

RESOLUTION NO. 2019-101

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AMENDING CERTAIN NEXUS STUDY MAPS FOR THE SOUTHEAST POLICY
AREA PARK AND TRAIL FEE PROGRAM AND THE SOUTHEAST POLICY AREA
AND LAGUNA RIDGE SPECIFIC PLAN PHASE 3 DRAINAGE FEE PROGRAM AND
LEVYING AN AMENDED FEE FOR THE SOUTHEAST POLICY AREA AND
LAGUNA RIDGE SPECIFIC PLAN PHASE 3 DRAINAGE FEE PROGRAM
(NO FURTHER CEQA REQUIRED)**

WHEREAS, on June 16, 2004 the City Council adopted the Laguna Ridge Specific Plan; and

WHEREAS, on July 9, 2014 the City Council adopted the Southeast Policy Area Strategic Plan; and

WHEREAS, the Southeast Policy Area and Phase 3 of the Laguna Ridge Specific Plan drain into the Shed C Drainage Shed; and

WHEREAS, certain drainage improvements are required within the Southeast Policy Area and Phase 3 of the Laguna Ridge Specific Plan in order to accommodate new development; and

WHEREAS, certain park and trail improvements are required within the Southeast Policy Area in order to accommodate new development; and

WHEREAS, a development impact fee is necessary in order to provide for the fair share distribution of the costs of this drainage and park and trail infrastructure; and

WHEREAS, on February 13, 2019, the City Council introduced an ordinance amending Chapter 16.95 to the Elk Grove Municipal Code establishing the Southeast Policy Area and Laguna Ridge Specific Plan Phase 3 Drainage Impact Fee, and additionally establishing the Southeast Policy Area Park and Trail Impact Fees; and

WHEREAS, on February 13, 2019, the City Council adopted and levied a fee for drainage improvements in the Southeast Policy Area and Phase 3 of the Laguna Ridge Specific Plan ("SEPA Drainage Fee"); and

WHEREAS, on February 13, 2019, the City Council adopted and levied a fee for park and trail improvements in the Southeast Policy Area ("SEPA Park and Trail Fee"); and

WHEREAS, the City Council desires to amend two map figures on pages 2 and 20 of the SEPA Drainage Fee Nexus Study, and one map figure on page 2 of the SEPA Park and Trail Fee Nexus Study, and to remove the Beach Stone Lakes Fee from the SEPA Drainage Fee program as this fee will continue to be collected by Sacramento County.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Elk Grove hereby adopts the updated Nexus Studies for the SEPA Drainage Fee and the SEPA Park and Trail Fee, both dated May 22, 2019 and attached hereto as Exhibits A-1 and A-2; the staff report, nexus study, and any documents they reference or any supporting information provided now or subsequent to adoption do establish the need and a reasonable basis on which to establish the updated maps and SEPA Drainage Fees;

California Environmental Quality Act (CEQA)

Finding: No further environmental review is required pursuant to State CEQA Guidelines Section 15162 (Subsequent EIRs and Negative Declarations).

Evidence: State CEQA Guidelines Section 15162 provides that where an EIR has been certified for a project no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence, in light of the whole record, one or more of the following applies:

1. Substantial changes are proposed in the project which require major revisions of the previous EIR due to new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified, showing any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The proposed action is an update of the SEPA Drainage Fee rates and certain SEPA Drainage Fee nexus study maps for the Southeast Policy Area and Laguna Ridge Specific Plan Phase 3 area. These fees provide fair-share financing for infrastructure identified in the respective Laguna Ridge Specific Plan Phase 3 Area and the Southeast Policy Area Strategic Plan. Further, the proposed action is an update of certain nexus study maps for the SEPA Park and Trail Fee for the Southeast Policy Area. The Laguna Ridge Specific Plan was analyzed in an EIR

certified on June 16, 2004 (SCH# 2000082139) and the Southeast Policy Area Strategic Plan was analyzed in an EIR certified on July 9, 2014 (SCH# 2013042054). No revisions to the infrastructure identified in these respective documents are planned as a result of these fee programs; the programs implement the respective plans as adopted. No new information has been identified and there has not been a substantial change in the respective projects or circumstances under which the projects were undertaken since the respective EIRs were certified. Therefore, pursuant to CEQA Guidelines Section 15162 no subsequent environmental review is required.

AND, BE IT FURTHER RESOLVED, that the City Council of the City of Elk Grove, after considering the information and determinations contained in the updated SEPA Drainage Fee Nexus Study (attached hereto as Exhibit A-1) and SEPA Park and Trail Fee Nexus Study (attached hereto as Exhibit A-2) and the testimony received at the public hearing, hereby approves and adopts the amended maps for the SEPA Drainage Fee and the SEPA Park and Trail Fee, and further hereby approves and adopts the updated SEPA Drainage Fee, resulting from the removal of the Beach Stone Lakes Fee, at the rates provided in Exhibit B for each gross acre of land as provided in the study and as specified in EGMC Chapter 16.95, based upon the following findings:

General Plan

Finding: The proposed project is consistent with General Plan and the Southeast Policy Area Community Plan.

Evidence: The proposed SEPA Drainage Fee and SEPA Park and Trail Fee is consistent with the General Plan as it provides for the financing of public infrastructure necessary to mitigate the impacts of new development. General Plan Goal IFP-1 provides for infrastructure improvement costs to be secured prior to development. Policy IFP-1-4 calls for the use of fee programs as a mechanism to ensure financing for major infrastructure. Policy IFP-1-7 states that new development shall fund its fair share portion of impacts to all public facilities and infrastructure. These fee programs implement this General Plan goal and policies.

AB 1600 Findings

Finding #1: There is a purpose to the fee.

Evidence: The purpose of the SEPA Drainage Fee and SEPA Park and Trail Fee is to fund construction of storm drainage and park and trail improvements necessary to serve future residential and non-residential development in the Fee Area.

Finding #2: There is a use to which the fee is to be put.

Evidence: SEPA Drainage Fee revenue will be used to fund the construction of drainage facilities and the acquisition of land for these facilities. The drainage facilities and their costs are identified in detail Appendix A to the SEPA Drainage Fee Nexus Study. SEPA Park and Trail Fee revenue will be used to fund the construction of park facilities and the construction and acquisition of land for trail facilities.

Finding #3: There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

Evidence: Development of new residential and non-residential land uses in the Fee Area will require storm drainage and park and trail facilities. SEPA Drainage Fees and SEPA Park and Trail Fees from residential and non-residential land use developments will fund the construction and land costs associated with the drainage and park and trail facilities required to serve all future development in the Fee Area. SEPA Drainage Fee revenues from the SEPA and LRSP P3 will be used to fund each area's specific drainage facilities only. Within the SEPA, the fee revenues from the basin fee component will be used to fund that sub-shed's specific basin facilities only. The City will create separate SEPA Drainage Fee fund accounts so that the fee revenues from each fee zone are spent only on the drainage facilities serving each zone.

Finding #4: There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Evidence: The loss of vacant and open space resulting from residential and non-residential land development will reduce the capacity of the land in the Fee Area to absorb storm water runoff. Residential and nonresidential developments each impact the need for drainage facilities since both types of developments increase the amount of impervious land uses that, in turn, creates more storm water flow. Because the additional runoff will exceed the capacity of existing facilities, additional drainage facilities will be needed to capture the additional runoff created by residential and nonresidential development within the Fee Area. Without these drainage facilities, the new development areas would flood during storms and create a public safety issue.

New development in the SEPA will generate residents and employees that will require park and trail facilities. However, a resident and an employee will not create the same amount of demand for park and trail 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 and trail facilities.

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

Evidence: The SEPA Drainage Fees are calculated to offset the attributable portion of the cost of land and the storm drainage facilities necessary to serve new development in the Fee Area. The relationship between the amount of the fee and the portion of the facility and cost attributable to the development type is based on the percent impervious factor for each land use category, as shown in Table A-8 in Appendix A. The percent impervious factor establishes a reasonable relationship between the development type and its impact on storm drainage facilities and therefore, provides a nexus between the amount of the SEPA Drainage Fee and the cost of the facility attributable to the type of development or land use. The higher the percent impervious factor for a land use, the greater the storm water runoff that the land use will create and the higher the impact it will have on drainage facilities. As a result, the greater the impact created by a land use, as measured by the percent impervious factor, the higher the SEPA Drainage Fee will be for the land use.

