

RESOLUTION NO. 2006-258

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
LEVYING DEVELOPMENT IMPACT FEES FOR
THE PROVISION OF PARK FACILITIES FOR THE LAGUNA RIDGE AREA**

WHEREAS, the City of Elk Grove General Plan includes a general description of the location, capacity, and types of capital improvements needed to serve new development in the City;

WHEREAS, in order to protect the health, safety, and welfare of the community and to ensure that adequate park facilities are provided for the Laguna Ridge area (which comprises the Laguna Ridge Specific Plan area, the Elk Grove Automall, and the Lent Ranch Special Planning Area) and so that new development in the Laguna Ridge area pays its fair share of the cost of providing these facilities, the levy of park facilities fees is necessary;

WHEREAS, Chapter 16.82 of the Elk Grove Municipal Code describes the City's program for funding park facilities for the Laguna Ridge area from development impact fees (the "Laguna Ridge Park Fee Program"), makes administrative provisions for the implementation of the Laguna Ridge Park Fee Program, and provides that the individual fees included within the program may be periodically amended by resolution (in addition to automatic adjustments based on cost indices);

WHEREAS, Goodwin Consulting Group, Inc., has prepared and presented to the City Council a nexus study, the "Laguna Ridge Park Fee Program Nexus Study," dated September 12, 2006 (the "Nexus Study"), incorporated herein by this reference, which details the relationship between the use of the proposed fees to be levied within the Laguna Ridge area and the types of development on which the fees are imposed, the relationship between the need for the public facilities and the type of development on which the fees are imposed, and the relationship between the amount of the fees and cost of the public facilities;

WHEREAS, the City Council finds that the fee schedule detailed in Exhibit A attached hereto and the planned improvements detailed in the capital improvement plan for the Laguna Ridge Park Fee Program are consistent with the Elk Grove General Plan;

WHEREAS, pursuant to Government Code section 66016, the data required to be made available to the public prior to establishing the amount of the Laguna Ridge Park Fees by this resolution was made available for public review at least 10 days prior to the date of this meeting;

WHEREAS, pursuant to Government Code sections 66018 and 6062a, notice of a public hearing on the levy of the fees was published in the Elk Grove Citizen twice,

with at least five days intervening the two publications, commencing at least ten days prior to the date of this meeting;

WHEREAS, a duly noticed public hearing before the City Council on the levy of fees for the Laguna Ridge Park Fee Program was held on October 11, 2006, at which hearing public testimony was received and duly considered;

WHEREAS, levy of fees for the Laguna Ridge Park Fee Program is not a "project" subject to the California Environmental Quality Act, because it is a funding mechanism having no physical effect on the environment;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk Grove :

1. Approval of Findings. After considering the information and determinations contained in the Nexus Study and the testimony received at the public hearing, the City Council hereby approves and expressly adopts the findings, determinations, and conclusions contained in the Nexus Study, including in particular those under the heading "AB 1600 Nexus Findings."

2. Approval of Fees. The park fees applicable to new development in the Laguna Ridge area that are set forth in Exhibit A attached hereto are hereby approved and levied. The fee amounts hereby approved include the annual automatic adjustments described on Exhibit A.

3. Exemptions. All determinations regarding the exemptions provided in this section shall be made by the City Finance Director or his/her designee. The following shall be exempted from payment of the park fees:

a. Public Agencies. All federal and state agencies, public school districts, fire stations, and the City of Elk Grove will be exempt from the park fees. Other non-City public agencies shall be subject to payment of the park fees; however, the City may choose to waive some or all of the park fees in certain cases.

b. Replacement/Reconstruction.

(i) Residential Structure. Any replacement or reconstruction (no change in use) of any residential unit that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the park fees. However, if the residential unit(s) replaced or reconstructed exceeds the documented total number of units of the damaged/destroyed residential structure, the excess units are subject to the park fees. If a residential structure has been vacant for more than five years, the exemption will not apply.

(ii) Non-Residential Structure. Any replacement or reconstruction (no change in use) of any non-residential structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the park fees. However, if the building replaced or

reconstructed exceeds the documented total floor area of the damaged/destroyed building, the excess square footage is subject to the park fees. If a structure has been vacant for more than five years, the exemption will not apply.

(iii) Change in Land Use. If a residential and/or non-residential structure is replaced with an alternative land use, such as replacing an office building with a retail building, then City staff will determine the appropriate park fee adjustment to reflect the different park usage characteristics of the original and new land uses.

c. Additions/Alterations/Modifications/Temporary Facilities.

(i) Additions to single family residential structures, provided no change in use occurs and a second full kitchen is not added.

(ii) Additions to multi-family residential structures that are not part of a mixed use type project, provided no change in use occurs and no additional units result.

(iii) Supporting use square footage in multi-family projects, such as the office and recreation areas required to directly serve the multi-family project. The residential unit fee will provide the full mitigation required in multi-family projects.

(iv) Non-habitable residential structures such as decks, pools, pool cabanas, sheds, garages, etc.

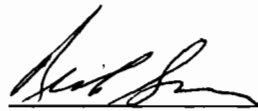
(v) Construction of a granny unit that does not have a full kitchen.

(vi) Mobile or manufactured homes with no permanent foundation.

4. Fee Adjustments. For specialized development projects that would not fall under one of the fee categories in Exhibit A, the Finance Director, in conjunction with the City Engineer, will review the specialized development and decide on an applicable fee based on the impact to park facilities from the development. The Finance Director, in conjunction with the City Engineer, will also review requests for fee adjustments where redevelopment of a parcel results in a net increase in developed area or results in a change of land use. If the previously built structure has been vacant for more than five years, the parcel will be treated as if it was undeveloped, and no such adjustment will be applied.

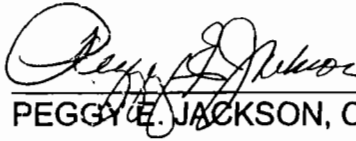
5. Effective Date. Pursuant to Government Code section 66017(a), the revised fees authorized by this Resolution shall become effective 60 days after the date of the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 11th day of October 2006.



RICK SOARES, MAYOR OF THE CITY OF
ELK GROVE

ATTEST:



PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:



ANTHONY B. MANZANETTI,
CITY ATTORNEY

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Exhibit A

**CITY OF ELK GROVE
LAGUNA RIDGE PARK FEE PROGRAM
PARK IMPACT FEES BY LAND USE**

	Base Park Fee	3% Administrative Component /1	Total Park Fee
Residential			<i>per Unit</i>
Single Family	\$2,541	\$76	\$2,617
Multi Family	\$1,694	\$51	\$1,745
Age-Restricted	\$1,452	\$44	\$1,496
Non-Residential			<i>per Building Sqft</i>
Commercial	\$0.19	\$0.01	\$0.20
Office	\$0.32	\$0.01	\$0.33
Industrial	\$0.08	\$0.01	\$0.09

/1 To fund the City of Elk Grove's administration costs related to the Laguna Ridge Park Fee Program.

In January of each calendar year, the amount of the Laguna Ridge Park Facilities Fee shall be automatically adjusted by the average of the change in the San Francisco Construction Cost Index (CCI) and the change in the 20-city CCI as reported in the Engineering News Record for the 12 month period ending October of the prior year.

**CITY OF ELK GROVE
LAGUNA RIDGE
PARK FEE PROGRAM NEXUS STUDY**

DRAFT HEARING REPORT

September 26, 2006

**GOODWIN CONSULTING GROUP, INC.
555 University Avenue, Suite 280
Sacramento, California 95825
(916) 561-0890**

**CITY OF ELK GROVE
LAGUNA RIDGE
PARK FEE PROGRAM NEXUS STUDY
(DRAFT HEARING REPORT)**

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EXECUTIVE SUMMARY

INTRODUCTION

The Laguna Ridge Specific Plan (“LRSP”), the Elk Grove Auto Mall (“Auto Mall”), and the Lent Ranch Special Planning Area (“Lent Ranch SPA”), collectively referred to as the Laguna Ridge Area, are located in the City of Elk Grove (the “City”). The City is located in the south central portion of Sacramento County along Highway 99, approximately 20 miles south of downtown Sacramento. The LRSP area is located in the south portion of the City and lies west of Highway 99, south of Elk Grove Boulevard, east of Bruceville Road and the East Franklin Specific Plan, and north of Bilby Road and the area referred to as the “Southeast Study Area.” The Auto Mall is located northeast of, and adjacent to, the LRSP area, south of Elk Grove Boulevard, and west of Highway 99. The Lent Ranch SPA is southeast of the LRSP and is bordered by Highway 99 to the east, Kammerer Road to the south, and the Sterling Meadows development to the west. A map identifying the Laguna Ridge Park Fee Program boundaries is shown on page 3 of this report.

