on any project appearing on the Needs List. If it is anticipated that a certain improvement will be accomplished via an envisioned private development, it is advised not to include that project on the Needs List. The Needs List should be confined to projects that are needed to serve cumulative new development, and not so much as a tool to mitigate impacts of any one development project.

Attached is a list of facilities whose primary function could be suggested to be responsive to the specific needs of one anticipated development or landowner. We need to review this list, item by item, and discuss whether these projects belong on the AB 1600 Needs List.

Policy

Reference: 2011 Circulation Element of the General Plan; 2009 Bike Master Plan

Fiscal

Impact: Development impact fees aid in offsetting the infrastructure impacts of new development.

- Options:**
- a. Recommendation to City Council of the composition of updated Transportation and Bike-Pedestrian Needs Lists.
 - b. Amend, modify or reject the above option.

Attachments:

Current Needs List attached for reference (adopted in 2006 and modified in 2009)
Transportation Needs List
Bike and Pedestrian Facilities Needs List
Developer Provided Transportation Facilities List

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Facility Needs List Review
Transportation Facilities

DATE: August, 2011

Needs: Draft report of transportation needs for ad hoc committee review in relation to the AB 1600 development impact fee program.

Facts:

1. Action Item No. 1 of the 2011 Circulation Element of the General Plan states; *“develop a multimodal transportation mitigation fee program that will list needed improvements to automobile, pedestrian, bicycle and transit facilities”.*
2. The current impact fee program includes transportation fees that are related to automobile centric improvements and a separate bike and pedestrian fee for bike lane and trail improvements.
3. Projects listed in the transportation impact fee program should be supported by policy based in the Circulation Element of the General Plan.

**Analysis &
Conclusion:**

As an action item, the 2011 Circulation Element of the General Plan advises that we *“view all transportation improvements as opportunities to improve safety, access, and mobility for all travelers”.* Although we distinguish auto centric transportation projects from bicycle-pedestrian projects it is important to recognize that each project brings with it ancillary benefits to all modes of transportation. The distinction then is based on the primary need for the improvement; but each project, regardless of categorization, addresses the importance of other modes of transportation.

Attached are draft Needs Lists. The transportation facilities list reflects the discussion at our last meeting.

Automobile Centric Improvement Facilities

Based on discussion at our last meeting, we have removed geographic distinctions and have proposed to spread the costs of all projects on the list evenly over permits City wide. In order to eliminate the need for overlapping Borkey fees, it will be necessary to assess new commercial and industrial development in accordance with the Justification Study that will eventually be produced by Taussig.

Developments in the vicinity of 46W - 101 (McDonalds-Chevron, the hotels on Alexa Court, Idlers and many others) participated in a \$2 million dollar improvement of the southbound ramp and traffic signal to accommodate projected queues. Given the need for continued improvements at the interchange the committee agreed it is appropriate that future development continue to make similar significant contributions.

Bike and Pedestrian Facilities

Bike and pedestrian facilities are primarily driven by the Bike Master Plan and augmented by the Town Centre and Uptown plans. The draft list is divided by east and west sides of the City for organizational purposes, however, separate fees for each side are not proposed. The intention is to foster the goals of the Circulation Element and the Bike Master Plan by developing connections to commercial and employment centers, neighborhoods, schools and other destination points through out the City.

Transit Facilities

Transit facilities are not currently included in the impact fee program. As the City grows, transit needs will grow, and therefore it is appropriate that new development have a role in financing expanded services. In-fill projects, however, have access to and will benefit the existing system by generating ridership and revenue without necessarily generating need for more facilities. This is particularly true of high-density in-fill development.

Alternatively, the Chandler and Olsen-Beechwood specific plans have high-density pockets in geographic locations that will stretch the service boundary of current transit operations and therefore will have a profound impact on operational costs and effectiveness.

As an alternative to a city-wide transit impact fee, it appears appropriate to assess specific plan fees, or some other form of mitigation directly to the Plans. By the same logic, non-residential projects, City-wide, that become destination points should provide needed facilities and/or other forms of mitigation as determined through their environmental processes.

Policy

Reference: 2011 Circulation Element of the General Plan; 2009 Bike Master Plan

Fiscal

Impact: Development impact fees aid in offsetting the infrastructure impacts of new development.

- Options:**
- a. Recommendation to City Council of the composition of updated Transportation and Bike-Pedestrian Needs Lists.
 - b. Amend, modify or reject the above option.

Attachments:

Transportation Needs List (from the meeting of July 18)
Bike and Pedestrian Facilities Needs List

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Facility Needs List Review

DATE: September 27, 2011

Needs: For the Committee to discuss contents of the draft comprehensive AB 1600 impact fee Needs List.

Facts:

1. On December 7, 2010, the Council formed an ad hoc committee to review development impact facility needs.
2. To date, the ad hoc committee has met four times to discuss various issues related to all categories on the Needs List including transportation, government facilities, parks, recreation and library facilities.
3. Development impact fees are established to assess new development their share of the costs associated with infrastructure needed to serve the community.
4. Projects listed in the impact fee program should be supported by adopted council policy. Conversely, plans and policies adopted by council should be reflected in the impact fee program as action items.

Analysis & Conclusion:

The Facility Needs List includes projects that mitigate the impacts of new development and/or are of benefit to the community. Projects listed in the program should be supported by adopted council policy and/or goals. Conversely, all projects conceived through plans and/or goals adopted by Council should be reflected on the Needs list as actions associated with those plans/goals.