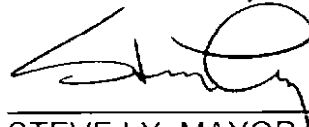
The SEPA Park and Trail Fees provide funding for the park and trail facilities needed to serve development in the SEPA. These park and trail facilities have been designed to benefit primarily development in the SEPA and therefore, are entirely attributable to the SEPA. The relationship between the amount of the fee and the portion of the facilities costs attributable to the development type is based on DUEs.

AND, BE IT FURTHER RESOLVED, that this resolution shall be effective July 22, 2019, which is at least 60 days after its adoption;

AND, BE IT FURTHER RESOLVED, that the provisions of this resolution are subject and subordinate to the provisions of EGMC Chapter 16.95 and shall at all times be constructed and applied consistent therewith as the same presently exists or may from time to time hereafter be amended;

AND, BE IT FURTHER RESOLVED, that if any section, phrase, sentence, or other portion of this resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this resolution. If any fee established by this resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such fee shall be deemed a separate, distinct, and independent fee, and such holding shall not affect the validity of the remaining fees established by this resolution.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 22nd day of May 2019



STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:

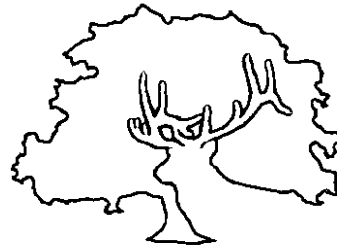


JONATHAN P. HOBBS,
CITY ATTORNEY

Exhibit A-1
Southeast Policy Area and Laguna Ridge Specific Plan Phase 3 Drainage Impact
Fee Nexus Study

GCG

GOODWIN CONSULTING GROUP



CITY OF
ELK GROVE

**CITY OF ELK GROVE
SOUTHEAST POLICY AREA (SEPA) AND
LAGUNA RIDGE SPECIFIC PLAN PHASE 3 (LRSP P3)
DRAINAGE IMPACT FEE NEXUS STUDY**

April 18, 2019

**CITY OF ELK GROVE
SOUTHEAST POLICY AREA (SEPA) AND
LAGUNA RIDGE SPECIFIC PLAN PHASE 3 (LRSP P3)
DRAINAGE IMPACT FEE NEXUS STUDY**

TABLE OF CONTENTS

<u>SECTION</u>	<u>Page</u>
Executive Summary	i
I. Introduction	1
II. Fee Calculation Methodology	6
III. Land Use Categories	9
IV. Drainage Facilities and Land Costs	13
V. Nexus Findings	21
VI. Drainage Fee Calculation	23
VII. Administration of the Drainage Fee Program	26

EXHIBITS

Exhibit 1 – Map of SEPA and LRSP P3	2
Exhibit 2 – Map of SEPA Land Use Plan	12
Exhibit 3 – Map of Fee Zones and Drainage Facilities	20

APPENDICES

- Appendix A – Drainage Fee Calculation Tables
- Appendix B – Detailed Drainage Cost Estimates

EXECUTIVE SUMMARY

The Southeast Policy Area (“SEPA”) is an employment-oriented development located in the southern portion of the City of Elk Grove (the “City”) that lies west of Highway 99, south of Poppy Ridge Road, east of Big Horn Boulevard and Bruceville Road, and north of Kammerer Road. SEPA is envisioned to provide a wide range of land uses that will provide a balanced mix of retail, office, light industrial, mixed use, and residential developments. Development in the SEPA is projected to include 545 acres zoned for residential land uses, including 476 acres for single family homes and 69 acres zoned for multi-family units. The SEPA will also include approximately 34 acres zoned for commercial and mixed use non-residential development, 311 acres of office development, and approximately 111 acres of light industrial/flex development.

The Laguna Ridge Specific Plan Phase 3 (“LRSP P3”) area is contiguous to the SEPA and shares its eastern and southern boundaries with the SEPA. Exhibit 1 on page 2 of this report illustrates their relative location. The LRSP P3 area includes approximately 333 acres zoned for residential land uses, including 314 acres for single family home development and 19 acres for multi-family development.

The SEPA and LRSP P3 areas (collectively, the “Fee Area”) are located in Drainage Shed C, which encompasses approximately 7,900 acres in south Sacramento County. The Fee Area is currently included in the Sacramento County Water Agency’s (SCWA) Zone 11A drainage fee program. However, with the creation of the City’s SEPA and LRSP P3 drainage fee program (the “Drainage Fee Program”), the need to be included in the County’s Zone 11A fee program is no longer necessary. Therefore, the City is currently pursuing proceedings to detach from SCWA’s Zone 11A program. This detachment process will take legislative action by SCWA and, as of the date of this Nexus Study, is currently underway.

DRAINAGE FACILITIES

The Drainage Fee Program provides funding for the project-specific storm drainage facilities needed to serve development in the Fee Area. A detailed review was conducted by City staff and the City’s drainage consultant, West Yost Associates, to identify the project-specific storm drainage facilities needed to serve the Fee Area. The result of this effort serves as the basis for the Drainage Fee Program. The total cost associated with drainage facilities and public land included in the Drainage Fee Program is estimated to be \$39.3 million and includes the following:

SEPA – Zone 1 Fee Area

- Channel Infrastructure \$5.9 million
- City Infrastructure Development Costs \$2.7 million
- Basin Infrastructure \$14.9 million
- Land Acquisition \$8.4 million

LRSP P3 – Zone 2 Fee Area

- Basin Infrastructure \$6.4 million
- Land Acquisition \$1.1 million

Detailed cost estimates for these facilities are shown in Appendix A of this report.

DRAINAGE FEES AND FEE ZONES

The Drainage Fee Program includes two separate fee zones, as identified in Exhibit 3 on page 19 of this report. Zone 1 includes all land within the SEPA and Zone 2 includes the LRSP P3 area. Within Zone 1, the basin areas are further separated into fees zones that are unique based on the drainage infrastructure that serves each basin area. While the SEPA has eight basin areas or sub-sheds, the City has elected to merge the Sub-sheds S1A, S1B, S2, and S3 into one fee zone, termed the North Sub-shed. The City has elected to do this since this approach limits the need for extremely large trunk pipes and additional channel construction that would have limited the development in Sub-sheds S1B and S3. As a result, the City believes it is equitable to allocate the basin infrastructure costs among these four sub-sheds. The remaining Sub-sheds S4, S5, S6, S7, and S8 will fund their own basin infrastructure and therefore will be separate fee zones within Zone 1.

Drainage facilities and improvements for LRSP P3 include a detention basin, trunk pipe system, an outfall channel that connects to the Shed C Channel in the SEPA, landscaping, and land acquisition. These facilities and improvements will serve the LRSP P3 area exclusively and therefore the allocation of these costs will be solely to the LRSP P3 area through Zone 2 drainage fees.

DRAINAGE FEE – SEPA (ZONE 1)

The Storm Drainage Fee for the SEPA is comprised of the following fee components:

- Channel Fee
- Basin Fee
- City Infrastructure Development Fee
- Administration Fee

The **Channel Fee** is based on the allocation of channel facilities and land acquisition costs to land uses in the SEPA. The costs are allocated uniformly to all developable land uses in the SEPA Zone 1 area and therefore the Channel Fee does not vary from one sub-shed to another.

The **Basin Fee** is based on the allocation of basin facilities and land acquisition costs to land uses within the North Sub-shed and each of the other individual basin sub-sheds in Zone 1. This fee varies from sub-shed to sub-shed in Zone 1 based on the individual drainage facilities needed in each sub-shed.

The **City Infrastructure Development Fee** will reimburse the City for upfront costs it paid for drainage infrastructure design and permitting, downstream improvements, and drainage channel and basin right-of-way. This fee component is included in the Drainage Fee for Zone 1 only.

The City will charge an **Administration Fee** that equals 4.0% of the total costs. Calculations performed by City staff for other City fee programs show that expenditures for program administration equal and often exceed 4.0% of the fee program's expenditures. Costs included in the administration of the program include, but are not limited to, preparation of the nexus study; preparation of updates to the nexus study; preparation of annual reports for the fee; and administration costs for maintaining the fee fund. The City should monitor its costs in the following years and adjust the rate, as necessary. This fee is levied on development in the SEPA and LRSP P3.