In 2005, the Public Facilities Financing Plan for the Laguna Ridge Specific Plan area (“Laguna Ridge Finance Plan”) established a capital improvement program for park facilities (“Park CIP”) based on projected needs of future development. Since then, the Park CIP for the Laguna Ridge Area has been revised to reflect current construction cost estimates for park facilities as well as conditions of development pursuant to development agreements between the City and LRSP developers (“Development Agreement”). The revised Park CIP will serve future development in the Laguna Ridge Area and is incorporated in this Laguna Ridge Park Fee Program Nexus Study (“Nexus Study”).

The Laguna Ridge Area is estimated to include 7,323 residential units, including 4,774 single family units, 1,966 multi-family units, and 583 age restricted units. The Laguna Ridge Area also anticipates future development of approximately 3.9 million square feet of commercial space and almost one million square feet of office space. These land use projections reflect a 9% and 10% reduction to residential and nonresidential land uses, respectively. The reduction factors are based on the City’s review of past tentative maps versus actual residential building densities as well as the City’s experience related to nonresidential development, and are applied to the development figures used in the Laguna Ridge Area. The reduced development projections are used in this Nexus Study to determine the required park fees (“Laguna Ridge Park Fees”).

PURPOSE OF STUDY

As the Laguna Ridge Area develops, park facilities will be constructed to meet the demands of future development. Some of these facilities will be funded through fee revenue from the Laguna Ridge Park Fee Program (“Fee Program”), while others will be installed by LRSP developers and dedicated to the City pursuant to the Development Agreement. Since these facilities are needed as a result of development in the Laguna Ridge Area, the cost of these facilities will be borne solely by development in the Laguna Ridge Area. The park fee discussed in this report will apply only to development within the Laguna Ridge Area. A map of the area subject to the Fee Program is shown on page 3 of this report.

The City of Elk Grove retained Goodwin Consulting Group, Inc. to assist in establishing the Laguna Ridge Park Fee Program. The Fee Program will be established by the Elk Grove City Council through the adoption of this Nexus Study. The Laguna Ridge Park Fee Program is compliant with the requirements set forth in the Mitigation Fee Act, also known as AB 1600, and ensures that a rational nexus exists between future development in the Laguna Ridge Area and (i) the use and need of the proposed park facilities, and (ii) the amount of the park fee assigned to future development. This Nexus Study demonstrates that a reasonable relationship exists between the park fee to be levied on each type of land use and the cost of the park facilities attributable to that land use.

FEE PROGRAMS SUCCEEDED BY THE LAGUNA RIDGE PARK FEE PROGRAM

The Fee Program consolidates other existing fee programs, creating efficiencies in program administration and providing a unified fee structure to be applied to all future development within the Laguna Ridge Area. The Laguna Ridge Park Fee Program serves as the successor fee program to the following:

1. The park, landscape corridor, and remaining portion of the administrative components to the interim Auto Mall Fee Program (also referred to as the Laguna Ridge/Poppy Ridge Park Fee Program)
2. The park component to the Laguna South Public Facilities Fee Program

LAGUNA RIDGE PARK CAPITAL IMPROVEMENT PROGRAM

The Laguna Ridge Park Fee Program provides funding for the park facilities needed to serve development in the Laguna Ridge Area that are not built and dedicated by LRSP developers. These park facilities, originally described in the Laguna Ridge Specific Plan and the Laguna Ridge Finance Plan and revised pursuant to the Development Agreement, have been determined by the City Council to be entirely attributable to the Laguna Ridge Area. An analysis was conducted to identify the park facilities as well as associated costs; the result of this effort is the Laguna Ridge Park CIP. The total cost of park facilities included in the Park CIP for the Laguna Ridge Area is estimated at \$17.5 million, which includes costs for the following:

- Civic Center Community Park
- Open Space – Irrigation Well (Civic Center park)
- Expected Planning Costs
- Fee Program Update Costs
- A Fair-Share Portion of Bartholomew Sports Park

Detailed cost estimates for the above-referenced facilities are shown in Appendix B of this report.

SUMMARY OF THE LAGUNA RIDGE PARK FEES

The table below summarizes the Laguna Ridge Park Fee calculated in this report.

**TABLE ES-1
LAGUNA RIDGE PARK FEE SUMMARY**

	Base Park Fee Per Unit or Building Square Foot	Administration Component (3.0%)¹	Total Park Fee Per Unit or Building Square Foot
<u>Residential</u>			<i>per Unit</i>
Single Family	\$2,541	\$76	\$2,617
Multi-family	\$1,694	\$51	\$1,745
Age Restricted ²	\$1,452	\$44	\$1,496
<u>Nonresidential</u>			<i>per Building Square Foot</i>
Commercial	\$0.19	\$0.01	\$0.20
Office	\$0.32	\$0.01	\$0.33
Industrial	\$0.08	\$0.01	\$0.09

¹ To fund the City's administration costs related to the Laguna Ridge Park Fee Program.

² Age restricted means senior citizen housing, as described in Section 51.3 of the Civil Code.

The Laguna Ridge Park Fee may be adjusted in future years to reflect revised facility costs, receipt of funding from alternative sources or changes in demographics or development land use plans within the Laguna Ridge Area. In addition to such adjustments, the Laguna Ridge Park Fee will be automatically inflated each year by a construction cost index, as outlined in Section VI in this report.

I. INTRODUCTION

The Laguna Ridge Specific Plan (“LRSP”), the Elk Grove Auto Mall (“Auto Mall”), and the Lent Ranch Special Planning Area (“Lent Ranch SPA”), collectively referred to as the Laguna Ridge Area, are located in the City of Elk Grove (the “City”). The City is located in the south central portion of Sacramento County along Highway 99, approximately 20 miles south of downtown Sacramento. The LRSP area is located in the south portion of the City and lies west of Highway 99, south of Elk Grove Boulevard, east of Bruceville Road and the East Franklin Specific Plan, and north of Bilby Road and the area referred to as the “Southeast Study Area.” The Auto Mall is located northeast of, and adjacent to, the LRSP area, south of Elk Grove Boulevard, and west of Highway 99. The Lent Ranch SPA is southeast of the LRSP and is bordered by Highway 99 to the east, Kammerer Road to the south, and the Sterling Meadows development to the west. A map identifying the Laguna Ridge Park Fee Program boundaries is shown on page 3 of this report.

In 2005, the Public Facilities Financing Plan for the Laguna Ridge Specific Plan area (“Laguna Ridge Finance Plan”) established a capital improvement program for park facilities (“Park CIP”) based on projected needs of future development. Since then, the Park CIP for the Laguna Ridge Area has been revised to reflect current construction cost estimates for park facilities as well as conditions of development pursuant to development agreements between the City and LRSP developers (“Development Agreement”). The Development Agreement significantly reduces the amount of park facilities to be funded through the Laguna Ridge Park Fee Program by reallocating funding responsibility to LRSP developers. The revised Park CIP will serve future development in the Laguna Ridge Area and is incorporated in this Laguna Ridge Park Fee Program Nexus Study (“Nexus Study”).

PURPOSE OF STUDY

As the Laguna Ridge Area develops, new park facilities will be required to meet the demands of future development. Some of these facilities will be funded through fee revenue from the Laguna Ridge Park Fee Program (“Fee Program”), while others will be installed by LRSP developers and dedicated to the City pursuant to the Development Agreement. Therefore, the park fees discussed in this report will apply only to development within the Laguna Ridge Area.