Transportation

Transportation items reflect the goals and policies of the Circulation Element of the General Plan. The environmental impact analysis associated with the Circulation Element assumes implementation of the planned routes and connections and therefore each is fundamental to the operation of the plan. Should any project be subsequently deemed too expensive and/or unrealistic, further traffic analysis must be conducted to determine how the overall plan would operate in its absence.

In accordance with Circulation Element policy, the bicycle and pedestrian components of the impact fee program have been incorporated into the transportation section as a whole. The Bicycle Master Plan, as adopted by Council, has been included, along with improvements conceived through the Uptown-Town Centre Plan (UTTC).

Drainage Facilities

The drainage facilities included on the Needs List were developed through the 2007 Storm Drain Master Plan and reflected in the Uptown-Town Center Plan. The UTTC also outlines the policy framework for Low Impact Development and the transformation of conventional storm drain devices to those that serve to improve the quality of storm water run-off and limit storm water impacts on the Salinas River.

Public Safety

These facilities are essentially the same as those established in 2006 with the exception of clearing up the need for additional fire trucks (1).

General Government Facilities

As discussed at our meeting of February 18, assessing new development for construction of a City Hall appears unreasonable today. Options for buying existing buildings or leasing space will be explored.

The 2003 impact fee program established a specific fee to fund the construction of "public meeting facilities". Having established an independent account it is then necessary to assign those funds to a specific goal/project. Since the stated purpose is "public meeting facilities" we'll look into the option of applying those funds to the debt remaining on the current council chambers. In that case, it would not be necessary to continue to list "meeting facilities" as a need.

The definition of parking facilities will be expanded to include any improvement that augments parking availability in the downtown. The fee justification study will re-evaluate new development's share of this item.

The concept of developing a consolidated corporate yard remains a council goal. Costs for the facility will be re-evaluated.

Parks, Recreation and Library Facilities

At the meeting of March 9, the committee agreed to:

- fund expansion of the amphitheatre at Centennial Park, including terraced seating areas and electrical upgrades;
- research cost estimates for the remainder of the Sherwood Park master plan;
- acquire and improve Salinas River property
- purchase three acres in Montebello Park owned by the School District for joint use play fields and fund development of a comprehensive 10-acre park;
- expand and improve the aquatics center at 28th Street;
- address UTTC goals for park acquisition/improvements

The 2003 estimate provided for the Sherwood Park Master Plan was \$7.6 million. The \$10 million cost estimate in the current fee program appears appropriate for 2006.

In 2010 the City purchased 154 acres of Salinas River corridor open space with a state grant supplemented by impact fee funds at a cost of roughly \$13,000 per acre. There are other river properties desired. This item allows the City to pursue grants for purchases of River property by maintaining a balance available for any required matching funds.

UTTC goals include Salinas River trails, a 10-acre park in the Uptown area and downtown park improvements.

The remodel-addition of library space has driven the need for new City office space. In the 2006 Justification Study, the assumption is made that expansion of the library would provides additional services needed for new development and therefore 100% of its cost is allocated to new development. Similarly, the purchase of additional books and other resources is allocated 100% to new development.

The study center has been relocated to the First Five site at 36th and Oak. However, the Center still needs a permanent home and should stay on the Needs List. It may be prudent to include a branch library within the Study Center facility. This building may also provide the opportunity to address the public meeting facility envisioned in the 2003 impact fee program.

Policy

Reference: 2003 General Plan; 2006 Council Goals; AB 1600.

Fiscal

Impact: Development impact fees are a means to offset the cumulative impacts of development. The Needs List is established to inventory those projects required to mitigate the impacts of new development. The Needs List documents the projects that reflect council's adopted goals and policies and therefore should be inclusive of all.

- Options:**
- a. Recommend to City Council to accept the draft Needs List; authorize staff to study cost estimates and retain Taussig and Associates to prepare a justification study of impact fees.
 - b. Amend, modify or reject the above option.

Attachment:
Draft Needs List

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: Development Impact Fee Facility Needs List Review
DATE: December 6, 2011

Needs: For the City Council to discuss contents of the draft comprehensive AB 1600 impact fee Needs List.

Facts:

1. On December 7, 2010, the Council formed an ad hoc committee to review development impact facility needs.
2. The ad hoc committee met five times over the course of the last year to discuss various issues related to all public facility categories on the Needs List including transportation, government facilities, parks, recreation and library facilities.
3. Development impact fees are established to assess new development their share of the costs associated with infrastructure needed to serve the community.
4. Projects listed in the impact fee program should be supported by adopted council policy and/or goals. Conversely, goals and projects contained in plans and policies adopted by council should be reflected in the impact fee program.

Analysis & Conclusion:

The Facility Needs List includes projects that mitigate the impacts of new development and/or are of benefit to the community. Projects listed in the program should be supported by adopted council policy and/or goals. Conversely, all projects conceived through plans and/or goals adopted by Council should be reflected on the Needs List as actions associated with those plans/goals.

Transportation

Transportation items reflect the goals and policies of the Circulation Element of the General Plan. In accordance with Circulation Element policy, bicycle and pedestrian projects are no longer a separate category, but are combined into the transportation section as a whole. The project list from the Bicycle Master Plan has been added to the Needs List by reference.