DRAINAGE FEE – LRSP P3 (ZONE 2)

The Storm Drainage Fee for the LRSP P3 is comprised of the following fee components:

- LRSP P3 Drainage Fee
- Administration Fee

FEE SUMMARY

The detailed information presented in this report has been used to determine the Drainage Fees for new development in the Fee Area. The Drainage Fees for each sub-shed in the SEPA are identified in Table ES-1 below. Table ES-1 shows the SEPA Drainage Fee broken down by its fee components; namely, channel facilities, City infrastructure development costs, basin facilities, and the City's administration fee.

The Drainage Fees for LRSP P3 are identified in Table ES-2 and are broken down by fee components - drainage facilities and the City's administration fee.

Table ES-1 - SEPA - ZONE 1

DRAINAGE FEE SUMMARY

	Channel Fee <i>A</i>	City Infrastructure Develop. Fee <i>B</i>	Basin Fee <i>C</i>	Admin Fee (4.0%) <i>D = (A+B+C) x 4%</i>	Total Drainage Fee ¹ <i>E = A+B+C+D</i>
North Sub-Shed					
<i>Drainage Fees per Acre</i>					
Land Use					
Single Family	\$6,939	\$1,962	\$18,033	\$1,077	\$28,011
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$30,126	\$1,800	\$46,797
Basin S4					
<i>Drainage Fees per Acre</i>					
Land Use					
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$14,378	\$1,170	\$30,419
Basin S5					
<i>Drainage Fees per Acre</i>					
Land Use					
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$19,817	\$1,388	\$36,076
Basin S6					
<i>Drainage Fees per Acre</i>					
Land Use					
Single Family	\$6,939	\$1,962	\$16,723	\$1,025	\$26,649
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$27,938	\$1,712	\$44,521
Basin S7²					
<i>Drainage Fees per Acre</i>					
Land Use					
Single Family	\$6,939	\$1,962	\$0	\$356	\$9,257
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$0	\$595	\$15,466
Basin S8					
<i>Drainage Fees per Acre</i>					
Land Use					
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$23,470	\$1,534	\$39,875

1. Land uses that have a \$0 fee indicate that no acreage of that particular land use type is in the Sub-shed.
2. Basin S7 is not assessed a Basin Fee component in recognition that it is delivering all shed area improvements and will not be reimbursed for said improvements from any areas beyond the Basin S7 area.

**Table ES-2 - LRSP P3 - ZONE 2
DRAINAGE FEE SUMMARY**

	LRSP Drainage Fee	Admin Fee (4.0%)	Total Drainage Fee
	<i>A</i>	<i>B = A x 4%</i>	<i>C = A + B</i>
<u>Land Use</u>	<i>Drainage Fees per Acre</i>		
Single Family	\$21,401	\$856	\$22,257
Multi-Family, Commercial, Office, and Light Industrial	\$40,127	\$1,605	\$41,732

ANNUAL INFLATION UPDATE

The Drainage Fee may be adjusted in future years to reflect revised facility costs, receipt of funding from alternative sources, or changes in development land use plans within the SEPA. In addition to such adjustments, in January of each calendar year, the Drainage Fee rates shall be inflated automatically based on the prior 12-month period. The inflation adjustment should be applied only to the City's fee components, including the Channel Fee, Basin Fee, the City Infrastructure Development Fee, and the LRSP Drainage Fee. Section VII of this report discusses the annual inflation methodology in greater detail.

I. INTRODUCTION

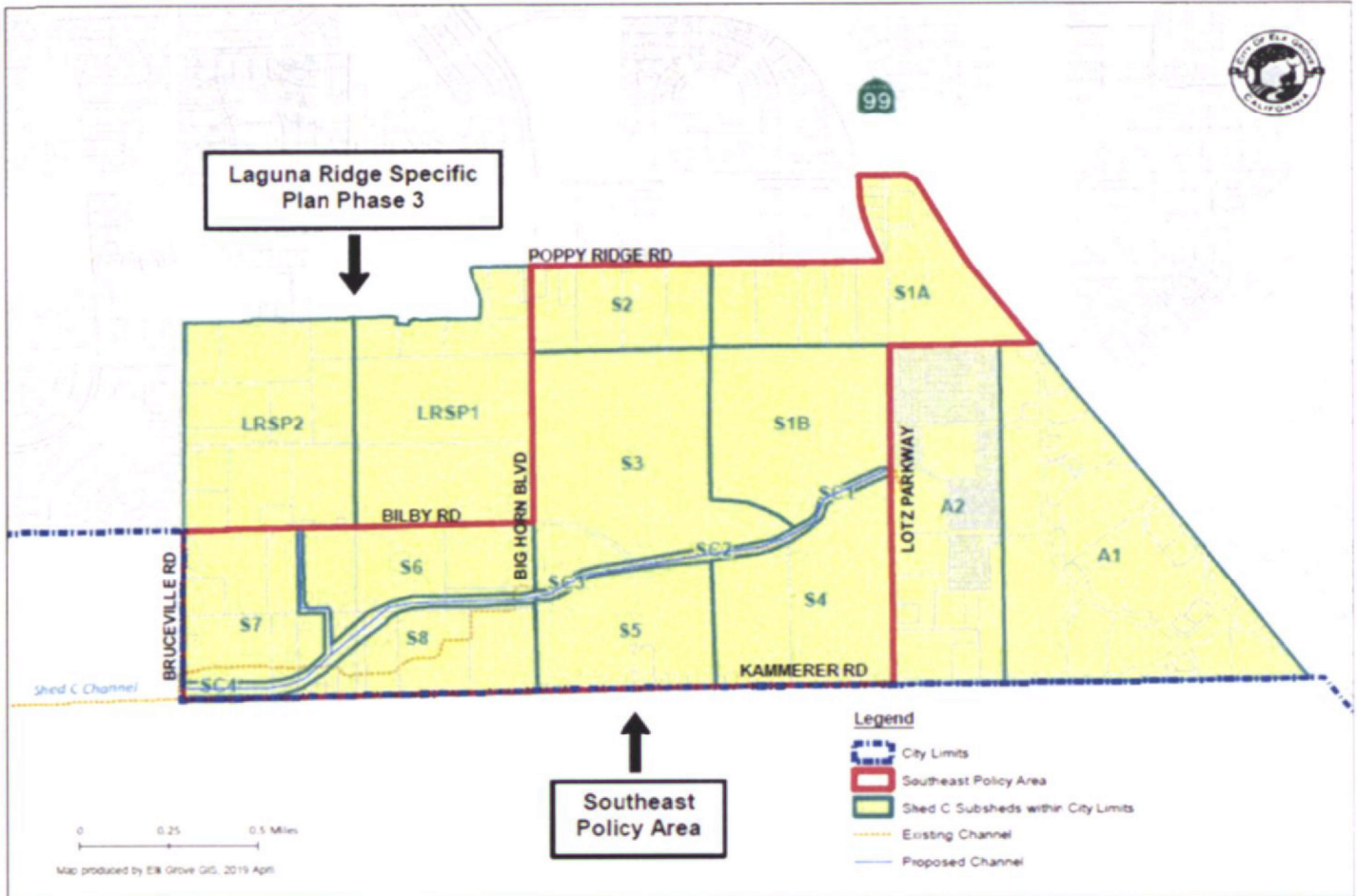
The Southeast Policy Area is an employment-oriented development located in the southern portion of the City of Elk Grove that lies west of Highway 99, south of Poppy Ridge Road, east of Big Horn Boulevard and Bruceville Road, and north of Kammerer Road. SEPA is envisioned to provide a wide range of land uses that will include a balanced mix of retail, office, light industrial, mixed use, and residential developments. Development in the SEPA is projected to include 545 acres zoned for residential land uses, including 476 acres of single family homes and 69 acres zoned for multi-family units. The SEPA will also include approximately 34 acres zoned for commercial and mixed use non-residential development, 311 acres of office development, and approximately 111 acres of light industrial/flex development.