The City of Elk Grove retained Goodwin Consulting Group, Inc. to assist in establishing the Laguna Ridge Park Fee Program. The Fee Program will be established by the Elk Grove City Council through the adoption of this Nexus Study. The Fee Program is compliant with the requirements set forth in the Mitigation Fee Act, also known as AB 1600, and ensures that a rational nexus exists between future development in the Laguna Ridge Area and (i) the use and need of the proposed park facilities, and (ii) the amount of the park fee assigned to future development. This Nexus Study demonstrates that a reasonable relationship exists between the park fee to be levied on each type of land use and the cost of the park facilities attributable to that land use.

IMPACT FEE NEXUS REQUIREMENTS (AB 1600)

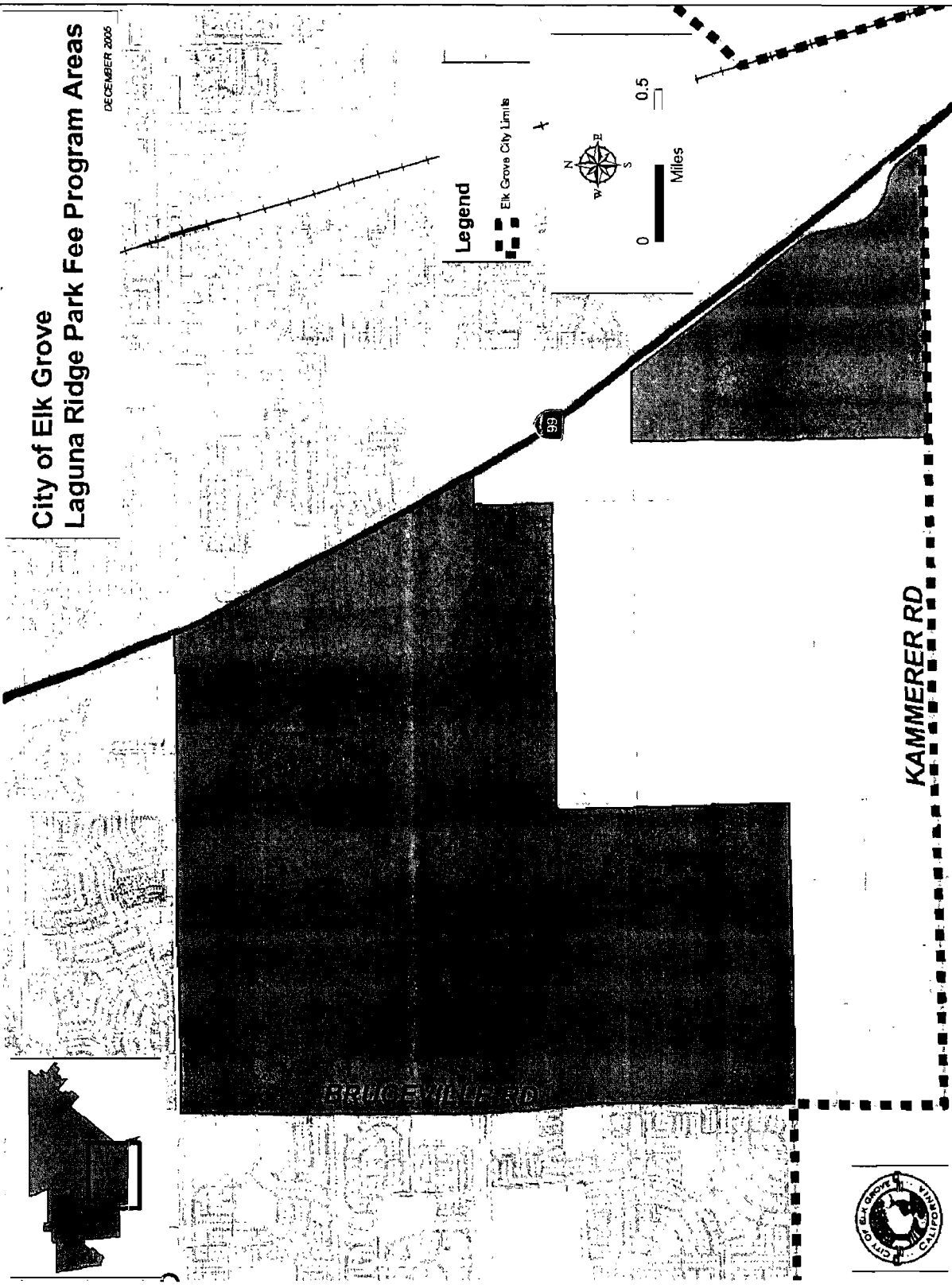
Assembly Bill (AB) 1600, which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600, requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee will be put
3. Determine how there is a reasonable relationship between:
 - A. The fee's use and the type of development project on which the fee is imposed
 - B. The need for the public facility and the type of development project on which the fee is imposed.
 - C. 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.

The assumptions and cost allocation methodology that were used to establish the nexus between the park fee ("Laguna Ridge Park Fee") and the development for which it will be levied are summarized in the subsequent sections of this report.

**City of Elk Grove
Laguna Ridge Park Fee Program Areas**

DECEMBER 2005



FEE PROGRAMS SUCCEEDED BY THE LAGUNA RIDGE PARK FEE PROGRAM

The Fee Program consolidates other existing fee programs, creating efficiencies in program administration and providing a unified fee structure to be applied to all future development within the Laguna Ridge Area. The Laguna Ridge Park Fee Program serves as the successor fee program to the following:

1. The park, landscape corridor, and remaining portion of the administrative components to the interim Auto Mall Fee Program (also referred to as the Laguna Ridge/Poppy Ridge Park Fee Program)
2. The park component to the Laguna South Public Facilities Fee Program

ORGANIZATION OF REPORT

The remainder of this report has been organized into the following sections:

Section II	Provides a general explanation of the methodology used to calculate the fees.
Section III	Discusses the Laguna Ridge Area land use categories to be used in the application of the fees.
Section IV	Discusses components of the Laguna Ridge Park CIP and their related costs
Sections V	Discusses the calculation of the Laguna Ridge Park Fee for each land use category
Section VI	Addresses future fee adjustments, credit/reimbursement policies, exemptions, and fee implementation for the Fee Program.

II. FEE METHODOLOGY

When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical and thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Various findings pursuant to AB 1600 must be made to ensure that there is a reasonable relationship between the fee and the development on which that impact fee will be levied. The following section of the report outlines the methodology used in this Nexus Study to calculate the Laguna Ridge Park Fee.

FEE METHODOLOGY

The method used to calculate the Laguna Ridge Park Fee ensures that each land use category funds its equitable share of park improvements based on the amount of benefit that its residents or employees will receive from the improvements. Following is a summary of the steps used to calculate the Laguna Ridge Park Fee:

- Step 1: Determine the amount of future development, by land use category, expected within the Laguna Ridge Area that will be served by the park facilities.
- Step 2: Determine the park facilities needed to serve development in the Laguna Ridge Area that will be funded through revenue from the Fee Program. These facilities have been identified in the Laguna Ridge Specific Plan and the Laguna Ridge Finance Plan and have been adjusted pursuant to the Development Agreement.
- Step 3: Estimate the total cost of the park facilities, or attributable portion of the park facilities identified in Step 2, that will serve development in the Laguna Ridge Area.
- Step 4: Subtract revenues available from alternative funding sources (e.g., the Laguna/Poppy Ridge Park Fee Program) to identify a net park cost that will be allocated to future development.
- Step 5: Based on development projections of residential units and nonresidential square feet, and applying an assumed average persons per household and a resident-equivalent employee per square foot factor, calculate a dwelling unit equivalent (DUE) factor for each land use category.

- Step 6: Calculate the total park DUEs in the Laguna Ridge Area that will be generated from future development in all residential and commercial land use categories by multiplying each land use in the Laguna Ridge Area by its calculated DUE factor.
- Step 7: Divide the net park cost in the CIP by the total park DUEs calculated in Step 6 to calculate the cost per park DUE.
- Step 8: Multiply the cost per park DUE from Step 7 by the land use's DUE factor to determine the Laguna Ridge Park Fee for each residential and nonresidential land use category ("Base Park Fee").
- Step 9: Apply a 3% administration charge to fund the City's cost of administering the Fee Program.

