



Public Facilities AB1600 Development Impact Fee Technical Memo

To: Kul Sharma
From: Alison Bouley
cc:
Date: April 2013
Re: **City of Tracy**
2013 Public Facilities Master Plan
AB1600 Development Impact Fee Study

BACKGROUND

On April 16, 2013 the “Citywide Public Facilities Master Plan” was adopted by City Council. The public facilities master plan evaluated current conditions; space standards and function flow; staff and space need projections; alternative facility plans and comparative cost estimates. The Public Facilities master plan is intended to be used as a guideline document for the identification of public facilities needed to serve future land development projects under the build-out condition for the City’s Sphere of Influence. The public facilities master plan is also a guideline document for the identification of public facility upgrades needed to adapt existing spaces to new or expanded uses.

The purpose of this memo is to calculate the public facilities fee and provide the findings necessary under Government Code Section 66000, et seq., also known as Assembly Bill 1600 (AB1600). This memo utilizes the facilities, costs, and fees from the “Citywide Public Facilities Master Plan” prepared by Indigo as the basis and further makes the findings as required under AB1600. These public facility fees will become the basis for all new development within the City of Tracy who is not already covered under an adopted fee program.

LEVEL OF SERVICE

The City of Tracy has 267 full time equivalent employees servings its existing population of 81,548. Based on an estimated population of 137,212 at build-out, it is anticipated that 458 employees would be needed. Table 1 summarizes the existing building square footages, the current building needs, the current unmet need, anticipated need at build-out and the resulting building square footage that must be constructed by build-out.

Table 1 – Building Square Footage

Department	Existing (GSF)	FY 10/11 Need (GSF)	Unmet Need (GSF)	Build-out Need (GSF)	Change Future Need (GSF)	Comments
Public Works	31,169	40,220	9,051	52,300	12,080	
Parks and Community Services	95,660	143,929	48,406	200,891	56,962	
Development & Engineering Services	17,143	14,750	-	23,630	6,487	Note 1
Economic Development	2,124	2,270	143	3,310	1,040	
City Hall Public Spaces	10,343	10,343	-	10,343	-	
City Attorney	2,202	1,970	-	2,490	288	
City Manager	6,462	5,610	-	6,970	508	
Human Resources	4,334	4,310	-	5,070	736	
Finance & Admin Services	7,734	5,450	-	7,750	16	Note 1
Civic Center Amenities	612	612	-	612	-	
Total	177,783	229,464	57,600	313,366	78,117	

Note 1: Includes Space assigned in Administrative Services Building

COST ESTIMATES

Indigo prepared cost estimates for the facilities necessary to serve build-out of the sphere of influence. The costs were then split between existing development and new development. This step is imperative in that new development cannot be required to fix any existing deficiencies. The cost estimates as well as the share attributable to new development are shown in Table 2.

Table 2 – Cost Estimates

Facility Name	Program Area at Buildout	Construction Subtotal	Total Construction + Indirect	FF&E & Vehicles	Land Acquisition	Total Project Cost	Total Cost Atributable to New Dev.
Public Works	52300	\$ 9,361,437	\$ 13,106,012	\$ 1,463,500	\$ 768,000	\$ 15,338,000	\$ 12,040,000
Subtotal Public Works Dept.	52300	\$ 9,361,437	\$ 13,106,012	\$ 1,463,500	\$ 768,000	\$ 15,338,000	\$ 12,040,000
Community Recreation Building	57348	\$ 16,902,000	\$ 23,662,800	\$ 844,736	\$ 810,000	\$ 25,318,000	\$ 9,435,000
Community Center	10480	\$ 1,322,600	\$ 1,851,640	\$ 154,370	\$ -	\$ 2,007,000	\$ 2,007,000
Lolly Hansen Senior Center	6361	\$ 521,732	\$ 730,424	\$ 93,698	\$ -	\$ 825,000	\$ 825,000
Public Library becomes Branch	17058	\$ 2,096,960	\$ 2,935,744	\$ 251,264	\$ -	\$ 3,188,000	\$ 1,295,000
Main Public Library	30432	\$ 10,214,600	\$ 14,300,440	\$ 448,263	\$ 465,000	\$ 15,214,000	\$ 13,914,000
Aquatic Center	16314	\$ 21,130,500	\$ 29,582,700	\$ 146,826	\$ 1,170,000	\$ 30,900,000	\$ 12,545,000
Subtotal P&CS Dept	137993	\$ 52,188,392	\$ 73,063,748	\$ 1,939,157	\$ 2,445,000	\$ 77,452,000	\$ 40,021,000
DES growing into P&CS Bldg	10818	\$ 424,350	\$ 594,090	\$ 95,554	\$ -	\$ 690,000	\$ 690,000
DES remaining in Support Services	8957	\$ 490,850	\$ 687,190	\$ 131,937	\$ -	\$ 820,000	\$ 820,000
DES remaining at City Hall (incl. w/blw)	8186	\$ 30,000	\$ 42,000	\$ -	\$ -	\$ 42,000	\$ 42,000
Subtotal Development and Eng. Services	27961	\$ 945,200	\$ 1,323,280	\$ 227,491	\$ -	\$ 1,552,000	\$ 1,552,000
Offices Remaining at City Hall (excl. DES)	22859	\$ 80,000	\$ 112,000	\$ -	\$ -	\$ 112,000	\$ 112,000
Offices Growing into City Hall Exp. Space	10955	\$ 176,550	\$ 247,170	\$ 40,228	\$ -	\$ 287,000	\$ 273,000
IS Div Growing into Public Safety Ctr.	2119	\$ 110,950	\$ 155,330	\$ 210,841	\$ -	\$ 367,000	\$ 367,000
Subtotal Fin., Admin. HR, Econ. Dev	35933	\$ 367,500	\$ 514,500	\$ 251,069	\$ -	\$ 766,000	\$ 752,000
Total Public Facilities	254187	\$ 62,862,529	\$ 88,007,540	\$ 3,881,217	\$ 3,213,000	\$ 95,108,000	\$ 54,365,000