As part of the adoption of the City's General Plan, the City Council declared the SEPA a special land use policy area in 2003. The policies of this designation required the preparation of the Southeast Policy Area Community Plan ("Community Plan") and the Southeast Policy Area Special Planning Area Report ("SPA Report"). The Community Plan illustrates the location and planned uses for properties within the SEPA and established general guiding principles and action items for developing infrastructure, including storm drainage facilities, in the SEPA. The SPA Report, on the other hand, specifies features, amenities, and design requirements for the storm drainage facilities needed in the SEPA.

The Laguna Ridge Specific Plan Phase 3 area is contiguous to the SEPA and shares its eastern and southern boundaries with the SEPA. Exhibit 1 on the following page illustrates the relative locations of the two areas. LRSP P3 lies west of Big Horn Boulevard, south of Poppy Ridge Road, east of Bruceville Road, and north of Bilby Road. The LRSP P3 is projected to include approximately 333 acres zoned for residential land uses, including 314 acres of single family homes and 19 acres for multi-family development.

Both the SEPA and LRSP P3 (the "Fee Area") are located in Drainage Shed C, which encompasses approximately 7,900 acres in south Sacramento County. The Fee Area is currently included in the Sacramento County Water Agency's (SCWA) Zone 11A drainage fee program. However, with the creation of the City's SEPA and LRSP P3 drainage fee program (the "Drainage Fee Program"), the need to be included in the County's Zone 11A fee program is no longer necessary. Therefore, the City is currently pursuing proceedings to detach from SCWA's Zone 11A program. This detachment process will take legislative action by the City and SCWA and is currently underway.

Exhibit 1 - SEPA and LRSP Phase 3



PURPOSE OF STUDY

Prior to development occurring in the Fee Area, storm drainage facilities will need to be constructed to serve future development there. Facilities that serve development in the Fee Area will be funded with drainage impact fees (“Drainage Fees”) based on this Southeast Policy Area and Laguna Ridge Specific Plan Phase 3 Drainage Impact Fee Nexus Study (“Nexus Study”). The Drainage Fees in this Nexus Study apply to all future development within the Fee Area.

The Southeast Policy Area Drainage Study, prepared by West Yost Associates, identified the location and quantity of drainage facilities required to serve development in the SEPA. The City has refined the drainage facilities required in the SEPA, identified facilities for LRSP P3, and estimated the drainage costs for each of the two areas.

The City of Elk Grove retained Goodwin Consulting Group to assist it in creating the Drainage Fee Program. The Drainage Fee Program will be established by the Elk Grove City Council through the adoption of this Nexus Study. This Nexus Study demonstrates that the Drainage Fee Program is compliant with the requirements set forth in the Mitigation Fee Act and ensures that a nexus exists between the impact from future development in the Fee Area and (i) the use of the fee, (ii) the need for drainage facilities, and (iii) the amount of the fee assigned to future development.

IMPACT FEE NEXUS REQUIREMENTS (AB 1600)

Assembly Bill (AB) 1600, which created the Mitigation Fee Act, was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code (the “Fee Law”). The Fee Law 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 purpose of this Nexus Study is to demonstrate that the Drainage Fees calculated herein comply with the Fee Law. The assumptions and cost allocation methodology that are used to establish the nexus between the proposed Drainage Fees and the development on which it will be levied are summarized in the subsequent sections of this report.

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 Drainage Fees
Section III	Discusses the Fee Area land uses and categories to be used in the application of the Drainage Fees
Section IV	Discusses the drainage facilities, their land requirements, and costs for the SEPA and LRSP P3
Sections V	Presents the nexus findings pursuant to the Fee Mitigation Act
Sections VI	Discusses the calculation of the Drainage Fee and presents a summary of the fees for the SEPA and LRSP P3
Section VII	Addresses future fee adjustments, credit/reimbursement policies, and exemptions for the Drainage Fee Program, as well as other administration issues relevant to the Drainage Fee Program

II. FEE CALCULATION 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 created by new development. Various findings pursuant to the Fee Law must be made to ensure that there is a reasonable relationship between the amount of the fee and the impact from development on drainage facilities. The following section of the report outlines the methodology used in this Nexus Study to calculate the Drainage Fees.

FEE METHODOLOGY

The method used to calculate the Drainage Fees ensures that each land use category funds its equitable share of storm drainage facilities based on the benefit that the development type will receive from the drainage facilities. The following is a summary of the steps used to calculate the Drainage Fees in this Nexus Study:

- 1) Determine the total development, by land use category, expected within the SEPA and LRSP P3. Within the SEPA, determine the total development within each sub-shed.
- 2) Determine the drainage facilities needed to serve development in the SEPA and LRSP P3. Within the SEPA, determine the basin facilities for each sub-shed. Because the drainage facilities required for each sub-shed area are unique and specific to each sub-shed area, the facilities and costs of these facilities will be separated for each area into separate fee zones.
- 3) Estimate the total cost of drainage facilities, or portion of the cost of facilities identified in Step 2 that will serve development in the SEPA and LRSP P3. The total cost of the drainage facilities will be separated into those that will serve the SEPA (Zone 1) and those serving LRSP total (Zone 2). Within Zone 1, determine the total cost of basin facilities that will serve each identified sub-shed. The total cost of basin facilities for each sub-shed will be separated to calculate sub-shed fees within Zone 1.
- 4) Assign a percent impervious factor for each land use category. The percent impervious factor for a land use is a measure of the amount of storm water that will run off and drain into the City's drainage system.
- 5) Calculate the total impervious acres that will be generated from future development for all land use categories by multiplying the gross acreage of each land use type by its

percent impervious factor and sum the impervious acres. This is done for Zones 1 and 2.

- 6) Divide the total impervious acres for each land use category by the total impervious acres for all land uses in each zone to determine the allocation percentages for each land use category.
- 7) Multiply each land use category's allocation percentage by the total facility cost to determine the cost attributable to each land use category.
- 8) Divide the facilities and land costs allocated to each land use category by the total acres for each land use type to determine the Drainage Fee for each residential and non-residential land use category.
- 9) Apply an administration charge to the total Drainage Fees to fund the City's cost of administering the Drainage Fee Program.

By applying this fee methodology, the amount of the Drainage Fee calculated for each land use category is based on the estimated amount of water runoff created, which is a measure of the impact on the storm drainage facilities. Thus a nexus, or reasonable relationship, is established between the amount of the Drainage Fee and the cost of drainage facilities attributable to each type of development.

PERCENT IMPERVIOUS

Drainage facilities and land costs are allocated proportionately to developable residential and non-residential land uses based on their percent impervious factor. The percent impervious is a measure of a land use's capacity to absorb storm water runoff. For example, an acre containing single family units has more open and pervious areas for storm water to be absorbed than an acre containing commercial development. Therefore, an acre of single family development has a lower impervious percent than a commercially developed acre. The percent impervious factor for each land use type was developed in coordination with City staff and West Yost Associates and based on the Southeast Policy Area Drainage Study. These factors are shown in Table A-8 of Appendix A in this report and are used in the calculation of the Drainage Fees.

FEE ZONES

The Drainage Fee Program includes two separate fee zones, as identified in Exhibit 3 on page 19 of this report. Because the drainage facilities required for each area are unique and specific to each development area, City staff and West Yost concluded that separate fee zones and drainage

fees should be established. Zone 1 includes all development in the SEPA and Zone 2 includes all development in the LRSP P3 area. Within Zone 1, basins are further separated into fees zones with the drainage basin facilities and land costs for the eight sub-sheds allocated to the land uses within them. While the SEPA has eight sub-sheds, City staff has elected to merge the costs and land uses for sub-sheds S1A, S1B, S2, and S3 into one zone, identified as the North Sub-shed. This was done because the City's initial plan for the S1 sub-shed called for one basin along Shed C at the far east end of the channel. This design required large pipes through the Souza Dairy development in order to convey the drainage flows from the far north end of the sub-shed to the basin, which could have caused utility conflicts and limits on development design and capacity. As a result, this sub-shed was divided and outfalls from the S1A basin are to be conveyed through a pipe in Lotz Parkway, outside of the Souza Dairy development. This allows for more flexibility in the design and construction of Souza Dairy, creating a direct benefit from the increased cost associated with this design.