By applying this fee methodology, the amount of the Laguna Ridge Park Fee applied to each land use category is based on the estimated benefit received from the park improvements, and thus a nexus, or reasonable relationship, is established between the amount of the Laguna Ridge Park Fee and the cost of facilities attributable to each type of development.

DWELLING UNIT EQUIVALENT (DUE) FACTORS

Development in the Laguna Ridge Area will create demand for park facilities. For purposes of this Fee Program, demand is measured by the number of park user-equivalents anticipated in the Laguna Ridge Area. By allocating facilities costs to each land use category based on its anticipated demand for park facilities, this Nexus Study ensures that each land use category will fund its fair-share of the required park facilities.

A Dwelling Unit Equivalent (DUE) is a factor that quantifies different land use types in terms of their equivalence to a single family unit. A single family unit is assigned a DUE factor of 1.0 and the DUE factor for each of the other land use categories is determined based on the park user equivalents expected for each land use category relative to the park user equivalents for a single family unit. For example, a single family unit is assumed to have 3.15 persons per household, whereby each person would represent one user equivalent, for a total of 3.15 park user equivalents. A multi-family unit with an average of 2.10 persons per household would generate 2.10 park user equivalents. By dividing 2.10 by 3.15, a DUE factor of approximately 0.67 is calculated for a multi-family residential unit. Table A-2 in Appendix A shows the calculation of DUE factors for each land use type. Table A-3 in Appendix A summarizes the anticipated park DUEs for each land use type.

The number of park user-equivalents is derived from a persons per household factor for residential land uses and a building square feet per employee factor for nonresidential land uses. The persons per household and building square feet per employee assumptions used in this Nexus Study are derived from an analysis of population figures from the State Department of Finance, the expected units in the Laguna Ridge Area, and the experience of Goodwin Consulting Group, Inc., and are consistent with similar assumptions used in other City of Elk Grove fee program nexus studies.

III. LAND USE CATEGORIES

LAND USE CATEGORIES

The Mitigation Fee Act requires that a reasonable relationship exist between the need for public facilities and the type of development on which an impact fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the number of residents or employees generated by a particular land use type. Therefore, land use categories have been defined in order to distinguish between relative impacts on facilities. The Laguna Ridge Park Fee has been calculated per dwelling unit for residential land use categories and per square foot of building space for nonresidential land use categories. The following land use categories are identified for purposes of the Laguna Ridge Park Fee:

- Single Family:** All single family residential development categories, including duplex units (excluding age restricted)
- Multi-family:** All multi-family residential development categories, including residential buildings with three or more units (excluding age restricted)
- Age Restricted:** Residential retirement communities which are restricted to adults or senior citizens only, as described in Section 51.3 of the Civil Code
- Commercial:** Buildings in which retail and service businesses are the primary uses, including, but not limited to, retail stores, clothing stores, book stores, video rental stores, drug stores, professional services (i.e., barber shops, dry cleaners), hospitals, movie theaters, appliance and electronics stores, home supply stores, tire stores, auto parts stores, auto service centers, oil change service centers and other retail-based businesses providing auto-related products and services, restaurants, supermarkets, gas stations, day/child care facilities, private schools, motels/hotels, congregate care facilities, and health clubs
- Office:** Includes, but is not limited to, buildings in which the primary uses are professional, insurance, real estate, banking, administrative or in-office medical or dental activities

Industrial: Includes, but is not limited to, warehouses, mini-storage facilities, manufacturing, heavy and light industrial uses, processing, fabricating, assembly, refining, repairing, packaging, or treatment of goods, material, or produce, sheet metal and welding shops, wholesale lumber yards, contractor yards, auto wrecking yards, etc.

Additional special land uses are identified in Table C-1 in Appendix C. The City will make the final determination as to which land use category a particular development will be assigned. The Finance Director is authorized to determine the land use category that corresponds most directly to the land use. Alternatively, the Finance Director can determine that no land use category adequately corresponds to the development in question and may work in conjunction with the City Engineer to determine the applicable ad hoc Laguna Ridge Park Fee.

LAND USE QUANTITIES

The Laguna Ridge Area is planned for 8,047 residential units, including 5,246 single family units, 2,160 multi-family units, and 641 age restricted units. An analysis conducted by the City comparing residential tentative map densities to average densities of zoning categories for those tentative map project areas found that actual residential densities of the projects were averaging approximately 9% below the average densities of zoning categories. The analysis was conducted with respect to projects in the East Franklin Specific Plan area, which is geographically proximate to the Laguna Ridge Area, has comparable types of housing units, and was developed by some of the same developers operating in the Laguna Ridge Area. Pursuant to these findings, the expected number of future residential units planned in the Laguna Ridge Area has been reduced by 9% in this Nexus Study to better approximate the likely future development in the Laguna Ridge Area. After accounting for the 9% reduction, the Laguna Ridge Area is estimated to include 7,323 residential units, including 4,774 single family units, 1,966 multi-family units, and 583 age restricted units.

The City also conducted a comparison of zoned and actual building densities for nonresidential development projects located throughout the City. In reviewing actual cases, lower densities resulted from building footprints that left portions of land unsuitable for future development. This analysis led the City to conclude that future nonresidential development available to participate in funding the Laguna Ridge Park Fee facilities is likely to be 10% below the average densities identified in the LRSP and the Laguna Ridge Finance Plan. These reductions, 9% for residential and 10% for nonresidential, are factored into the development estimate for the Laguna Ridge Area.

Table A-1 in Appendix A shows the Laguna Ridge Area land use summary prior to the aforementioned development reductions, and Table A-1a shows the land use summary after the reductions have been applied. After reducing residential and nonresidential land uses by 9% and 10%, respectively, future development in the Laguna Ridge Area is expected to include 7,323 residential units and approximately 4.9 million square feet of nonresidential uses.

IV. PARK CAPITAL IMPROVEMENT PROGRAM

The Laguna Ridge Park Fee Program provides funding for the park facilities needed to serve development in the Laguna Ridge Area that are not built and dedicated by LRSP developers. These park facilities, originally described in the Laguna Ridge Specific Plan and Laguna Ridge Finance Plan and revised pursuant to the Development Agreement, have been determined by the City Council to be entirely attributable to the Laguna Ridge Area. The Development Agreement significantly reduces the amount of park facilities to be funded through the Laguna Ridge Park Fee Program by reallocating funding responsibility to LRSP developers. An analysis was conducted to identify the park facilities as well as associated costs; the result of this effort is the Laguna Ridge Park CIP, as summarized in Table B-1 of Appendix B. The total cost of the Park Fee funded facilities, including adjustments pursuant to the Development Agreement, that will serve the Laguna Ridge Area is estimated at \$17.5 million, which includes costs for the following:

- Civic Center Community Park
- Open Space – Irrigation Well (Civic Center park)
- Expected Planning Costs
- Fee Program Update Costs
- A Fair-Share Portion of Bartholomew Sports Park

Detailed park cost estimates for the above referenced facilities are shown in Appendix B. LRSP developers will be required to fund remaining park facilities that were originally included in the Laguna Ridge Specific Plan and Laguna Ridge Finance Plan but were excluded from the Laguna Ridge Park Fee Program pursuant to the Development Agreement. Park facilities to be privately financed by LRSP developers include development of approximately 55.6 acres of community parks, 64.5 acres of local and neighborhood parks, a grand parkway, and 51.6 acres of other smaller parkways, as well as master plan costs and the purchase of a master central controller system.