The environmental impact analysis associated with the Circulation Element assumes implementation of the planned routes and connections and therefore each is fundamental to the operation of the plan. Should any project be subsequently deemed too expensive and/or unrealistic, further traffic analysis must be conducted to determine how the overall plan would operate in its absence.

The Uptown-Town Centre Plan (UTTC) proposes bike and pedestrian projects not considered fundable by the ad hoc committee. These projects include pedestrian bridges over the freeway at 12th Street, over the railroad at 6th Street, equestrian

path under 101 and the Park Street greenway. The ad hoc committee recommends that these projects be considered for removal from the UTTC during consideration of the next Plan update.

Drainage Facilities

The drainage facilities included on the Needs List were developed through the 2007 Storm Drain Master Plan and reflected in the Uptown-Town Center Plan. Conventional storm drain pipes and collection devices have been transformed into projects that not only provide the traditional conveniences of storm drains but also improve the quality of storm water run-off and limit storm water rate and volume impacts on the Salinas River. These storm water quality goals are outlined in the UTTC.

Public Safety

These facilities are essentially the same as those established in 2006 with the exception that the 2006 list included two fire trucks; only one of which is required for growth. A ladder truck, inadvertently included in the 2006 list, has been removed.

General Government Facilities

City Hall construction does not appear fundable in the life of the General Plan. Options for buying existing buildings or leasing space will be explored. The ad hoc committee recommends exclusion of this project from the Needs List. Exclusion precludes collections from new development that would otherwise offset growth's demand for increased service space.

The 2003 impact fee program established a specific fee to fund the construction of "public meeting facilities". Having established an independent account it is then necessary to assign those funds to a specific goal/project. It is likely that such facilities will be provided on properties currently owned by the City.

The definition of parking facilities has been expanded to include any improvement that augments parking availability in the downtown. The fee justification study will re-evaluate new development's share of this item.

The ad hoc committee supports the concept of developing a consolidated corporate yard and its inclusion on the Needs List.

Parks, Recreation and Library Facilities

The ad hoc committee recommended funding the expansion of the amphitheatre at Centennial Park, including terraced seating areas and electrical upgrades.

The purchase of three acres in Montebello Park owned by the School District for joint use play fields and the development of a comprehensive 10-acre park remain on the list.

The 2003 estimate provided for the Sherwood Park Master Plan was \$7.6 million. The \$10 million cost estimate in the current fee program appears appropriate.

UTTC goals include Salinas River trails, a 10-acre park in the Uptown area and downtown park improvements. In 2010, the City purchased 154 acres of Salinas River corridor open space with a state grant supplemented by impact fee funds at a cost of roughly \$13,000 per acre. There are other river properties desired. This item allows the City to pursue grants for purchases of River property by maintaining a balance available for any required matching funds.

The library study center has been relocated to a temporary building at the First Five site at 36th and Oak. The goal of the council is a permanent home and therefore the study center should remain on the Needs List. It may be prudent to include a branch library within the Study Center facility. This building may also provide the opportunity to address the public meeting facility envisioned in the 2003 impact fee program.

Policy

Reference: 2003 General Plan; 2006 Council Goals; AB 1600; 2011 Circulation Element; Uptown-Town Centre Specific Plan

Fiscal

Impact: Development impact fees are a means to offset the cumulative impacts of development. The Needs List is established to inventory those projects required to mitigate the impacts of new development and that reflect council's adopted goals and policies.

- Options:**
- a. Authorize staff to continue to refine cost estimates and allow Taussig and Associates to prepare a justification study of impact fees based upon the draft Needs List in accordance with their contract.
 - b. Amend, modify or reject the above option.

Attachments:

- (1) Draft Needs List

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: Development Impact Fee Update, Ad Hoc Committee Formation
DATE: May 1, 2012

Needs: For the City Council to consider formation of an ad hoc committee for the continued effort towards update of the development impact fee program.

Facts:

1. On February 17, 2009, the Council authorized a contract with David Taussig and Associates to update the AB 1600 Fee Justification Study.
2. The purpose of development impact fees is to ensure that future residential, commercial and industrial development pays its proportionate share of public facilities needed to accommodate that development.
3. The Justification Study prepared by Taussig is based upon a list of needed public facilities including transportation, storm drains, emergency services, police, government facilities, parks-recreation and library facilities.
4. In 2010, a council ad hoc committee was formed to review and develop a draft updated Needs List. The committee met five times in 2011 and the process culminated in a workshop conducted last February 23.

Analysis &

Conclusion: At the conclusion of their workshop on February 23, the Council authorized staff to direct Taussig and Associates to determine preliminary allocations of project costs to new development and to draft an array of preliminary impact fee amounts based upon the Needs List discussed at the workshop.

Additional tasks for staff include refining the cost estimates associated with the projects on the Needs List. We have received a proposal from civil engineers Penfield and Smith, to review our current transportation cost estimates and to prepare their own evaluation of costs based upon the project descriptions we have developed to date.

A new ad hoc committee is needed to oversee the production from Taussig, to review the Penfield and Smith proposal for its value to the process and to continue to provide direction to staff with regard to their efforts in refining cost estimates for projects on the Needs List.

Minutes of all ad hoc committee meetings will be distributed to all council members. Any issues requiring council action will be accompanied by typical staff reports including ad hoc committee recommendations.