Additionally, the northern portion of sub-shed S3 drains north into the S2 area in the pre-development configuration. Through early planning work it was decided to move the shed break north to follow existing property limits, creating independent utility between properties for development of drainage infrastructure. This design flexibility creates a direct benefit to the southern properties.

III. 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 will vary by a land use's capacity to absorb storm runoff. Therefore, land use categories have been defined in order to distinguish between relative impacts on facilities. The Drainage Fee has been calculated on a per-acre basis for all land use categories. The following land use categories are identified for purposes of the Drainage Fee Program:

Single Family: All single family residential development categories, including estate residential, low density residential, and medium density residential. This use is typically found in the Estate Residential, Low Density Residential, and Medium Density Residential land use designations identified in the SEPA Special Planning Area (SEPA SPA).

Multi-family, Commercial, Office, and Light Industrial/Flex: Includes all other non-public/quasi-public uses (e.g., parks, schools, drainage facilities) including but not limited to the uses set forth below. Specifically includes properties identified in the SEPA SPA as High Density Residential, Residential Mixed Use, Commercial, Village Center Mixed Use, Office, and Light Industrial. These categories have been combined because, as provided in Table A-8, all have the same percent impervious area and therefore have the same impact.

- All multi-family residential development categories, including high density residential and mixed use residential.
- 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, large residential care facilities, and health clubs.

- 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.
- 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, or similar.

The City shall 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 fee.

LAND USES

SEPA – Zone 1

The SEPA encompasses approximately 1,208 gross acres, of which approximately 545 acres are planned for residential development and 456 acres are planned for non-residential development that includes commercial, office, and industrial/flex development. The remaining 206 acres in the SEPA are slated for public uses, which include parks, open space, trails, drainage facilities, and schools. Exhibit 2 on page 11 identifies the land uses in the SEPA development.

LRSP P3 – Zone 2

The LRSP P3 encompasses approximately 373 gross acres, of which approximately 333 are planned for residential development. The remaining 40 acres in the LRSP P3 are slated for public uses, which includes parks, open space, a school, and drainage facilities.

Table 3-1 on the following page summarizes the estimated total residential, non-residential, and public land acres anticipated within the Fee Area. Note that the acreage of major roads in the developments is included in the acreage of the land uses adjoining the roadway.

**TABLE 3-1
LAND USE SUMMARY**

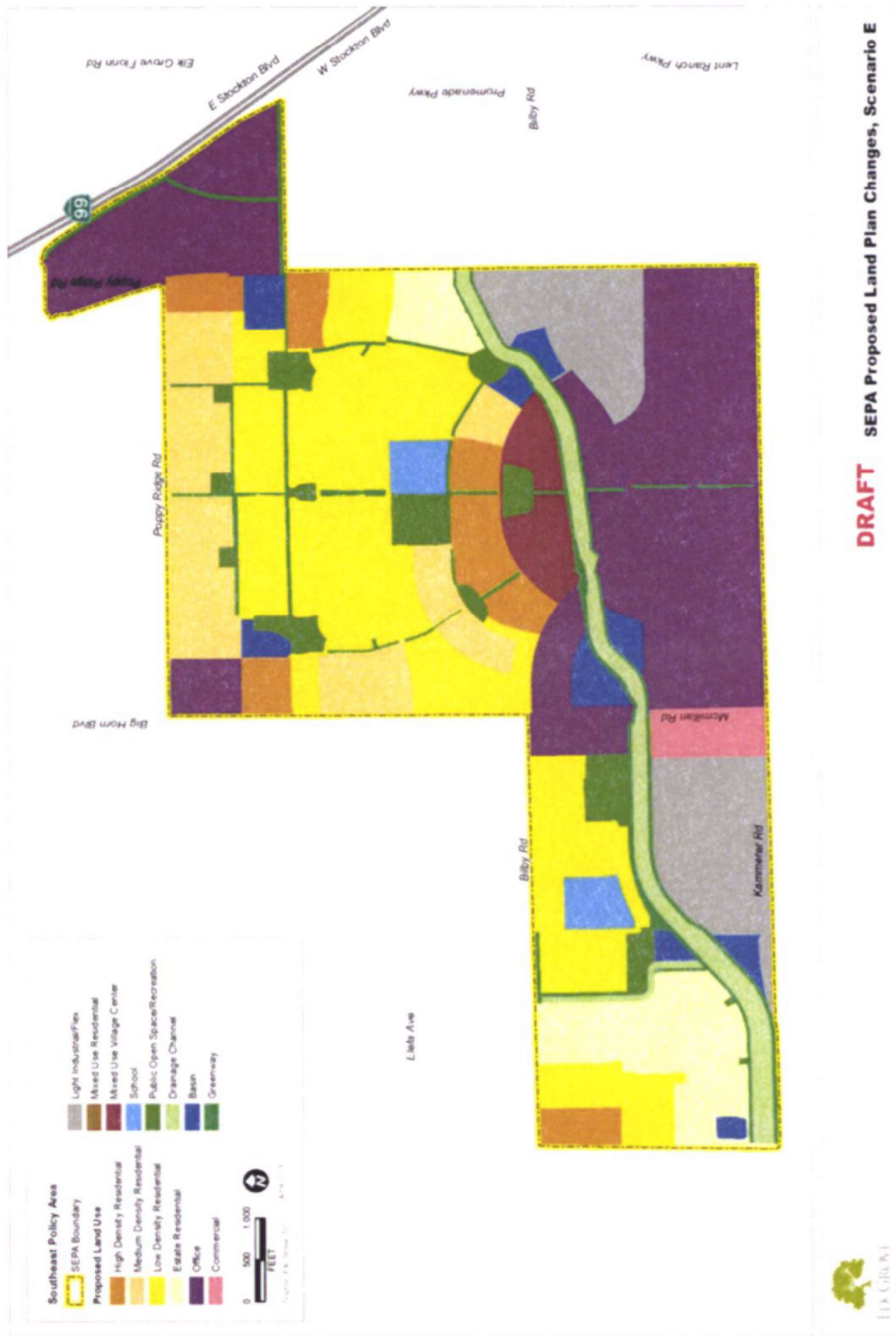
	<u>SEPA</u>	<u>LRSP Phase III</u>
<u>Residential</u>		
Single Family ¹	476.5	314.0
Multi-Family ²	68.8	19.1
Subtotal	545.3	333.0
<u>Non-Residential</u>		
Commercial ³	34.4	0.0
Office	311.1	0.0
Industrial/Flex	110.7	0.0
Subtotal	456.2	0.0
Total Acres	1,001.5	333.0
<u>Community and Public Land Uses</u>		
School	19.5	10.1
Parks/Open Space	50.4	22.6
Drainage Basins	38.9	3.7
Channel	51.7	0.0
Greenway	45.8	3.5
Total Acres	206.3	39.9
Total Acres	1,207.8	372.9

¹ Includes acreage associated with estate, low density, and medium density residential land uses.

² Includes acreage associated with high density and mixed use residential land uses.

³ Includes anticipated non-residential acreage within the mixed use area.

Exhibit 2 – SEPA Land Use Map



IV. DRAINAGE FACILITIES AND LAND COSTS

The Drainage Fee Program facilities and cost estimates were developed by City staff and its consultant West Yost Associates. Summary tables detailing the facilities and their associated costs are included in Appendix B of this report. These tables estimate the total cost of drainage facilities and associated land acquisition to be approximately \$39.3 million. The total SEPA (Zone 1) facilities and land costs total to approximately \$31.8 million while the total cost of LRSP P3 (Zone 2) facilities and land is estimated to be \$7.5 million. Detailed cost estimates for all storm drainage facilities, City infrastructure development costs, and land dedication costs are shown in Appendices A and B of this report. A map identifying the location of the drainage facilities is shown on Exhibit 3 page 19 of this report.

The Drainage Fee Program costs can generally be categorized into the following components: (i) channel facilities, (ii) basin facilities, and (iii) City infrastructure development costs. In addition to drainage facility and land acquisition costs, the Drainage Fee Program includes costs for contingency, engineering, administration, environmental permitting, and fee program development.