FEE PROGRAM FACILITIES

Facilities funded through revenue from the Laguna Ridge Park Fee Program include the Civic Center Community Park, totaling approximately 44.8 improved park acres, an irrigation well to serve a wetland feature in the Civic Center Community Park, expected planning costs, preparation of future Fee Program updates, and Laguna Ridge's fair-share of the Bartholomew Sports Park cost. Improvement costs for 8.0 of the total 44.8 park acres have been excluded from the total Fee Program cost because the site of the Community Aquatic Center, estimated to be 8.0 acres, is

assumed to be located in the Civic Center Community Park. The total improvement cost for the 8.0 acres is expected to be funded from other sources. The total estimated cost of Fee Program funded facilities is approximately \$17.5 million. As discussed in the next section, just the net Fee Program funded facilities cost of \$17.4 million is allocated to future residential and nonresidential land uses in the Laguna Ridge Area. The cost of parkland acquisition is not included in the CIP since the land will be dedicated by project developers. Table B-1 in Appendix B summarizes park costs included in the Fee Program.

The Bartholomew Sports Park will serve the entire Elk Grove Community Services District (“EGCSD”) service area, which includes the Laguna Ridge Area. The portion of the sports park cost that will be funded through the Laguna Ridge Park Fee is approximately \$2.4 million. This amount is based on a fair-share allocation of the total cost, as shown in Table B-2 in Appendix B. The fair-share allocation of the total cost is consistent with the allocation methodology used in Laguna Ridge Finance Plan as well as the East Franklin Park Fee Update Nexus Study. For future development in the Laguna Ridge Area, the fair-share contribution represents 14% of the Base Park Fee for both residential and nonresidential development.

V. PARK FEE AND NEXUS FINDINGS

Future development within the Laguna Ridge Area will create demand for park facilities needed to serve future residents and employees. While the Laguna Ridge Finance Plan specifies the type and size of park facilities needed to serve future Laguna Ridge residents and employees, the Development Agreement modifies the amount of park facilities that will be funded through the Fee Program. Consequently, the Fee Program includes funding for the development and construction of the Civic Center Community Park, an irrigation well to feed a wetland feature in the Civic Center Community Park, expected planning costs, Fee Program update costs, as well as a fair-share portion of the Bartholomew Sports Park. The remaining park facilities, including facilities excluded from the Fee Program but identified in the Laguna Ridge Finance Plan, will be privately funded by LRSP developers pursuant to conditions set forth in the Development Agreement. The Laguna Ridge Park Fee calculated in this report meets the AB 1600 nexus requirements, as outlined below.

Purpose of Fee

The purpose of the Laguna Ridge Park Fee is to fund park improvements that will serve the Laguna Ridge Area.

Use of Fee

Park Fee revenue will be used to fund park facilities, which include the Civic Center Community Park, an irrigation well to feed a wetland feature in the Civic Center Community Park, expected planning costs, Fee Program update costs, and the Laguna Ridge Area's fair-share of Bartholomew Sports Park. These facilities and their costs are identified in Appendix B of this report.

Reasonable Relationship Between the Fee's Use and the Type of Development

New development in the Laguna Ridge Area will generate residents and employees who will demand parks. These park facilities will be funded by park fee revenue from both residential and nonresidential development in the Laguna Ridge Area. Consequently, the cost of these facilities is allocated to both residential and nonresidential development in the Laguna Ridge Area.

Reasonable Relationship Between the Need for the Facility and the Type of Development

Residential and nonresidential development in the Laguna Ridge Area will generate residents and employees that will demand park facilities. However, a resident and an employee will not create the same amount of demand for park facilities. To estimate the relative amount of demand from each, residents and employees are converted into user-equivalents, which quantify the relative demand that residents and employees create for park facilities.

The assumption that determines this conversion factor is the estimated potential for residents and employees to use park facilities. A resident, for example, can potentially utilize park facilities 12 hours per day 7 days a week, or a total of 84 hours per week. An employee, however, has the potential to use parks and their related recreation facilities on average 2 hours per day, 5 days a week, or a total of 10 hours per week. The assumptions in this Nexus Study related to the number of hours a resident or an employee could utilize parks are consistent with assumptions used in other park fee studies adopted by the City of Elk Grove and the Elk Grove Community Services District. The conversion factor to determine relative park demand between a resident and an employee is calculated by dividing 10 hours by 84 hours, which is approximately 0.12. Therefore, since residents are assigned a user equivalent factor of 1.00, employees would be 0.12 of a user equivalent. In effect, it is assumed that an employee will have 12%, or roughly one-eighth, of the impact on park facilities that a resident will.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The Laguna Ridge Park Fee Program provides funding for the park facilities needed to serve development in the Laguna Ridge Area. These park facilities, as described in the Laguna Ridge Specific Plan and the Laguna Ridge Finance Plan and revised pursuant to the Development Agreement, have been determined by the City Council to be entirely attributable to the Laguna Ridge Area. The relationship between the amount of the fee and the portion of the facilities cost attributable to the development type is based on park DUEs. All Laguna Ridge Area residents and employees benefit from park facilities funded through the Fee Program. As such, a fair-share portion of the cost of these facilities has been allocated to residential and nonresidential development based on an estimate of the number of user-equivalents in the Laguna Ridge Area at buildout.

User-equivalents are applied to estimate potential benefits created by park facilities for residents and employees that use those facilities. The user-equivalent factor is calculated on a per-unit basis for residential land uses and on a per 1,000 square feet basis for nonresidential land uses.

Based on the potential benefit from facilities funded through the Fee Program to residents and employees, a proportionate share of the cost for such facilities is allocated to residential and nonresidential land uses in the Laguna Ridge Area. This cost allocation establishes the Laguna Ridge Park Fee for each land use category in this Nexus Study as well as the reasonable relationship between the Park Fee and the portion of the park facilities (and its cost) that benefits each development type in the Laguna Ridge Area.

FUTURE FACILITY REQUIREMENTS AND COSTS

The Laguna Ridge Parks CIP, as identified in the Laguna Ridge Finance Plan and revised pursuant to the Development Agreement, sets forth the park facilities necessary to serve future residents and employees in the Laguna Ridge Area. According to the Laguna Ridge Specific Plan and the Laguna Ridge Finance Plan, 100.4 acres of community parks, 64.5 acres of local and neighborhood parks, a Grand Parkway, and 51.6 acres of additional parkways and open space would serve future development in the Laguna Ridge Area. However, the Development Agreement shifts funding responsibility for a majority of these park facilities to LRSP developers. The remaining park facilities, which will be funded through Fee Program revenues, include the 44.8 acre Civic Center Community Park, an irrigation well to feed a wetland feature in the Civic Center Community Park, expected planning costs, Fee Program update costs, and the Laguna Ridge Area's fair-share of Bartholomew Sports Park. The Fee Program excludes the improvement cost for eight acres of community parks as a result of the proposed location of the Community Aquatic Center, which is funded by other sources. The total cost of park facilities is estimated to be \$17.5 million, including \$14.7 million for the Civic Center Community Park, \$50,000 for the irrigation well, \$250,000 for expected planning costs, \$150,000 for costs related to future updates of the Fee Program, and \$2.4 million for the Laguna Ridge Area's fair-share contribution of the Bartholomew Sports Park cost.

LAGUNA RIDGE PARK FEE CALCULATION

Park facilities funded through the Fee Program are required to serve future development in the Laguna Ridge Area; no facilities in the Laguna Ridge Park CIP will cure existing park deficiencies in the City. Table A-4 in Appendix A provides a summary of the applicable Park CIP for the Laguna Ridge Area, which totals approximately \$17.5 million. The Laguna Ridge Park Fee is based on an overall cost per DUE multiplied by the number of DUEs per single family, multi-family, or age restricted unit or per 1,000 square feet of building space for nonresidential development. The cost allocation calculations for the Laguna Ridge Park Fee are shown in Table A-5 in Appendix A.

As shown in Table A-4 in Appendix A, the total cost for park facilities is approximately \$17.5 million, which includes costs to develop 36.8 community park acres, an irrigation well to feed a wetland feature in the Civic Center Community Park, expected planning costs, Fee Program update costs, and a fair-share contribution for Bartholomew Sports Park. It should be noted that the Civic Center Community Park will include approximately 44.8 acres, which includes the 8.0 acres for the Community Aquatic Center. As discussed previously, the improvement costs for these 8.0 acres will be funded by other sources and are not included in the Fee Program.

