



Technical Memorandum

Public Safety AB1600 Development Impact Fee Update

To: Bill Dean
From: Alison Bouley
cc: Vickey Dion, Kul Sharma, and Andrew Malik
Date: July 28, 2014
Re: City of Tracy Public Safety AB1600 Development Impact Fee Update

PURPOSE

The purpose of this memo is to update the Public Safety Development Impact Fee specifically related to the need for a new communication tower and related communication equipment. This facility has been identified as a critical item needed to serve new developments as they move forward.

BACKGROUND

On April 16, 2013, the "Citywide Public Safety Master Plan" was adopted by City Council. The public safety master plan evaluated current conditions; space standards and function flow; staff and space need projections; alternative facility plans and comparative cost estimates. The Public Safety Master Plan is a guideline document for the identification of public health and safety facilities needed to serve the City at build-out of the City's Sphere of Influence. The public safety master plan is also a guideline document for the identification of public health and safety upgrades needed to adapt existing spaces to new or expanded uses.

On January 7, 2014, the "Public Safety AB1600 Development Impact Fee Technical Memo" was adopted by City Council by Resolution 2014-010. The Public Safety fee, established the cost per capita for new development needed to pay their fair share of necessary police and fire facilities.

The City of Tracy has adopted the San Joaquin County Radio Master Plan, which establishes a county-wide public health and safety digital simulcast infrastructure to serve as the building block for interoperability. This infrastructure will allow all public health and safety agencies to have emergency communications in disaster situations, and support daily tactical operations. Any future sites for towers will have to comply with this Master Plan to allow for additional communication and data transport capabilities of multiple sites and will need to communicate with the already existing communications system to provide interoperability.

As the City of Tracy expands with new developments, the current communications system does not adequately cover these new developments. This leads to concerns of public health and safety for emergency service responders such as Police, Fire and Ambulance during service calls to those areas.

Staff has been researching the options to address the communications coverage into the new developments. Public health and safety officers during patrol or emergency response to these areas and responsiveness to citizen calls for service will be improved.

In response to the aggressive timeline of new developments in the City, Staff has been working on potential locations for a communications tower. In addition, staff has been working with the County of San Joaquin for greater interoperability and discussing a plan that would assist both agencies due to the expanded terrain covered by the tower. The tower would require an upgrade to the dispatch radio consoles, and portable and mobile radios that serve public health and safety.

The purpose of the tower is to expand and improve the radio communications capabilities for public health and safety. Engineering studies to define the coverage and performance will need to be completed to identify the exact location of the site of a tower and the equipment requirements.

Preliminary studies indicates that at minimum, a 180-ft tower, built as a three leg structural steel self-supported radio communications tower with a 30-ft x 10-ft equipment communications shelter with utility connections, fencing, and a 70-ft foundation pad would meet the standards established in the San Joaquin County Radio Master Plan.

As part of the City Wide Public Safety Master Plan adopted in 2013, estimates were provided for the cost of radio communications tower and equipment at \$2,797,000. This project includes but was not limited to a 180-ft tower, 30-ft x 10-ft equipment shelter with connections, fencing, and a 70-ft x 34-ft foundation pad, microwave, conventional simulcast system, 2 sites, 2 channels.

At this time, the estimated cost of the tower is \$3,905,000 including all mark-ups and land acquisition estimated to be associated with the project. This is an increase of \$1,108,000. However, due to the fact that this system is being built in part to replace the City's existing communication system as well as to expand the coverage area to include the new development areas, the City is covering the fair share of the existing residents. This results in an overall reduction to the master plan fees.

COST ESTIMATES

Table 1 shows the tower cost estimates that were prepared based on input received from the police department.

Table 1 - Cost Estimates

Tower	\$ 600,000
Equipment/Site Work	\$ 2,990,000
Land	\$ 75,000
Mark-ups (40% of Tower)	\$ 240,000
Subtotal New Tower and Equipment	\$ 3,905,000

POPULATION PROJECTIONS

The fee is calculated based on population and employment projections. 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, a 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. A medium density unit is defined as an attached residential unit consisting of 2-4 units and a

high density unit is defined as an attached residential unit consisting of 4+ attached units. Based on these assumptions 54,457 new residents are being generated through growth in the sphere of influence.