SEPA DRAINAGE FACILITIES

SHED C CHANNEL FACILITIES

The Drainage Fee Program includes funding for various Shed C Channel improvements: including channel excavation, pipe system, access ramps, maintenance paths, fencing, and erosion control. Table 4-1 on the following page identifies the channel improvements and land costs that will be required to serve future development in the SEPA. As shown in this table, the Drainage Fee Program includes approximately \$5.9 million in channel improvements. The drainage improvement plan includes three reaches along the channel. The reaches to be constructed/ improved in the SEPA include:

- East Reach – From Lotz Parkway to the outfall from Detention Basin S1A
- Middle Reach – From the outfall from Detention Basin S1A to the confluence with the channel from the LRSP P3 area
- West Reach – From the confluence with the LRSP P3 channel to Bruceville Road

TABLE 4-1
SHED C CHANNEL IMPROVEMENTS

Drainage Facility	Unit	Unit Cost	West Reach Channel		Middle Reach Channel		East Reach Channel	
			Quantity	Cost	Quantity	Cost	Quantity	Cost
10' Access/Maintenance Rd. (3" AC)	SF	\$2.22	31,722	\$70,423	31,682	\$70,334	71,263	\$158,204
10' Access/Maintenance Rd. (6" AB)	SF	\$1.58	44,414	\$70,169	44,355	\$70,081	99,768	\$157,633
Geotextile Under Maintenance Road	SY	\$1.50	4,935	\$7,402	4,928	\$7,393	11,085	\$16,628
4" Conduits (Water)	EA	\$350	13	\$4,550	15	\$5,250	29	\$10,150
6" Conduits (Electric)	EA	\$400	13	\$5,200	15	\$6,000	29	\$11,600
Fencing and Gates - 3' High Post & Cable	LF	\$24	4,291	\$102,984	5,836	\$140,064	10,605	\$254,520
Fencing and Gates - Pipe Gate	EA	\$3,812	1	\$3,812	1	\$3,812	5	\$19,060
Excavation	CY	\$4.36	67,800	\$295,608	84,200	\$367,112	158,000	\$688,880
Landscaping (vegetation + hydro seeding)	SF	\$2.07	127,969	\$264,896	177,413	\$367,245	334,268	\$691,935
Landscape Irrigation	SF	\$1.45	81,529	\$118,217	105,050	\$152,322	201,495	\$292,168
Misc. Concrete - Ramp (Assumed 6")	CY	\$1,307	93	\$121,551	84	\$109,788	323	\$422,161
<i>Subtotal (Rounded)</i>				\$1,064,800		\$1,299,400		\$2,722,900
Engineering & Staking	LS	15% ^a		\$159,720		\$194,910		\$408,435
TOTAL				\$1,224,520		\$1,493,310		\$3,131,335

Construction of drainage facilities will necessitate acquiring land for the drainage facilities. The City estimates the total land required for all of the channel facilities is approximately 51.7 acres. The Drainage Fee Programs assumes different values for land inside the floodplain, outside the floodplain, and the easement along the channel. A land dedication cost of \$100,000 per acre is used for land within the floodplain and \$150,000 per acre for land outside of the floodplain. The fee program assumes a zero value for the estimated 11.2 acres of land associated with the 80 foot easement along the length of the channel because the easement is an interest the City already possesses. As shown in Table 4-2 on the following page, the Drainage Fee Program includes approximately \$3.5 million for land costs associated with the channel. Another \$0.9 million for 6.45 acres of channel land acquired by the City, as well as the cost of the downstream temporary easement, are included in the City's Infrastructure Development costs, as presented in Table 4-4 on the following pages.

TABLE 4-2
SHED C CHANNEL LAND COSTS

<u>Land Costs</u>	<u>Acreage</u>	<u>Cost Estimates</u>
Inside Floodplain	33.93	\$3,543,000
Outside Floodplain	6.45	\$866,921
80 Foot Easement Inside Floodplain ¹	11.24	\$0
Downstream Temporary Easement	--	\$20,000
Less: City Direct Costs ²	(6.45)	(\$886,921)
Total (Rounded)	45.17	\$3,543,000

¹ Assumes that the estimated value of 11.24 acres of land associated with the 80 foot easement along the length of the channel is \$0.

² City Direct Costs for 6.45 acres of acquired land and the downstream temporary easement included in the City's Infrastructure Development Costs.

BASIN FACILITIES

The drainage facilities plan for SEPA includes eight detention basins to provide runoff storage for the SEPA. The basins will also provide storm water quality treatment to the stored runoff. While the area north of Shed C and east of Big Horn Boulevard is designed to drain into four detention basins, each with their own sub-shed area (S1A, S1B, S2, and S3), the City has elected, based on its analysis, to collect funding for this area as though it were one sub-shed, identified as the North Sub-shed. This has been done for the following reasons:

- The City's initial plan for the S1 sub-shed called for one basin along Shed C at the far east end of the channel. This design required large pipes through the Souza Dairy development in order to convey the drainage flows from the far north end of the sub-shed to the basin, which could have caused utility conflicts and limits on development design and capacity. As a result, this sub-shed was divided and outfalls from S1A basin are to be conveyed through a pipe in Lotz Parkway, outside of the Souza Dairy development. This allows for more flexibility in the design and construction of Souza Dairy, creating a direct benefit from the increased cost associated with this design.
- The northern portion of sub-shed S3 drains north into the S2 area in the pre-development configuration. Through early planning work it was decided to move the shed break north to follow existing property limits, creating independent utility between properties for development of drainage infrastructure.

Table 4-3 on the following page, identifies the planned basin facilities and estimated quantities and costs for each improvement. As shown in Table 4-3, basin facilities for the SEPA are estimated to total \$14.9 million.

TABLE 4-3

SEPA BASIN FACILITIES

Drainage Facility	Unit	Unit Cost	North Sub-Shed		Detention Basin 4		Detention Basin 5		Detention Basin 6		Detention Basin 7		Detention Basin 8	
			Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
36-inch Pipe	LF	\$176	0	\$0	0	\$0	0	\$0	307	299	\$52,624	0	\$0	
42-inch Pipe	LF	\$206	0	\$0	498	\$102,632	353	\$73,819	469	462	\$95,172	494	\$101,846	
48-inch Pipe	LF	\$235	5,764	\$1,354,540	437	\$102,592	410	\$96,291	930	906	\$212,910	258	\$60,423	
54-inch Pipe	LF	\$294	5,134	\$1,509,396	1,610	\$473,235	1,071	\$314,908	0	0	\$0	892	\$261,266	
60-inch Pipe	LF	\$349	656	\$228,904	0	\$0	0	\$0	0	0	\$0	0	\$0	
66-inch Pipe	LF	\$352	2,513	\$884,576	0	\$0	0	\$0	0	0	\$0	0	\$0	
72-inch Pipe	LF	\$384	2,002	\$768,768	0	\$0	0	\$0	0	0	\$0	0	\$0	
48-inch Manhole	EA	\$5,446	0	\$0	3	\$18,139	2	\$12,877	2	4	\$21,784	2	\$10,724	
60-inch Manhole	EA	\$8,169	0	\$0	5	\$40,845	4	\$28,973	3	3	\$24,307	3	\$24,130	
72-inch Manhole	EA	\$11,436	37	\$423,132	10	\$114,333	7	\$81,121	6	6	\$68,616	6	\$67,560	
84-inch Manhole	EA	\$15,248	20	\$304,960	0	\$0	0	\$0	0	0	\$0	0	\$0	
96-inch Manhole	EA	\$19,605	15	\$294,075	0	\$0	0	\$0	0	0	\$0	0	\$0	
120-inch Manhole	EA	\$30,000	1	\$30,000	0	\$0	0	\$0	0	0	\$0	0	\$0	
10' Access/Maintenance Rd. (3" AC)	SF	\$2.22	46,074	\$102,283	15,159	\$33,652	12,021	\$26,688	13,346	10,498	\$23,305	13,603	\$30,198	
10' Access/Maintenance Rd. (6" AB)	SF	\$1.58	64,503	\$101,915	21,222	\$33,531	16,830	\$26,591	18,684	14,697	\$23,224	19,044	\$30,090	
Geotextile Under Maintenance Road	SY	\$1.50	7,167	\$10,751	2,358	\$3,537	1,870	\$2,805	2,076	1,633	\$2,450	2,116	\$3,174	
Fencing and Gates - 3' High Post & Cable	LF	\$24	6,612	\$158,688	1,351	\$32,424	1,112	\$26,688	1,958	1,050	\$25,200	2,137	\$51,288	
Fencing and Gates - Pipe Gate	EA	\$3,812	8	\$30,496	3	\$11,436	3	\$11,436	3	3	\$11,436	3	\$11,436	
Misc Metal	LB	\$6.53	2,000	\$13,060	500	\$3,265	500	\$3,265	500	500	\$3,265	500	\$3,265	
Excavation	CY	\$1.36	150,112	\$693,728	65,070	\$283,705	45,290	\$197,464	22,540	13,150	\$57,331	29,080	\$126,789	
Erosion Control Rap	TON	\$98	200	\$19,600	50	\$4,900	50	\$4,900	50	50	\$4,900	50	\$4,900	
Landscaping (vegetation + hydro seeding)	SF	\$2.07	139,705	\$289,189	53,474	\$110,691	46,423	\$96,096	44,356	24,461	\$50,634	49,596	\$102,664	
Landscaping Irrigation	SF	\$1.45	159,293	\$230,975	29,945	\$43,420	25,997	\$37,696	24,839	13,698	\$19,862	27,774	\$40,272	
Misc Concrete - Outlet	CY	\$1,307	68	\$88,876	17	\$22,219	17	\$22,219	17	17	\$22,219	17	\$22,219	
Misc Concrete - Weir Structure	CY	\$1,307	80	\$104,560	20	\$26,140	20	\$26,140	20	20	\$26,140	20	\$26,140	
Misc Concrete - Ramp (Assumed 6")	CY	\$1,307	40	\$52,280	10	\$13,070	10	\$13,070	10	10	\$13,070	10	\$13,070	
<i>Subtotal (Rounded)</i>				<u>\$7,694,700</u>		<u>\$1,373,800</u>		<u>\$1,102,200</u>		<u>\$892,100</u>		<u>\$758,000</u>	<u>\$992,700</u>	
Engineering & Staking	LS	15%		\$1,154,205		\$221,070		\$165,300		\$133,815		\$113,790	\$148,905	
TOTAL				\$8,848,905		\$1,694,870		\$1,267,500		\$1,025,915		\$872,390	\$1,141,605	