FEE CALCULATIONS

The public facilities fee is comprised of four parts; civic center, parks and community services, library and public works. Residential development uses all four of the services and therefore pays fees for each. Commercial development, however, is not considered to have an impact on the parks or library facilities and therefore do not fund those facilities.

In order to calculate a fee we must first look at the population projects. For purposes of the calculation it is assumed that a new low density residential dwelling unit has a density of 3.3 people per unit, medium density unit is assumed to have 2.7 people per unit and a high density unit is assumed to have 2.2 people per unit. Based on these assumptions 54,457 new residents are being generated through growth in the sphere of influence.

In addition, we must look at new employees being added as part of non-residential development. It is assumed that there are 300 worker per square foot of building for office, 500 employees per square foot of building for retail, and 1500 employees per square foot for industrial. This equates to 147,145 new employees. Due to the fact that employees only utilize services 40 hours out of a total of 168 hours in a week, a worker is assumed to count as an equivalent to 0.24 (40 divided by 168) of a new resident. The total number of resident equivalents is calculated using this formula and then a total number of equivalent dwelling units (EDU's) are determined. These assumptions are summarized in Table 3.

Table 3 – EDU Calculation

Land Use Type	Number of Units/Bldg. sf	Density(a)	Resident/Worker Projections	Resident Equivalents	Equivalent EDU's (b)	EDU Factor
Residential						
Low-Density	7,555	3.3	24,932	24,932	7,555	1
Medium-Density (attached 2-4)	7,457	2.7	20,134	20,134	6,101	0.82
High-Density (attached 5+)	4,270	2.2	9,394	9,394	2,846	0.67
Subtotal Residents			54,459	54,459	16,502	
Commercial						
Office	15,912,904	300	53,043	12,730	3,858	0.24
Retail	18,015,545	500	36,031	8,647	2,620	0.15
Industrial	87,106,932	1500	58,071	13,937	4,223	0.05
Subtotal Commercial Employees			147,145	35,315	10,701	
Total				89,774	27,204	

Notes:

(a) Density is "persons per dwelling unit" or "square feet per worker"

(b) Workers are weighted a population of 0.24 based on a 40-hour work week divided by a total of 168 hours in the week.

Once the EDU equivalents are determined, the cost per EDU is then calculated for each facility. These calculations are summarized below:

Table 4 – Fee per EDU

Category	Cost	Total EDU's	Cost/EDU Residential	Cost/EDU Commercial
Civic Center	\$ 2,304,000	27,204	\$ 85	\$ 85
Parks and Comm. Services	\$ 24,812,000	16,502	\$ 1,504	\$ -
Library	\$ 15,209,000	16,502	\$ 922	\$ -
Public Works	\$ 12,040,000	27,204	\$ 443	\$ 443
Total	\$ 54,365,000		\$ 2,954	\$ 528

The cost per EDU is then converted into a fee per dwelling unit type based on the EDU factors in Table 3. The fees for each landuse type are summarized in Table 5.

Table 5 – Impact Fee Calculation

Land Use Type	Civic Center	Parks and Comm. Services	Library	Public Works	Total
Residential					
Low-Density	\$ 85	\$ 1,504	\$ 922	\$ 443	\$ 2,954 per unit
Medium-Density (attached 2-4)	\$ 70	\$ 1,231	\$ 754	\$ 362	\$ 2,417 per unit
High-Density (attached 5+)	\$ 57	\$ 1,003	\$ 615	\$ 295	\$ 1,970 per unit
Subtotal Residents					
Commercial					
Office	\$ 20.61	\$ -	\$ -	\$ 107.39	\$ 128.00 per 1000 sf
Retail	\$ 12.36	\$ -	\$ -	\$ 64.44	\$ 76.80 per 1000 sf
Industrial	\$ 4.12	\$ -	\$ -	\$ 21.48	\$ 25.60 per 1000 sf

AB 1600 FINDINGS

This section proves the nexus findings for establishing development impact fees for public facilities pursuant to the **Mitigation Fee Act**, California Government Code sections 66000, et seq., AB 1600.