The 44.8-acre Civic Center Community Park, combined with 55.6 acres of community parks that will be funded privately by LRSP developers pursuant to the Development Agreement, translate to a community park standard of approximately 5.0 acres per 1,000 residents. As mentioned, the Laguna Ridge Park Fee Program will serve as the successor fee program to the park component of the Laguna South Public Facilities Fee Program. The Laguna South Public Facilities Fee Program established the park standard to which development in the Lent Ranch SPA will be subject. Since future development in the Lent Ranch SPA will only be subject to the Laguna Ridge Park Fee, the applicable park standard for development in the Lent Ranch SPA will not exceed 5.0 acres per 1,000 residents served, as previously established by the Laguna South Public Facilities Fee Program.

While development in the Lent Ranch SPA is subject to the park standard established by the Laguna South Public Facilities Fee Program, remaining development in the Laguna Ridge Area is subject to park standards established by both the Laguna Ridge Specific Plan and Laguna Ridge Finance Plan. LRSP developers are required to fund the remaining park facilities that are included in the Laguna Ridge Specific Plan and Laguna Ridge Finance Plan. Funding for these park facilities are included in this Laguna Ridge Park Fee Program and in the Development Agreement that will be entered into between the City and LRSP developers. Park facilities to be privately financed by LRSP developers include development of approximately 55.6 acres of community parks, 64.5 acres of local and neighborhood parks, a grand parkway, and 51.6 acres of other smaller parkways, as well as master plan costs and the purchase of a master central controller system.

The total park facilities cost of \$17.5 million is reduced by existing fee revenue available from the Laguna/Poppy Ridge Park Fee Program. Development that has occurred in Phase 1 and a portion of Phase 2 of the Auto Mall has paid the Laguna/Poppy Ridge Park Fee. Since the Laguna/Poppy Ridge Park Fee Program will be succeeded by the Laguna Ridge Park Fee Program, the available Laguna/Poppy Ridge Park Fee revenue, which includes existing and deferred fee revenues estimated to be \$153,891, is applied in this Nexus Study's fee calculation to offset future park facilities costs. The net Fee Program cost of \$17.4 million is allocated to future residential and nonresidential land uses in the Laguna Ridge Area based on the park DUE factors calculated in Table A-2 in Appendix A. The cost per DUE, based on the \$17.4 million net cost, is \$2,541. The Laguna Ridge Park Fee is calculated by multiplying the \$2,541 cost per DUE by the DUE factor assigned to each land use category.

The Base Park Fee equals \$2,541 for a single family unit, \$1,694 for a multi-family unit, and \$1,452 per age restricted unit. For nonresidential development, the Park Fee ranges from \$0.08 per square foot of industrial building space to \$0.32 per square foot of office space. The Laguna Ridge Park Fee will apply to future residential and nonresidential development in the Laguna Ridge Area.

Laguna Ridge Park Fee

The resulting Laguna Ridge Park Fee for residential development, which equals the sum of the Base Park Fee plus a 3% administration charge, equals \$2,617 for a single family unit, \$1,745 for a multi-family unit, and \$1,496 per age restricted unit. The Park Fees for nonresidential development, including a 3% administration charge, range from \$0.09 per square foot of industrial building space to \$0.33 per square foot of office space. A summary of the Laguna Ridge Park Fee is shown in Table A-6 in Appendix A and below in Table V-1.

**TABLE V-1
LAGUNA RIDGE PARK FEE SUMMARY**

	Base Park Fee Per Unit or Building Square Foot	Administration Component (3.0%)¹	Total Park Fee Per Unit or Building Square Foot
			<i>per Unit</i>
<u>Residential</u>			
Single Family	\$2,541	\$76	\$2,617
Multi-family	\$1,694	\$51	\$1,745
Age Restricted ²	\$1,452	\$44	\$1,496
			<i>per Building Square Foot</i>
<u>Nonresidential</u>			
Commercial	\$0.19	\$0.01	\$0.20
Office	\$0.32	\$0.01	\$0.33
Industrial	\$0.08	\$0.01	\$0.09

¹ To fund the City's administration costs related to the Laguna Ridge Park Fee Program.

² Age restricted means senior citizen housing, as described in Section 51.3 of the Civil Code.

VI. ONGOING ADMINISTRATION OF THE LAGUNA RIDGE PARK FEE PROGRAM

FEE ADJUSTMENTS

The Laguna Ridge Park Fees may be adjusted in future years to reflect revised facility costs or receipt of funding from alternative sources. In addition to such adjustments, in January of each calendar year, the cost estimates and the Laguna Ridge Park Fees will also be automatically adjusted by the average of the change in the San Francisco Construction Cost Index (CCI) and the change in the 20-city CCI as reported in the *Engineering News Record* for the 12-month period ending October of the previous year. For example, the adjustment for January 2007 will be determined by calculating the change from October 2005 to October 2006 in the 20-city and San Francisco CCIs. These two rates of change will be averaged, and the resulting value will be the adjustment factor that will be applied to the Park Fees in January 2007.

The fee categories summarized in this report may not be applicable to specialized development projects in the City. For example, development of a cemetery, golf course, and/or stadium would not fall under one of the fee categories in this study. For specialized development projects, the Finance Director, in conjunction with the City Engineer, will review the specialized development and decide on an applicable fee based on the impact to park facilities from the development.

Certain redevelopment projects may also be eligible for a fee adjustment. If, for example, a project applicant demolishes an existing 10,000 square foot building and rebuilds a 20,000 square foot building of the same land use, the applicant may be eligible for a waiver of 50% of the Park Fee. If a redevelopment project results in a change of land use on a particular parcel, City staff will determine the appropriate Park Fee adjustment to reflect the different characteristics of the original and new land uses. The Finance Director, in conjunction with the City Engineer, will review redevelopment requests for fee adjustments on a case-by-case basis. If the previously built structure has been vacant for more than five years, the parcel will be treated as if it was undeveloped, and no such adjustment will be applied.

FEE CREDITS AND REIMBURSEMENTS

Fee credits and reimbursements will be available as part of the Laguna Ridge Park Fee Program. The City will determine which parks and facilities will be eligible for developers to construct. Facilities must meet City standards for acquisition projects in order to be eligible for fee credits or reimbursements. All construction contracts, construction work, and requests for reimbursement must be performed in conformance with the most current "Reimbursement Policies and Procedures

for Privately Constructed Public Facilities”, which is available from the City Engineer. Developers will be responsible for complying with all applicable laws, codes, and regulations relating to contracting and construction procedures for publicly-funded public works projects.

Fee credits and reimbursements will only be given to fully completed projects that are identified in the Laguna Ridge Park CIP. In order to obtain fee credits for a single family residential development, a developer must enter into a credit agreement with the City. Fee credits will be proportionately allocated to lots within a final subdivision map, not a large lot map. In order to obtain fee credits for a multi-family or nonresidential project, the developer must enter into a credit agreement with the City. Fee credits will be proportionately allocated to units in a multi-family project or proportionately spread over the leasable square footage in a nonresidential project. Large lot maps may be used for credit allocation in multi-family or nonresidential projects with mutual agreement between the developer and the City. If all criteria for receiving a fee credit are met as outlined in the credit agreement, the developer may take the credit against the Park Fee at the issuance of a building permit.

Developers must enter into a reimbursement agreement with the City prior to construction if they wish to be reimbursed for a facility. The priority of the reimbursement will be determined by the Finance Director, and the reimbursement will only be paid after the City has accepted the developer-funded facility. All reimbursements will be an obligation of the Laguna Ridge Park Fee Program and not an obligation of the General Fund.

Developers will be eligible for fee credits and reimbursements up to, but not exceeding, 100% of the Park Fee, excluding any administration costs. The City will reimburse the developer for acquisition or installation of the Park Fee Program improvements based on the lesser of: (i) the actual construction cost of the eligible facilities, as determined at the sole discretion of the City, through its review of the construction contract, plus an allowance for soft costs associated with the actual construction costs, as determined by the City, or (ii) the total of allowable costs, based on the cost schedules set forth in the Park Fee Program (without interest), which may escalate each January by the change in the average of the San Francisco and 20-city Construction Cost Indexes as reported in the Engineering News Record for the twelve-month period ending October of the prior year.