CITY INFRASTRUCTURE DEVELOPMENT COSTS

The City Infrastructure Development Fee component will fund the reimbursement of drainage facilities costs that the City has paid. These include design and permitting for drainage infrastructure, downstream reach improvements, and drainage right-of-way. Table 4-4 shows the total cost of these items is approximately \$2.7 million.

**TABLE 4-4
CITY INFRASTRUCTURE DEVELOPMENT COSTS**

Item	Cost Estimates
Design	
West Yost, 35% Design	\$254,000
Hunting Environmental	\$93,000
UNICO Engineering	\$37,000
Matt Boyer & Associates	\$121,600
Blackburn Consulting (Property Demo)	\$8,300
WRECO	\$18,150
Dokken Environmental	\$68,700
Dokken Structures	\$4,500
Willdan	\$180,800
Interwest	\$50,000
Subtotal	\$836,050
Permitting	
1602 East Reach	\$41,200
1602 Middle Reach	\$5,150
1602 West Reach	\$46,300
404 Permit	\$130,000
1602 Downstream	\$5,150
Mitigation	\$475,000
Subtotal	\$702,800
Right-of-Way Acquisition	
Channel	\$866,921
Downstream Temporary Easement	\$20,000
Basins	\$0
Subtotal	\$886,921
Downstream	
Improvements	\$150,000
Contingency	\$37,500
Engineering, Staking, Inspection	\$37,500
Permitting	\$5,200
Subtotal	\$230,200
Total City Infrastructure Development Costs	\$2,656,000

LRSP P3 DRAINAGE FACILITIES

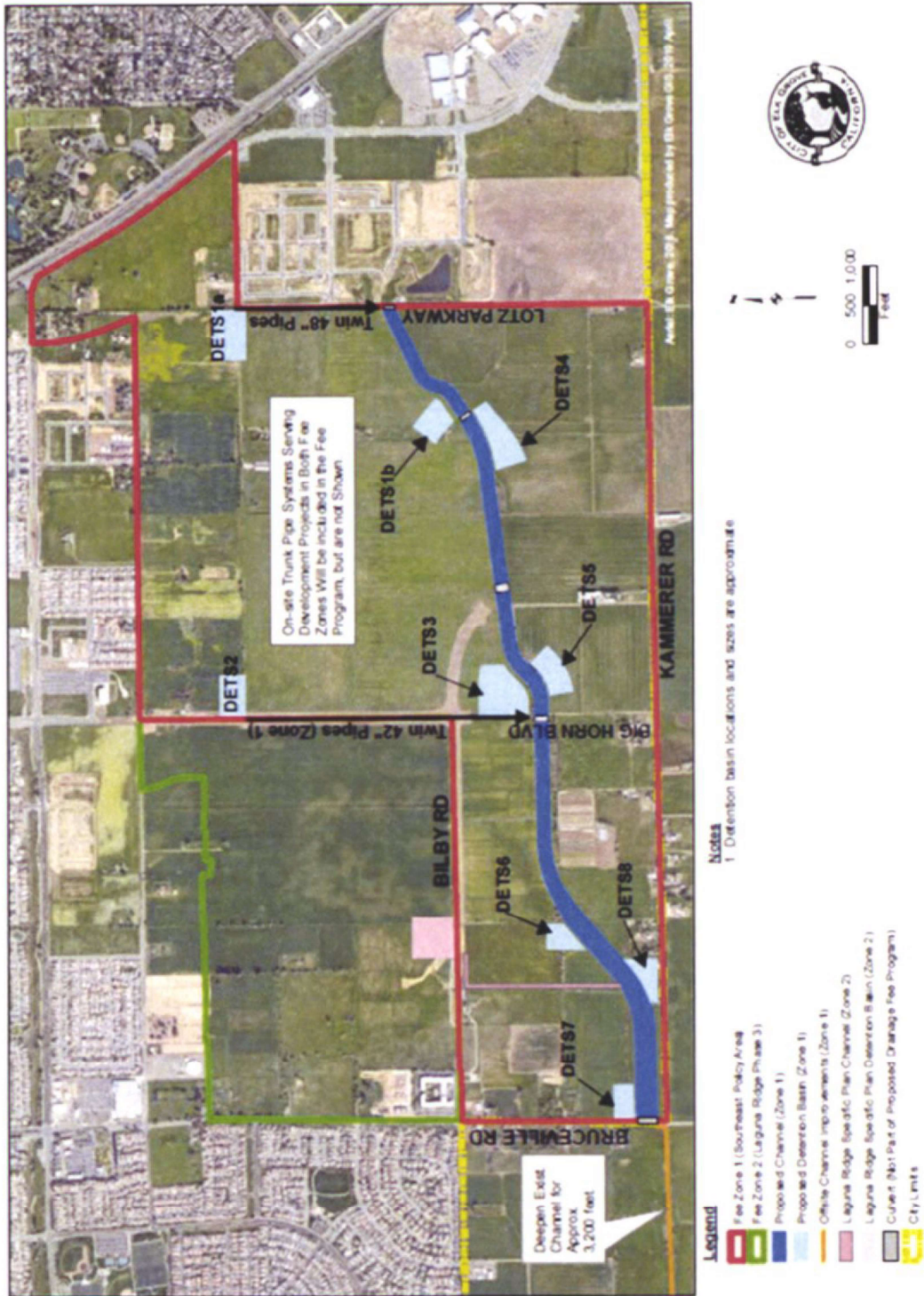
Drainage facilities for the LRSP P3 include a detention basin, truck pipe system, land acquisition, and an off-site channel that will convey runoff from the LRSP P3 detention basin through SEPA to the Shed C Channel. Land acquisition for all drainage facilities for LRSP P3 totals approximately 8.08 acres. Table 4-5 below identifies the planned facilities, costs, and the estimated quantity for each facility. The total cost of these facilities is approximately \$7.5 million.