Description of assumptions and design criteria regarding existing level of service, including a description of the existing public facilities and the existing users.

The City of Tracy provides space to house the current 267 full time employees. In addition, the City currently operates a community center, senior center, library, aquatic facilities, and a corporation yard.

Description of assumptions regarding the type of development planned for the City of Tracy.

There are 19 service areas anticipated to develop within the City’s sphere of influence, which will include approximately 54,459 new residents at build-out and another 147,145 workers.

Description of the impacts that new development will have on the level of service to existing City residents.

The City of Tracy will build new facilities to serve new residents. A detailed analysis of the existing buildings, level of service and future facilities has been completed. New residents will pay their fair share of these future facilities.

Description of the facilities required for the new development to meet the City's design criteria and level of service standards

The following facilities are needed to serve new residents' and employees' demands on City facilities:

- Civic Center
- Parks and Communities Services
- Library
- Public Works Facilities

Description of how new development will benefit from the public facilities

New development will benefit directly from the new facilities in that they create recreation amenities and provide space to house pertinent government facilities.

Pursuant to Government Code section 66005(a), an estimate of the total cost for providing the required public facilities necessary to support the buildout condition

New residents and employees will benefit from the facilities in this study. Table 2 contains the cost estimates for the required facilities. This study funds the following:

- Civic center expansion which will house employees critical to the increased demands new residents and employees place on the City.
- Parks and community services which provides recreation opportunities to new residents such as community center space, a large gymnasium and a new pool. Employees do not pay for these facilities.
- Expanded library services are needed to provide support to new residents. Employees do not pay for these facilities.
- The Corp yard needs to be expanded to house employees and equipment to meet the needs of the expanded City. Both residents and employees generate the need for these expanded facilities.

Description of the basis upon which the total estimated cost of providing the required public facilities will be allocated

The total estimated cost of providing the required public facilities to serve new development is allocated to new development based on a per capita basis. Employees are considered to only utilize services 40 hours out of the week, so their impacts are considered to be 0.24 (40/168) that of a resident.

Findings with Respect to the Mitigation Fee Act

This sub-section provides findings which comply with the requirements of California Government Code Section 66000, et seq. The capital improvements to be funded by impact fees are required to mitigate the impacts of new development within the City, consistent with the land

use and policies set forth by the City. The public facilities impact fees are not being imposed to improve or correct deficiencies in existing condition service levels. The impact fees are based on a fair share cost analysis which: 1) determines capital improvements required to mitigate impacts of new development, and 2) equitably distributes the costs of improvements to the new development areas that cause the impacts, per the provisions of the *Mitigation Fee Act*.

The *Mitigation Fee Act* requires mitigation fee programs incorporate the following basic requirements and information relating to reasonable relationship:

- Identification of the purpose of the fee.
- Identification of how the fee will be used.
- Determination of how there is a reasonable relationship between the fees use the type of development projects on which the fee is imposed.
- Determination of how there is a reasonable relationship between the need for the park facilities and the type of development projects on which the fee is imposed.
- Determination of how there is a reasonable relationship between the amount of the fee and the cost of the park facilities (or portion of facilities) attributable to new development.

The following findings address these requirements on reasonable relationship:

1. Identify the purpose of the fee. The purpose of the fee is to provide a source of funding to be used to construct public facilities to serve new development in the City.
2. Identify how the fee will be used. The impact fees will be used to construct the needed facilities to meet the needs of a growing civic center, new parks and recreation service needs, an expanded library, and an expanded public works facility.
3. Determine how there is a reasonable relationship between the fees use and the type of development projects on which the fee is imposed. New residents and employees in the proposed developments will generate additional demand for public facilities. The establishment of fees to fund the facilities required to serve and mitigate the impact of new development is directly related to both residential and commercial development. Commercial development does not pay for parks or library facilities.
4. Determine how there is a reasonable relationship between the need for public facilities and the type of development on which the fee is imposed. Each new resident and employee in the City creates additional needs for public facilities. The public facilities impact fee is based on the cost of creating new public facilities to maintain a standard level of service within the City. This fee is based on a cost per capita for new developments. Employees are charged a fraction of the cost of a resident
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facilities attributable to new development. The estimated costs of public facility improvements that are needed to serve new development have been prepared. The Public Facilities Impact Fee allocates the fair share of the estimated costs and benefits to the various proposed land uses associated with new development based on the estimated number of people per residential unit or new employees per square foot or non-residential.