PARK FEE EXEMPTIONS

All determinations regarding the exemptions provided in this section shall be made by the City Finance Director or his/her designee. The following shall be exempted from payment of the Park Fees:

Public Agencies

All federal and state agencies, public school districts, fire stations, and the City of Elk Grove will be exempt from the Park Fee. Other non-City public agencies will be subject to payment of the Park Fee; however, the City may choose to waive some or all of the Park Fee in certain cases.

Replacement/Reconstruction

- a. Any replacement or reconstruction (no change in use) of any residential unit that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the Park Fee. However, if the residential unit(s) replaced or reconstructed exceeds the documented total number of units of the damaged/destroyed residential structure, the excess units are subject to the Park Fee. If a residential structure has been vacant for more than five years, the exemption will not apply.
- b. Any replacement or reconstruction (no change in use) of any nonresidential structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the Park Fee. However, if the building replaced or reconstructed exceeds the documented total floor area of the damaged/destroyed building, the excess square footage is subject to the Park Fee. If a structure has been vacant for more than five years, the exemption will not apply.

If a residential and/or nonresidential structure is replaced with an alternative land use, such as replacing an office building with a retail building, then City staff will determine the appropriate Park Fee adjustment to reflect the different characteristics of the original and new land uses.

Additions/Alterations/Modifications/Temporary Facilities

Other circumstances for which a fee exemption will be granted include the following:

- a. Additions to single family residential structures provided no change in use occurs and a second full kitchen is not added.
- b. Additions to multi-family residential structures that are not part of a mixed use type project provided no change in use occurs and no additional units result.
- c. Supporting use square footage in multi-family projects, such as the office and recreation areas required to directly serve the multi-family project. The residential unit fee will provide the full mitigation required in multi-family projects.
- d. Non-habitable residential structures such as decks, pools, pool cabanas, sheds, garages, etc.
- e. Construction of a granny unit that does not have a full kitchen.
- f. Mobile or manufactured homes with no permanent foundation.

APPENDIX A

LAGUNA RIDGE PARK FEE PROGRAM CALCULATIONS

Table A-1
Laguna Ridge Area Land Use Summary
 (Before Density Adjustments Are Applied)

Laguna Ridge /1

<u>Residential</u>		<u>Gross Acres</u>	<u>Units</u>
Single Family (less than 3 units)		989.4	5,246
Multi-Family (3 or more units) /2		106.5	1,880
Age Restricted /3		106.8	641
Subtotal		1,202.7	7,767

<u>Nonresidential</u>	<u>Est. FAR</u>	<u>Gross Acres</u>	<u>SF</u>
Shopping Center Commercial	0.237	125.7	1,297,175
Auto Commercial	0.175	35.0	266,805
Commercial Subtotal	-	160.7	1,563,980
Office	0.330	50.9	731,677
Industrial	0.400	0.0	0
Subtotal		211.6	2,295,657

Lent Ranch Special Planning Area (Lent Ranch SPA)

<u>Residential</u>		<u>Gross Acres</u>	<u>Units</u>
Single Family (less than 3 units)		0.0	0
Multi-Family (3 or more units)		14.2	280
Age Restricted		0.0	0
Subtotal		14.2	280

<u>Nonresidential</u>		<u>Gross Acres</u>	<u>SF</u>
Commercial		230.5	2,786,000
Office		29.1	317,000
Industrial		0.0	0
Subtotal		259.6	3,103,000

Total Development

<u>Residential</u>		<u>Gross Acres</u>	<u>Units</u>
Single Family (less than 3 units)		989	5,246
Multi-Family (3 or more units)		121	2,160
Age Restricted		107	641
Subtotal		1,217	8,047

<u>Nonresidential</u>		<u>Gross Acres</u>	<u>SF</u>
Commercial		391	4,349,980
Office		80	1,048,677
Industrial		0	0
Subtotal		471	5,398,657

/1 Includes future development in the Laguna Ridge Specific Plan and the Elk Grove Auto Mall

/2 Assumes all RD-15 units are developed as multi-family units

/3 Age restricted means senior citizen housing, as described in Section 51.3 of the Civil Code

Table A-1a
Laguna Ridge Area - Adjusted Land Use Summary
 (After Density Adjustments Are Applied)

Laguna Ridge

<u>Residential /1</u>	<u>Units</u>	<u>Pop</u>	<u>PPH</u>
Single Family (less than 3 units)	4,774	15,038	3.15
Multi-Family (3 or more units)	1,711	3,593	2.10
Age Restricted	583	1,050	1.80
Subtotal	7,068	19,680	--

<u>Nonresidential /2</u>	<u>SF</u>	<u>Emp</u>	<u>SF/Emp</u>
Commercial	1,407,582	2,815	500
Office	658,509	2,195	300
Industrial	0	0	1200
Subtotal	2,066,091	5,010	--

Lent Ranch Special Planning Area (Lent Ranch SPA)

<u>Residential /1</u>	<u>Units</u>	<u>Pop</u>	<u>PPH</u>
Single Family (less than 3 units)	0	0	3.15
Multi-Family (3 or more units)	255	535	2.10
Age Restricted	0	0	1.80
Subtotal	255	535	--

<u>Nonresidential /2</u>	<u>SF</u>	<u>Emp</u>	<u>SF/Emp</u>
Commercial	2,507,400	5,015	500
Office	285,300	951	300
Industrial	0	0	1,200
Subtotal	2,792,700	5,966	--

Total Development

<u>Residential /1</u>	<u>Units</u>	<u>Pop</u>	<u>PPH</u>
Single Family (less than 3 units)	4,774	15,038	3.15
Multi-Family (3 or more units)	1,966	4,128	2.10
Age Restricted	583	1,050	1.80
Subtotal	7,323	20,215	--

<u>Nonresidential /2</u>	<u>SF</u>	<u>Emp</u>	<u>SF/Emp</u>
Commercial	3,914,982	7,830	500
Office	943,809	3,146	300
Industrial	0	0	1,200
Subtotal	4,858,791	10,976	--

/1 Residential land uses were reduced by 9% from development figures shown in the LRSP Public Facilities Financing Plan to reflect the City's estimate of what actual building densities will be in the Laguna Ridge Area.

/2 Nonresidential land uses were reduced by 10% from development figures shown in the LRSP Public Facilities Financing Plan to estimate actual square footage that will contribute to the fee program.

Source: City of Elk Grove; Goodwin Consulting Group, Inc.

**Table A-2
Dwelling Unit Equivalent (DUE) Calculation**

Land Use	Persons per Household (PPH)	Building Square Feet per Employee	User Equivalents per Resident or Employee	User Equivalents per Unit or per 1,000 SF	DUE Factor per Unit or per 1,000 SF
Residential			<i>per Resident</i>	<i>per Unit</i>	<i>per Unit</i>
Single Family	3.15	-	1.00	3.15	1.00
Multi-Family	2.10	-	1.00	2.10	0.67
Age Restricted	1.80	-	1.00	1.80	0.57
Nonresidential			<i>per Employee /1</i>	<i>per 1,000 SF</i>	<i>per 1,000 SF</i>
Commercial	-	500	0.12	0.24	0.08
Office	-	300	0.12	0.40	0.13
Industrial	-	1200	0.12	0.10	0.03

/1 Assumes a resident can utilize parks an average of 12 hours per day 7 days a week (84 hours) and an employee can utilize parks an average of 2 hours per day 5 days a week (10 hours); this translates to 1.0 employee equaling approx. 0.12 residents (10/84 = 0.12).

Source: City of Elk Grove; Goodwin Consulting Group, Inc.