In addition, new employees are being added as part of commercial development. It is assumed that there is one employee per 300 square foot of building for office, one employee per 500 square foot of building for retail, and one employee per 1500 square foot for industrial. This equates to 147,145 new employees. The impact of an employee as compared to a resident is considered to be 0.5 times that of a new resident consistent with the methodology used in the existing Citywide public building study. 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 2.

Table 2 - Population Projection

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 4+)	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	26,522	8,037	0.51
Retail	18,015,545	500	36,031	18,016	5,459	0.30
Industrial	87,106,932	1500	58,071	29,036	8,799	0.10
Subtotal Commercial Employees			147,145	73,573	22,295	
Total				128,032	38,797	

Because the new tower is being built in part to replace the existing communication system with new technology, the City felt that new development should not bear the entire burden of the new system. In order to determine a fair share that the City should contribute towards the communication upgrades, the City looked at their existing population and building square footage. Table 3 summarizes the existing population equivalents.

Table 3 - Existing Population

Land Use Type	Number of Units/Bldg. sf	Density (a)	Resident/Worker Projections	Resident Equivalents	EDU Factor
Residential			81548	81548	1
Commercial					
Office	191,200	300	637	319	0.51
Retail	2,791,900	500	5,584	2,792	0.30
Industrial	19,439,200	1500	12,959	6,480	0.10
Subtotal Commercial Employees			19,181	9,590	
Total				91,138	

FEE CALCULATION

The City completed an evaluation of their existing communications infrastructure. It was estimated that their current equipment is valued at \$2,409,857 however much of this equipment will be replaced when the new communication system is installed. The City reviewed the equipment list and determined that of this existing equipment, \$598,724 will continue to be used when the new system is installed.

In order to determine the cost per resident equivalent that new development should pay, the value of the existing equipment was added to the cost of the new tower. This total cost was then divided by the total estimated population at build-out of the City. This resulted in a cost per capita of \$20.55. These calculations are shown in Table 4.

Table 4 – Fee Calculation

Tower	\$ 600,000
Equipment/Site Work	\$ 2,990,000
Land	\$ 75,000
Mark-ups (40% of Tower)	\$ 240,000
Subtotal New Tower and Equipment	\$ 3,905,000
Existing Equipment	\$ 598,724
Total Cost	\$ 4,503,724
Cost per Resident Equivalent	\$ 20.55
Existing Value per Resident Equivalent	\$ 6.57
Existing Development's Differential	\$ 13.98
City's Share of Tower and Equipment	\$ 1,274,074
New Development's Share of Tower and Equipment¹	\$ 2,630,926

¹ Includes development areas subject to Master Plan Fees as well as existing FIP areas.

The value of the existing system equates to \$6.57 per resident equivalent. This means that the City must provide an additional \$13.98 per resident equivalent. Multiplying this by the resident equivalent shown in Table 3, results in a contribution of \$1,274,074 to the project by the City to cover the share of existing residents.

The new fee of \$26.07 per resident equivalent results in a decrease of \$4.35 per single family unit from the adopted public safety fee. The revised public safety master plan fees are shown in Table 5.

Table 5 – Impact Fee Calculation

Land Use Type	Fire	Police	Shared Facilities	Total
Residential				
Low-Density	\$ 360	\$ 549	\$ 439	\$ 1,349 per unit
Medium-Density (attached 2-4)	\$ 294	\$ 450	\$ 360	\$ 1,103 per unit
High-Density (attached 4+)	\$ 240	\$ 366	\$ 293	\$ 899 per unit
Commercial				
Office	\$ 181.68	\$ 277.50	\$ 221.93	\$ 681.11 per 1000 sf
Retail	\$ 109.01	\$ 166.50	\$ 133.16	\$ 408.67 per 1000 sf
Industrial	\$ 36.34	\$ 55.50	\$ 44.39	\$ 136.23 per 1000 sf

DEVELOPMENTS WITH EXISTING FINANCE PLANS

When the population projections were made in the original master plan, the vacant land in developments with existing finance plans were included in those population projections. It was assumed that these

developments would pay their fair share of the identified improvements. In order to collect the funding needed to build the communication tower, it is necessary to collect the fair share funding from all future projects in the City. Table 7 shows the fee by land use that is being established based on the above methodology.

Table 6 - Fair Share Calculation

Land Use Type	Tower Fee
Residential	
Low-Density	\$ 67.81 per unit
Medium-Density (attached 2-4)	\$ 55.48 per unit
High-Density (attached 4+)	\$ 45.21 per unit
Commercial	
Office	\$ 34.24 per 1000 sf
Retail	\$ 20.55 per 1000 sf
Industrial	\$ 6.85 per 1000 sf

AB 1600 FINDINGS

This section proves the nexus findings for establishing a fee for a public safety communication tower which results in an increase to the Public Safety development impact fee 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 safety facilities and the existing users.