Policy

Reference: 2003 General Plan, 2011 Circulation Element

Fiscal

Impact: None.

Options:

- a. Form an ad hoc committee for a period of six months, beginning May 1, 2012, for evaluation of Taussig's preliminary allocation summary and draft array of impact fees and to provide direction to staff with regard to refining cost estimates on the Needs List formed at the February 23, 2012 workshop.
- b. That the City Council amend, modify or reject the above option.

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Fee Update

DATE: May 25, 2012

Needs: For the Council Ad Hoc Committee to consider a contract for an independent evaluation of Needs List cost estimates and to set up future meeting/s to discuss UTTC goals, their consistency with the draft Needs List; and a draft array of allocations and fees presented by Taussig and Associates.

Facts:

1. At their meeting of May 1, the City Council formed the ad hoc committee to evaluate Taussig and Associate's preliminary allocation summary and draft array of impact fees; and to provide direction to staff regarding refining the cost estimates associated with the projects on the Needs List.
2. The Justification Study prepared by Taussig is based upon a list of needed public facilities including transportation, storm drains, emergency services, police, government facilities, parks-recreation and library facilities.
3. Last February 23, the Council adopted a draft Needs List and authorized staff to direct Taussig to prepare preliminary reporting based upon that list. I anticipate receiving a draft of Taussig's allocations to new development along with a draft array of impact fees prior to Friday's meeting.

Analysis &

Conclusion: Attached is a proposal from civil engineers Penfield & Smith, to review our current transportation cost estimates and to prepare their own evaluation of costs based upon the project descriptions we have developed to date. Services provided by Penfield & Smith are intended to substantiate the transportation impact fee amounts and bring credibility to the program.

Taussig's draft allocation schedule and array of impact fees is expected prior to our meeting on Friday. We'll distribute the report and set up another meeting of the ad hoc committee in June to discuss and prepare comments and questions for Taussig.

Options:

- a. Recommend the City Council authorize staff to enter into a contract with Penfield and Smith for independent evaluation of cost estimates of transportation items on the Needs List.
- b. Meet in June to review the Taussig draft report of allocations and fees and to prioritize the project goals of the Uptown-Town Center Plan.
- c. Amend, modify options listed above.

Attachments:
Penfield and Smith Proposal

Ad Hoc Committee Minutes
John Hamon; Ed Steinbeck; JimA; JimT; EdG; JulieD; JohnF

May 25, 2012

Penfield and Smith Contract

The ad hoc committee reviewed a proposal from Penfield and Smith to provide an independent evaluation of the cost estimates on the transportation portion of the Needs List. The Committee agreed that the services provided by Penfield and Smith would substantiate the fee amounts and bring credibility to the program, and therefore recommended approval of the contract to the full Council.

The ad hoc committee did not see the need to retain other professional consultants to look at estimates on other portions of the Needs List at this time.

Uptown-Town Centre Plan Priorities

Staff introduced a breakdown of project priorities from the Uptown-Town Centre Plan (UTTCC). A meeting of the ad hoc committee will be arranged in June to discuss alignment of these priorities with the draft Needs List.

Draft Taussig Report

The first rough draft of Taussig's allocation of shares of costs of Needs List projects to new development and preliminary estimates of new fee amounts was presented. At the next meeting of the ad hoc committee the report will be discussed with the purpose of determining questions and directions for Taussig.

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Fee Update

DATE: July 13, 2012

Needs: For the Council Ad Hoc Committee to discuss Uptown-Town Centre (UTTC) project consistency with the draft Needs List; and for the Committee to discuss the draft array of allocations and fees presented by Taussig and Associates.

Facts:

1. At their meeting of May 1, the City Council formed the ad hoc committee to evaluate Taussig and Associate's preliminary allocation summary and draft array of impact fees; and to provide direction to staff regarding refining the cost estimates associated with the projects on the Needs List.
2. At the ad hoc committee meeting of May 25, we received a summary of project goals of the UTTC for the purposes of comparison to the draft Needs List considered by the City Council at their February 23rd workshop.
3. At the ad hoc committee meeting of May 25, we received a draft of Taussig's allocations to new development based upon the draft Needs List along with a draft array of impact fees.
4. At their meeting of June 5, the City Council authorized a contract with civil engineers Penfield and Smith to provide an independent evaluation of the cost estimates for the transportation items on the Needs List.

Analysis & Conclusion: **Uptown-Town Centre Plan Project Priorities**

In his summary, Ed Gallagher offers a path towards organizing UTTC project priorities to align with the draft Needs List as follows:

- Remove projects from the Plan that are unrealistic
- Identify those projects that are currently on the draft Needs List
- Identify remaining mid-term projects that warrant consideration for support with matching funds if grants were to become available
- Identify remaining long-term projects as ideas prompted by the Specific Plan, set aside for future consideration

By use of the process outlined above, we have developed a memo of suggested project priorities, attached for review to this report.

Taussig's draft allocation schedule and array of impact fees

Attached is the May 25 draft summary of allocations and fees prepared by Taussig and Associates.

- Options:**
- a. Recommend Realigned UTTC Project Priorities to City Council.
 - b. Amend, modify options listed above.