**Table A-3
Park DUEs**

Land Use	Laguna Ridge		Lent Ranch SPA		Total Laguna Ridge Area	
	Units or SF	DUEs	Units or SF	DUEs	Units or SF	DUEs
Residential /1	Units		Units		Units	
Single Family	4,774	4,774	0	0	4,774	4,774
Multi-Family	1,711	1,141	255	170	1,966	1,310
Age Restricted	583	333	0	0	583	333
Subtotal Residential	7,068	6,248	255	170	7,323	6,418
Nonresidential /2	Bldg. SF		Bldg. SF		Bldg. SF	
Commercial	1,407,582	107	2,507,400	191	3,914,982	298
Office	658,509	84	285,300	36	943,809	120
Industrial	0	0	0	0	0	0
Subtotal Nonresidential	2,066,091	191	2,792,700	227	4,858,791	418
Total		6,439		397		6,836
Percentage of Total		94.2%		5.8%		100.0%

/1 Residential land uses were reduced by 9% from development figures shown in the LRSP Public Facilities Financing Plan to reflect the City's estimate of building densities.

/2 Nonresidential land uses were reduced by 10% from development figures shown in the LRSP Public Facilities Financing Plan to estimate square footage that will actually contribute to the fee program.

Source: Goodwin Consulting Group, Inc

**Table A-4
Fee Program Costs**

Item	Estimated Costs
Civic Center Community Park /1	\$14,720,000
Open Space - Irrigation Well (Civic Center Park)	\$50,000
Expected Planning Costs	\$250,000
Fee Program Update Costs	\$150,000
Subtotal	\$15,170,000
Bartholomew Sports Park Cost Share	\$2,350,970
Total Fee Program Cost	\$17,520,970
Less: Laguna/Poppy Ridge Park Fee Fund /2	(\$153,891)
Net Fee Program Cost	\$17,367,079

/1 The development cost for 8.0 of the 44.8 acre Civic Center Community Park is excluded from the Laguna Ridge Park Fee Program. This cost will be included in the cost of the Community Aquatic Center, which will be funded from other sources.

/2 Includes a \$95,520 fund balance and a \$58,371 fee deferral due from developers in the future.

Source: Goodwin Consulting Group, Inc

Table A-5 Park Fee Calculation

1. Total Fee Program Cost \$17,367,079

2. DUEs Calculation

	<u>DUE</u> <u>Factor</u>	<u>Total</u> <u>Development</u>	<u>DUEs</u> <u>Generated by</u> <u>Total</u> <u>Development</u>
<u>Residential</u>	<i>per Unit</i>	<i>Units</i>	
Single Family	1.00	4,774	4,774
Multi-Family	0.67	1,966	1,310
Age Restricted	0.57	583	333
Subtotal Residential			6,418
<u>Nonresidential</u>	<i>per 1,000 SF</i>	<i>SF</i>	
Commercial	0.08	3,914,982	298
Office	0.13	943,809	120
Industrial	0.03	0	0
Subtotal Nonresidential			418
Total DUEs			6,836
Cost per DUE			\$2,541

3. Park Fee Calculation

<u>Residential</u>	<u>Cost per</u> <u>DUE</u>	<u>DUE</u> <u>per Unit</u>	<u>Impact Fee</u>
Single Family	\$2,541	1.00	\$2,541 per unit
Multi-Family	\$2,541	0.67	\$1,694 per unit
Age Restricted	\$2,541	0.57	\$1,452 per unit
<u>Nonresidential</u>	<u>Cost per</u> <u>DUE</u>	<u>DUE</u> <u>per 1,000 SF</u>	
Commercial	\$2,541	0.08	\$0.19 per sf
Office	\$2,541	0.13	\$0.32 per sf
Industrial	\$2,541	0.03	\$0.08 per sf

**Table A-6
Laguna Ridge Park Fee Summary**

	Base Park Fee per Unit or SF	Administration Component (3.0%) /1	Total Park Fee per Unit or SF
<u>Residential</u>			<i>per Unit</i>
Single Family	\$2,541	\$76	\$2,617
Multi-Family	\$1,694	\$51	\$1,745
Age Restricted /2	\$1,452	\$44	\$1,496
<u>Nonresidential</u>			<i>per Bldg SF</i>
Commercial	\$0.19	\$0.01	\$0.20
Office	\$0.32	\$0.01	\$0.33
Industrial	\$0.08	\$0.01	\$0.09

/1 To fund the City of Elk Grove's administration costs related to the Laguna Ridge Park Fee Program.

/2 Age restricted means senior citizen housing, as described in Section 51.3 of the Civil Code.

Source: City of Elk Grove, Goodwin Consulting Group, Inc

APPENDIX B

DETAILED PARK COST ESTIMATES

**Table B-1
Summary of Laguna Ridge Park Fee Program Costs**

Item	Reference	Quantity	Estimated Cost per Acre/Item	Estimated Total Cost
PARKS				
Civic Center Community Park [1]	Per Acre Estimate-RJM	44.8 acres	\$400,000	\$14,720,000
Expected Planning Costs	City Estimate	1 item	\$250,000	\$250,000
Fee Program Update Costs	City Estimate	1 item	\$150,000	\$150,000
Open Space - Irrigation Well (to feed wetland feature in civic center park)	Finance Plan Estimate	1 item	\$50,000	\$50,000
Subtotal Parks		44.8 acres		\$15,170,000
<hr/>				
Subtotal Parks				\$15,170,000
Bartholomew Sports Park Cost Share	Table B-2	12 1% share	\$19,428,294	\$2,350,970
Total Parks				\$17,520,970

[1] The development cost for 8.0 of the 44.8 acre Civic Center Community Park is excluded from the Laguna Ridge Park Fee Program. This cost will be included in the cost of the Community Aquatic Center, which will be funded from other sources.

Table B-2
Bartholomew Sports Park Cost Detail (2006\$)

Item	Laguna Ridge [1]	Other Areas	Total Cost
Bartholomew Sports Park			
Residential Units [2]	7,323	53,192	60,515
Percent of Total (Cost Share)	12.1%	87.9%	100.0%
Cost Allocation			
Park Construction	\$1,568,342	\$11,392,358	\$12,960,700
Financing Costs	\$782,628	\$5,684,967	\$6,467,594
Total Cost [3]	\$2,350,970	\$17,077,325	\$19,428,294

[1] Includes Lent Ranch residential units.

[2] Cost allocation among plan areas is based on the total number of units served at buildout. The City's East Franklin Park Fee Update Nexus Study, dated April 4, 2005, anticipated 66,500 residential units at buildout; however, residential units have been reduced by 9% from development figures shown in the East Franklin Study to reflect the City's estimate of building densities.

[3] The cost estimate for Bartholomew Sports Park has been adjusted for inflation by 2.98% to 2006 dollars.

Source: City of Elk Grove's East Franklin Park Fee Nexus Study Update, dated April 4, 2005.

APPENDIX C

GENERAL AND SPECIFIC LAND USE CATEGORIES

**Table C-1
General and Specific Land Use Categories /1**

Item	Single Family	Residential Multi-Family	Age Restricted	Commercial	Nonresidential Office	Industrial
Primary General Uses	All single family residential development categories including duplex units.	All multi-family residential development categories including residential buildings with three or more units.	Retirement communities restricted to adults or seniors only, as described in Section 51.3 of the Civil Code.	Commercial Development	Office Development	Industrial Development
Additional Specific Uses				Appliance Stores Auto Parts Stores Auto Service Centers Barber Shops Book Stores Clothing Stores Congregate Care Facility Day/Child Care Drug Stores Dry Cleaners Electronic Stores Gas Stations Health Club Home Supply Stores Hospitals Hotel/Motel Movie Theaters Private School Professional Services Restaurants Retail-Based Auto-Related Services Retail Stores Supermarkets Tire Stores Video Stores	Administrative Services Banking Services In-Office Dental Services In-Office Medical Services Insurance Services Real Estate Services	Assembly Auto Wrecking Yard Contractor Yards Fabricating Goods Packaging Goods Treatment Heavy Industrial Uses Light Industrial Uses Manufacturing Materials Treatment Mini-Storage Facilities Processing Produce Treatment Refining Repairing Sheet Metal Treatment Warehouse Facilities Welding Shops Wholesale Lumber Yards

/1 Library and churches are exempt from park fees.


**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2006-258**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on October 11, 2006 by the following vote:

AYES : COUNCILMEMBERS: Soares, Scherman, Briggs, Cooper
NOES : COUNCILMEMBERS: None
ABSTAIN : COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: Leary





**Peggy E. Jackson, City Clerk
City of Elk Grove, California**