The City of Tracy currently has 91,138 resident equivalents. With build-out of the sphere of influence, the City is expected to add 128,032 resident equivalents. The City currently has communication equipment valued at \$2,512,958 that serves the needs of existing residents. When the new system is integrated, only some of the equipment will continue to be used. The salvageable equipment is valued at \$598,724. New development is assumed to have an additional share of \$1,274,074 that the City will cover.

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.

As the City of Tracy expands with the developments, the current communications system does not adequately cover these new developments. The new development may also reduce the level of service to the existing City. This leads to concerns of public health and safety for emergency service responders such as Police, Fire and Ambulance during service calls to those areas. New development will pay their fair share of the new communication equipment necessary to serve it.

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

Preliminary studies indicates that at minimum, a 180-ft tower, built as a three leg structural steel self-supported radio communications tower with a 30-ft x 10-ft equipment communications shelter with utility connections, fencing, and a 70-ft foundation pad would meet the standards established in the San Joaquin County Radio Master Plan. This tower and related equipment upgrades will be funded by a combination of City funding sources and impact fees from new development.

Description of how new development will benefit from the public facilities

The new tower and communication equipment will expand and improve the radio communications capabilities for public health and safety to these new areas of the City. This will improve responsiveness to citizen calls for service and is critical for maintaining the safety of the public health and safety officers responding to these calls.

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

New residents and employees will benefit from the facilities in this study. Table 4 contains the cost estimates for the communication tower and establishes the fair share of new development.

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

The total estimated cost of providing the required public health and safety facilities to serve new development is allocated to new development based on a per capita basis. Employees are considered to utilize public health and safety services equal to 0.5 that of a resident which is consistent with the methodology established in the "Citywide Public Safety Master Plan" adopted on April 16, 2013 and the "Public Safety AB1600 Development Impact Fee Technical Memo" adopted on January 7, 2014. New development only pays for their fair share of the facilities which is estimated to be 67.4% of the total cost.

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/fair share payments 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 health and safety facilities impact fees/fair share payments are not being imposed to improve or correct deficiencies in existing condition service levels. The impact fees/fair share payments 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/payment programs incorporate the following basic requirements and information relating to reasonable relationship:

- Identification of the purpose of the fee/fair share payment.
- Identification of how the fee/fair share payment will be used.
- Determination of how there is a reasonable relationship between the fees/fair share payments use the type of development projects on which the fee/fair share payment is imposed.
- Determination of how there is a reasonable relationship between the need for the public facilities and the type of development projects on which the fee/fair share payment is imposed.

- Determination of how there is a reasonable relationship between the amount of the fee/fair share payment and the cost of the public 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/fair share payment. The purpose of the fee/fair share payment is to provide a source of funding to be used to construct public safety facilities, specifically a new communication tower and related equipment to serve new development in the City.
2. Identify how the fee/fair share payment will be used. The impact fees/payments will be used to construct the new communication tower in order to expand the system to meet the demands of new development.
3. Determine how there is a reasonable relationship between the fees/payments use and the type of development projects on which the fee/payment is imposed. New residents and employees in the proposed developments will generate additional demand for public health and safety facilities, specifically a tower and related equipment. The establishment of fees/fair share payments to fund the facilities required to serve and mitigate the impact of new development is directly related to both residential and commercial development.
4. Determine how there is a reasonable relationship between the need for public health and safety facilities and the type of development on which the fee/fair share payment is imposed. Each new resident and employee in the City creates the need for improved communications in the City. The public health and safety impact fee/payment is based on the cost of creating new public health and safety facilities to maintain a standard level of service within the City. This fee/payment is based on a cost per capita for new developments. Commercial developments are charged based on the number of new employees anticipated to be added by the project.
5. Determine how there is a reasonable relationship between the amount of the fee/fair share payment and the cost of the public health and safety facilities attributable to new development. The estimated cost of the new tower and communication equipment has that is needed to serve new development have been prepared by the City. The Public Safety Impact Fee/fair share payments allocates the fair share of the estimated costs to new development based on resident equivalent assumptions which are based on the estimated number of people per residential unit or new employees per square foot of building for non-residential.