Attachments:

Minutes of 5-25-12 ad hoc committee meeting

UTTC Project Priorities

Realigned UTTC Project Priorities

Draft Taussig Report 5-25-12

Summary of Draft Fees

Current Fees

Ad Hoc Committee Minutes
John Hamon; Ed Steinbeck; JimA; JimT; EdG; JulieD; DougM; JohnF; SusanD

July 13, 2012

Uptown-Town Centre Project alignment with Needs List

Staff introduced a breakdown of project priorities from the Uptown-Town Centre Plan (UTTCC). The ad hoc committee reviewed and endorsed a draft revision of UTTCC priorities to align with the draft Needs List. The cost estimate for the aquatics center will be updated on the Needs List to reflect the project estimate in the UTTCC Plan.

Draft Taussig Report

The first draft of Taussig's allocation of costs to new development and a summary of his estimated fees was presented. The Committee is generally satisfied with the draft report. There will be specific questions regarding some of the allocation percentages. At the next meeting, the ad hoc committee will review:

- transportation cost estimates provided by Penfield and Smith
- components of the downtown parking item
- jurisdictional responsibilities for the 46W-101 intersection
- options for producing revenue to offset commercial and industrial impact fees

MEMORANDUM

TO: AB 1600 Impact Fee Ad Hoc Committee

FROM: John Falkenstien

SUBJECT: Realigned UTTC Project Priorities

DATE: July, 2012

Unrealistic Projects

The following projects are suggested to be presented to council for consideration for elimination from the Uptown-Town Centre Plan.

- Pedestrian Bridge over railroad at 6th Street
- Pedestrian Bridge over freeway at 12th Street
- Equestrian Underpass under freeway at Pioneer Park
- Pedestrian Bridge over Salinas River at the Hot Springs north of the Treatment Plant
- At-grade pedestrian railroad crossing at 28th Street
- N. River Road Playfield (not a UTTC issue, and should not be referenced in the plan)

AB 1600 Projects

The following projects are currently on the draft Needs List reviewed by the City Council at their February 23rd workshop, however, they are not listed as “short-term” projects in the UTTC. It is recommended that these projects be re-prioritized in the UTTC to “short-term” in order to gain policy support for inclusion on the AB 1600 Needs List.

- Vine Street 32nd to 36th Streets
- Bike and Pedestrian Bridge over the railroad at or near 24th Street
- “Midtown Urban Stream” (Accomplished by 21st Street grant in progress)
- Railroad Street 10th to 14th Streets
- Bike-Pedestrian Path north Riverside Avenue under 101 to Hot Springs and Salinas River
- Aquatics Center Expansion at 28th Street
- Uptown Park
- 4th Street underpass under railroad
- Paso Robles Street improvements
- 300 Space Parking Structure
- 13th Street Traffic Calming (also an LID water quality project)

Mid-Term Projects

These projects would be considered for matching funds should grants become available

- Robbins Field Redevelopment
- Oak Park Community Center
- Georgia Brown School Playfield
- Park Street Greenway 15th to 24th Streets
- 13th Street Bridge Pedestrian Improvements
- Charolais area Pedestrian Bridge over Salinas River
- Riverfront Paseo

Long-Term Projects

Concepts to keep in mind for the future

- M. Bauer School Redevelopment
- North Park Street Extension 24th to 28th Street (Bike and Pedestrian Path)
- Performing Arts Center
- New City Hall
- Amphitheatre
- River Discovery Center

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Fee Update

DATE: October 4, 2012

Needs: For the Council Ad Hoc Committee to review transportation cost estimates, the City's share of responsibility for 46W-101 improvements, components of the downtown parking item, and a memo prepared by Taussig and Associates outlining strategies for allocations of non-residential impact fees.

Facts:

1. At their meeting of May 1, the City Council formed the ad hoc committee to evaluate Taussig and Associate's preliminary allocation summary and draft array of impact fees; and to provide direction to staff regarding refining the cost estimates associated with the projects on the Needs List.
2. At the ad hoc meeting of May 25, we received a draft of Taussig's allocations to new development based upon the draft Needs list along with a draft array of impact fees.
3. At their meeting of June 5, the City Council authorized a contract with civil engineers Penfield and Smith to provide an independent evaluation of the cost estimates for the transportation items on the Needs List. We have since received the Penfield report (see attached).
4. The draft Needs List includes a Government Facilities item labeled "downtown parking" at a cost of \$13,170,240. Definition of the scope of work to be included in this item is needed to verify its cost.
5. We have received a technical memorandum from Associated Transportation Engineers estimating the percentage of traffic using the interchange at State Routes 46W – 101 having originated in the City of Paso Robles; in relation to trips originating regionally and from the County. We need to determine how this information will be factored into the cost estimate on the Needs List.
6. Impact fees adopted in 2006 for non-residential properties were discounted from amounts determined in the Fee Justification Study. This discount results in a revenue deficit for needed transportation facilities. David Taussig has prepared a memo offering options for allocations of non-residential impact fees and other forms of revenue generation.

Analysis & Conclusion: **Cost Estimates Provided by Penfield and Smith**

As requested, consulting engineers Penfield and Smith have provided a report of their estimates of cost of the items listed in the transportation section. Generally, the Penfield estimates are higher due to more precise accounting of construction items and

more realistic estimates of permitting costs. There are a couple of cases where the Penfield estimates are substantially lower. Overall, the Penfield report provides a more accurate presentation of the total transportation costs. It raises the cost of the transportation section by approximately \$26 million.

46W – 101

A sub-section of the traffic analysis for the Furlotti development application indicates that 51% of the traffic in the 46W – 101 interchange is City generated trips.

To date, funding for interchange improvements has been a combination of transportation impact fees, grant funding from the American Reconstruction and Recovery Act (ARRA) and private funds. In 2005, the southbound 101 off ramp reached a point of congestion where traffic backed up to the main line freeway. Development applications in the area were required to enter into a private agreement to participate in a project to alleviate the congestion. Examples of participants included McDonald's, La Bellasera Hotel, and the Idler's development. Together, the private participants constructed a ramp widening project at a cost of about \$2 million that continues to be a very effective operational improvement today.

It would seem reasonable that future development served directly by the interchange participate with a similar financial stake in the ultimate goal of interchange improvements. One option towards implementing that policy would be a special transportation impact fee set specifically, and applied only to, the area served directly by the interchange. The fee would be based upon peak hour trip generation of the proposed use, similar to the private program that was implemented to construct the ramp improvements.

The special transportation impact fee could be set in effect in lieu of the adopted City-wide transportation impact fee. It would be higher than the normal City-wide fee and depending on the proposed use, it could be substantially higher. The principle would be similar to the Lowe's commercial center in that the transportation fees would be dedicated to one particular project, rather than available for use City-wide. This may be an appropriate allocation in that purchase of properties for the interchange remain indebted to the enterprise funds today.

Downtown Parking

The Needs List discussed by the City Council at their workshop in February included an item in the Government Facilities section titled Downtown Parking. The cost estimate of \$13,170,240 includes the 300 space parking structure on City-owned property at 10th and Spring as well an estimate of cost to implement the infrastructure needed for timed parking. Sources of additional parking could be surface lots which may involve property purchases. Should the cost estimate be increased to cover that contingency?

Taussig's draft allocation schedule and array of impact fees

David Taussig has provided a memo outlining a strategy to allocate impact fees between residential and non-residential development and to offer other financing options for non-residential development.

Caution should be exercised in the consideration of a reduction in non-residential fees in exchange for future income generated from the business interests on the site. This could be deemed a public subsidy thus triggering prevailing wage requirements for the private development project. Also, as Taussig points out, using future general fund income to mitigate development impacts denies the community access to those general funds which would otherwise be used to pay for public services.

The CFD provides mitigation but it must be understood that collection of fees over time will complicate the timing of construction of needed improvements.

- Options:**
- a. Recommend to the City Council use of the Penfield-Smith report for transportation section cost estimating.
 - b. Recommend to the City Council a special transportation impact fee for the properties served by the 46W – 10 interchange.
 - c. Recommend to the City Council an expanded definition of downtown parking.
 - d. Recommend that the City Council be presented with the option to finance non-residential transportation impact fees with a CFD.

Attachments:

Minutes of 7-13-12 ad hoc committee meeting

Cost Estimates for Transportation Improvement Projects Penfield and Smith

Memo from Associated Transportation Engineers

Memo from David Taussig 10-1-12

Summary of Draft Fees

Current Fees

Ad Hoc Committee Minutes
John Hamon; Ed Steinbeck; JimA; JimT; EdG; JulieD; DougM; JohnF

October 4, 2012

Transportation Project Cost Estimates

The ad hoc committee endorsed the use of the Penfield and Smith report for the basis of cost estimating transportation improvement projects.

46W – 101

The ad hoc committee endorsed the concept of establishing a special transportation impact fee for the area served by the 46W – 101 intersection. The specific calculation of the fee will be predicated on the goal of repaying the enterprise fund debt for purchase of properties in the area and financing the construction of the Vine Street bridge.

Downtown Parking

The ad hoc committee advocated the concept of expanding the downtown parking definition to the purchase of land and development of surface parking. An estimate of cost of development of approximately 100 to 200 spaces will be added to the estimate on the draft Needs List.

Taussig CFD for Transportation Project Revenue

The ad hoc committee supported bringing to the full Council the concept of establishing a Community Facilities District over non-residential properties for the purposes of generating revenue towards transportation improvement projects. This revenue would allow for financing of a portion of transportation impact fees over time, rather than payment upon occupancy of building permits.

Next Steps

The minutes of all of the ad hoc committee meetings will be presented to the full council with a request to set a date for a community workshop. The Penfield and Smith report will be made public and opened for comment prior to the workshop.

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: Development Impact Fee Update
DATE: November 20, 2012

Needs: For the City Council to review past actions of the AB 1600 ad hoc committee; to discuss their recommendations regarding the Needs List and related cost estimates, and to discuss recommendations for non-residential impact fees and alternative forms of revenue generation.

Facts:

1. At their meeting of May 1, the City Council formed the ad hoc committee to evaluate Taussig and Associate's preliminary allocation summary and draft array of impact fees based upon a Needs List discussed in a workshop held on February 23, 2012.
2. At their meeting of May 25, the ad hoc committee received a draft of Taussig's allocations to new development based upon the draft Needs list along with a draft array of impact fees. The committee formed a recommendation to City Council to retain Penfield and Smith to independently evaluate the cost estimates associated with the transportation program.
3. At their meeting of July 13, the ad hoc committee reviewed a list of project priorities from the Uptown - Town Centre Plan (UTTC). The committee endorsed a draft revision of UTTC priorities to align with the draft Needs List.
4. At their meeting of October 4, the ad hoc committee reviewed a report by David Taussig and Associates outlining the option of forming a community facilities district (CFD) over non-residential properties for the purposes of generating transportation project revenue that could partially offset the need to collect impact fees at the time of development. The committee advocated full council review of this option.

**Analysis &
Conclusion:** Updated Needs List

As requested, consulting engineers Penfield and Smith provided a report of their estimates of cost of the items listed in the transportation section. The Penfield estimates represent an independent, more precise accounting of construction items and a more accurate presentation of the total transportation costs. The ad hoc committee advocates use of the Penfield report in the compilation of the updated Needs List.

Taussig's Non-Residential Transportation Impact Fee Analysis

David Taussig has provided a memo outlining a strategy of financing options for transportation impact fees on non-residential development. The ad hoc committee advocates review of Taussig's memo by the entire council.

The Taussig memo also allows for consideration of a reduction in non-residential fees in exchange for future income generated from the business interests on the site. As Taussig points out, using future general fund income to mitigate development impacts denies the community access to those general funds, which would otherwise be used to pay for public services.

As an alternative, Taussig proposes the formation of a CFD over non-residential properties for generation of revenue for transportation projects. This would theoretically provide mitigation, however, collection of fees over time would complicate the timing of construction of needed improvements.

Policy

Reference: 2003 General Plan, 2011 Circulation Element

Fiscal

Impact: Development impact fees are a means to offset the cumulative impacts of development. The Needs List is established to inventory those projects required to mitigate the impacts of new development and that reflect council's adopted goals and policies.

Options:

- a. Receive and file report of AB 1600 Impact Fee ad hoc committee from the Community Development Director.
- b. Authorize staff to set a date for a public workshop to review the updated Needs List and draft allocations to new development.
- c. Schedule a series of council briefings to discuss non-residential impact fees and alternative financing.
- d. Amend, modify, or reject the above options.

Attachments:

Minutes of 5-25-12 ad hoc committee meeting
Minutes of 7-13-12 ad hoc committee meeting
Minutes of 10-4-12 ad hoc committee meeting
Memo from David Taussig 10-1-12
Summary of Draft Fees
Current Fees

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: Development Impact Fee Update
DATE: February 15, 2013

Needs: For the City Council to review a memo prepared by David Taussig and Associates (“DTA”) outlining strategies for deferred collections of non-residential impact fees; and, to consider the formation of a new residential Community Facilities District to update the cost of services and applicability policies.

Facts:

1. On November 20, 2012, the City Council received a summary report of the activities of its AB 1600 ad hoc committee. The Council directed scheduling of briefings to discuss alternative financing of non-residential impact fees.
2. On October 1, 2012, DTA prepared a memo presenting options to allow for developer financing of a portion of commercial-industrial impact fees.
3. Financing (deferring and/or spreading out the payment of) impact fees may facilitate commercial-industrial development in the face of increasing fee costs.
4. Among the options for financing improvements otherwise paid for by commercial-industrial impact fees is the formation of a Community Facilities District on non-residential properties.
5. Additionally, new residential development within the City has been included within Community Facilities District (No. 2005-1 adopted in 2005). This CFD collects revenue for police, emergency, library and recreation services.
6. In 2007, Government Code Section 53313 was amended affecting services that could be paid for by community facilities districts. Recreation and library services were eliminated (except by special election). Maintenance of streets and storm drainage systems were added (without the caveat of a special election).
7. DTA has provided a proposal to assist the City in establishing a new Community Facilities District in order to comply with the new CFD provisions and to allow for raising revenue for road maintenance of any new roads constructed within the boundaries of the CFD.

Analysis & Conclusion: **Alternative Financing for Non-residential Impact Fees**

In his October 1, 2012 memo, David Taussig demonstrates through the City's fiscal impact analysis that commercial and industrial developments contribute substantial revenue to the general fund. Revenue generation above what is required to provide

public services to those projects benefits the community at large. So, it is in the interests of Paso Robles to assure its competitiveness in attracting commercial and industrial projects.

Some suggest that a portion of the revenue generated by commercial and industrial development be credited against that project's development impact fees. However, as Taussig points out, using future general fund income to mitigate development impacts denies the community access to those general funds that would otherwise be used to pay for public services. Further, this could be deemed a public subsidy thus triggering prevailing wage requirements for the private development project. DTA also cautions that its conclusions are based on its 2004 Fiscal Impact Analysis, rather than current fiscal conditions.

There are, however, options to defer (i.e., pay over time) development fees while maintaining an appropriate development impact mitigation plan. One option is to establish a non-residential Community Facilities District. The District would publicly finance the projects otherwise financed by development impact fees over the life the General Plan. The costs of financing are carried by the development projects, but paid over time via a property-based special tax. However, financing with a CFD may not generate funds in a timely manner. The fundamental challenge of any impact fee program is timely implementation of the mitigation, i.e., specific projects. The CFD option aggravates that timing concern.

A more direct approach could be installment payment options secured by a property lien. In this case, a shorter financing period could be applied to alleviate the concern of a limited revenue stream. However, this approach must be balanced with careful planning, and adoption of a financing policy consistently applied. Also, and importantly, the agreement-lien approach does not provide funding certainty (unless/until the City is willing to exercise a lien in the event of non-payment).

Another alternative is to eliminate police, fire and government facilities impact fees for non-residential developments. Transportation fees currently account for about 90 percent of commercial impact fees and 95 percent of industrial. Given the contribution made by commercial-industrial development, the Council may find it appropriate to limit impact fees on such development to transportation only. This approach may provide more room to assess transportation fees up front, but would also result in incrementally (and unrealistically) more responsibility on the general fund to provide needed police, fire and government facilities infrastructure.

New Government Code Provisions Relating to Community Facilities Districts

As part of its action in approving the 2003 General Plan, the City Council directed that implementation include "formation of one or more Community Facility Districts (CFDs) to supplement development impact fees to mitigate both infrastructure and service impacts of new development. New residential development within the City has been included within a CFD initially formed in 2005.

In 2007, Government Code Section 53313 was amended to eliminate the ability of CFDs to pay for recreation and library services unless authorized by cumbersome

special elections. Maintenance of streets and storm drain systems were added. David Taussig has provided a proposal to assist the City in forming a new Community Facilities District consistent with the updated Government Code and based upon an updated review of costs of services.

Policy

Reference: 2003 General Plan; 2011 Circulation Element

Fiscal

Impact: Impact fees finance projects to offset the cumulative impacts of development. They represent implementation of action items outlined in the General Plan and specifically in the Circulation Element.

The total cost of improvements on the draft Transportation Needs List is over \$250 million. Impacts fees over all development contemplated by the land use element of the general plan will generate roughly one third that amount, or \$83 million. The City must rely upon grant opportunities and/or general tax revenues for the remainder, a bill of over \$165 million.

About 45 percent of the impact fee revenue is generated by commercial-industrial development. Deferral of a portion of those revenues will negatively impact the timely construction of needed infrastructure.

The residential CFD is necessary to comply with changes in the law and compensate for the increased services demands of residential development.

Options: a. Consider cost/benefit of a CFD for commercial and industrial developments to finance their share of transportation projects, in lieu of assessing transportation impact fees and, if a CFD is desired, consider retaining David Taussig and Associates to assist with formation; and

Consider retention of David Taussig and Associates for assistance in the formation of Community Facilities District over residential properties reflecting updated applicability policies and Government Code provisions.

b. Amend, modify or reject the options listed above.

Attachments:

- Memo from David Taussig 10-1-12
- Taussig Proposal for Formation of CFD
- Summary of Draft Fees
- Current Fees

TO: Council Ad Hoc Committee

FROM: John Falkenstien, City Engineer

SUBJECT: Development Impact Fee Update

DATE: November 15, 2013

Needs: For the Council members to individually review a memo prepared by Taussig and Associates outlining strategies for allocation of transportation impact fees.

Facts:

1. At their meeting of April 24, the City Council acknowledged a draft Needs List and authorized staff to direct Taussig and Associate's to prepare a justification study of updated impact fees.
2. We have received a technical memorandum from Taussig and Associates outlining three options of calculating transportation impact fees based upon the application of pass-through trips on non-residential development.
3. Impact fees adopted in 2006 for non-residential properties were discounted from amounts determined in the Fee Justification Study. This discount results in a revenue deficit for needed transportation facilities.

Analysis &

Conclusion: Taussig and Associates has provided a memo outlining a strategy to allocate impact fees between residential and non-residential development in three alternative options based upon three variant assumptions of "pass-through" trips associated with non-residential development.

In a previous memo, Taussig suggested that a portion of commercial impact fees could be financed with the formation of a Community Facilities District. In this scenario, funds would be raised over time. The CFD provides mitigation. However, the CFD is a cumbersome process, will not be welcomed by the business community, and the collection of fees over time will complicate the timing of construction of needed improvements.

Options: Recommend that staff prepare a report and make a public presentation offering three options for allocating trip generation for Council's consideration at a regular meeting of the City Council.

Attachments:

Memo from David Taussig 11-7-13
Alternative Summaries of Draft Fees

via email

March 17, 2014

Mr. John Falkenstien
City Engineer
City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446

Re: Transportation Impact Fees - Westside - Paso Terrace Community

Dear Mr. Falkenstien,

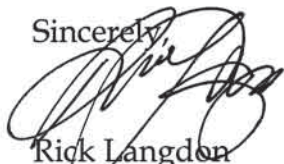
Thank you for making me aware of the fact that the Transportation Impact Fees for the west side of Paso Robles will be increasing. It is always disappointing to hear that any jurisdiction is raising any fees during times like these where it continues to be challenging to produce a profitable project. I understand that the property tax revenues from existing homeowners are no longer sufficient to be able to fund any new projects within our communities therefore one of the only remaining sources of funds is the new home developments.

Having said that, paying the additional Transportation Impact Fees, creates an unforeseen burden on our project that seems unnecessary. Our project is known as Paso Terrace and is located off of Caballo Place and Calle Choro in the northwest part of the city. We have only 18 lots left within the project and feel we should be "grandfathered" into the existing Transportation Impact Fee. We understand the annual increases due to the costs of doing business but do not agree with a decision to spread the fees evenly throughout the city since the majority of the new home construction has been on the east side of the city. I believe the way the old Transportation Impact Fees that were split based on the actual "impact" of the new developments was more appropriate.

I would respectfully request that the Transportation Impact Fees for our project remain as they are for the duration of the project and my hope is the City Council will be amiable to this request.

I thank you in advance for your consideration of this matter.

Sincerely,



Rick Langdon
Regional Manager
West Coast Housing Partners