TABLE 4-5
LRSP P3 DRAINAGE FACILITIES

Drainage Facility	Total Drainage Facility Quantity		Unit Cost	Estimated Cost
36-inch Pipe	585	LF	\$176	\$67,760
42-inch Pipe	145	LF	\$206	\$29,870
48-inch Pipe	2,040	LF	\$235	\$479,400
54-inch Pipe	1,570	LF	\$294	\$461,580
60-inch Pipe	1,410	LF	\$349	\$492,090
66-inch Pipe	805	LF	\$352	\$283,360
72-inch Pipe	3,425	LF	\$384	\$1,315,200
60-inch Manhole	4	EA	\$8,169	\$32,676
72-inch Manhole	15	EA	\$11,436	\$171,540
84-inch Manhole	14	EA	\$15,248	\$213,472
96-inch Manhole	5	EA	\$19,605	\$98,025
Junction Box	9	EA	\$27,000	\$243,000
Detention Basin Outfall Structure (60")	1	EA	\$25,000	\$25,000
Detention Basin Outfall Structure (72")	1	EA	\$45,000	\$45,000
Fencing and Gates - 3' High Post & Cable	7,400	LF	\$24	\$177,600
Fencing and Gates - Pipe Gate	4	EA	\$3,812	\$15,248
Misc. Metal	3,700	LB	\$6.53	\$24,161
Excavation	122,000	CY	\$4.36	\$531,920
Erosion Control Rip Rap	160	Ton	\$98	\$15,680
Access/Maintenance Rd. (2" asph conc)	58,000	SF	\$2.22	\$128,760
Access/Maintenance Rd. (6" aggr base)	58,000	SF	\$1.58	\$91,640
Geotextile Fabric	19,500	SF	\$0.30	\$5,850
Landscaping (incl. hydro seeding)	133,000	SF	\$2.07	\$275,310
Landscaping Irrigation	133,000	SF	\$1.45	\$192,850
Culvert (10'x1'x25')	3	EA	\$30,000	\$90,000
Misc. Concrete - Ramp & Weir	30	CY	\$762	\$22,860
<i>Subtotal (Rounded)</i>				<i>\$5,530,000</i>
<i>Engineering and Staking (15%)</i>				<i>\$829,500</i>
<i>Total Without Land Costs (Rounded)</i>				<i>\$6,359,500</i>
Land for Outfall Channel	4.4	AC		\$569,295
Land for Detention Basins	3.7	AC	\$150,000	\$555,000
Total With Land Costs (Rounded)				\$7,484,000

Exhibit 3 – Fee Zones and Drainage Facility Locations

Exhibit 3 - Fee Zones and Drainage Facility Locations



V. NEXUS FINDINGS

Development of the Fee Area will require construction of storm drainage facilities. The Drainage Fee Program will fund construction of channel improvements, detention basins, land acquisition for these facilities, and the City's infrastructure development costs. The Drainage Fees, as calculated in this Nexus Study meet the Fee Law nexus requirements, as outlined below.

Purpose of Fee

The purpose of the Drainage Fee is to fund construction of storm drainage improvements necessary to serve future residential and non-residential development in the Fee Area.

Use of Fee

Drainage Fee revenue will be used to fund the construction of drainage facilities and the acquisition of land for these facilities. The drainage facilities and their costs are identified in detail in Appendix A.

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

Development of new residential and non-residential land uses in the Fee Area will require storm drainage facilities. Drainage Fees from residential and non-residential land use developments will fund the construction and land costs associated with the drainage facilities required to serve all future development in the Fee Area. Drainage Fee revenues from the SEPA and LRSP P3 will be used to fund each area's specific drainage facilities only. Within the SEPA, the fee revenues from the basin fee component will be used to fund that sub-shed's specific basin facilities only. The City will create separate Drainage Fee fund accounts so that the fee revenues from each fee zone are spent only on the drainage facilities serving each zone.

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

The loss of vacant and open space resulting from residential and non-residential land development will reduce the capacity of the land in the Fee Area to absorb storm water runoff. Residential and nonresidential developments each impact the need for drainage facilities since both types of developments increase the amount of impervious land uses that, in turn, creates more storm water flow. Because the additional runoff will exceed the capacity of existing facilities, additional drainage facilities will be needed to capture the additional runoff created by

residential and nonresidential development within the Fee Area. Without these drainage facilities, the new development areas would flood during storms and create a public safety issue.

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

The Drainage Fees in this Nexus Study are calculated to offset the attributable portion of the cost of land and the storm drainage facilities necessary to serve new development in the Fee Area. The relationship between the amount of the fee and the portion of the facility and cost attributable to the development type is based on the percent impervious factor for each land use category, as shown in Table A-8 in Appendix A. The percent impervious factor establishes a reasonable relationship between the development type and its impact on storm drainage facilities and therefore, provides a nexus between the amount of the Drainage Fee and the cost of the facility attributable to the type of development or land use. The higher the percent impervious factor for a land use, the greater the storm water runoff that the land use will create and the higher the impact it will have on drainage facilities. As a result, the greater the impact created by a land use, as measured by the percent impervious factor, the higher the Drainage Fee will be for the land use.

VI. DRAINAGE FEE CALCULATION

Storm drainage facilities and land funded through the Drainage Fee Program are designed to serve all development in the Fee Area. The total cost of facilities for each fee zone is allocated to future residential and non-residential development in the Fee Area based on the percent impervious factors shown in Table A-8 of Appendix A. The Drainage Fee for each land use category is based on the cost allocation calculations shown in Tables A-9 through Table A-17 in Appendix A.

It should be noted that the acres shown in these cost allocation tables include acreage of adjoining major roadways up to their centerline, and therefore, when the Drainage Fees are calculated by the City's building department, the gross acreage, which includes roadway acreage, should be used to calculate the total Drainage Fee for a development map.

DRAINAGE FEES - SEPA

The detailed information presented in this report has been used to determine the Drainage Fee for new development in the Fee Area. The Drainage Fee rates for the land use categories in the SEPA are identified in Table 5-1 on the following pages. Table 5-1 shows the Drainage Fee broken down by its fee components: namely, channel facilities, City infrastructure development costs, basin facilities, and the City's 4.0% administration fee. The administration fee component will reimburse the City for costs associated with administering the Drainage Fee Program.

DRAINAGE FEES – LRSP P3

The Drainage Fee rates for LRSP P3 are identified in Table 5-2. Table 5-2 shows the Drainage Fee and its separate fee components - drainage facilities, and the City's 4.0% administration fee.

**Table 5-1- SEPA - ZONE 1
DRAINAGE FEE SUMMARY**

	Channel Fee <i>A</i>	City Infrastructure Develop. Fee <i>B</i>	Basin Fee <i>C</i>	Admin Fee (4.0%) <i>D = (A+B+C) x 4%</i>	Total Drainage Fee ¹ <i>E = A+B+C+D</i>
North Sub-Shed					
Land Use	<i>Drainage Fees per Acre</i>				
Single Family	\$6,939	\$1,962	\$18,033	\$1,077	\$28,011
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$30,126	\$1,800	\$46,797
Basin S4					
Land Use	<i>Drainage Fees per Acre</i>				
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$14,378	\$1,170	\$30,419
Basin S5					
Land Use	<i>Drainage Fees per Acre</i>				
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$19,817	\$1,388	\$36,076
Basin S6					
Land Use	<i>Drainage Fees per Acre</i>				
Single Family	\$6,939	\$1,962	\$16,723	\$1,025	\$26,649
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$27,938	\$1,712	\$44,521
Basin S7²					
Land Use	<i>Drainage Fees per Acre</i>				
Single Family	\$6,939	\$1,962	\$0	\$356	\$9,257
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$0	\$595	\$15,466
Basin S8					
Land Use	<i>Drainage Fees per Acre</i>				
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$23,470	\$1,534	\$39,875

1. Land uses that have a \$0 fee indicate that no acreage of that particular land use type is in the Sub-shed.
2. Basin S7 is not assessed a Basin Fee component in recognition that it is delivering all shed area improvements and will not be reimbursed for said improvements from any areas beyond the Basin S7 area.

Table 5-2 - LRSP P3 - ZONE 2

DRAINAGE FEE SUMMARY

	LRSP Drainage Fee	Admin Fee (4.0%)	Total Drainage Fee
	<i>A</i>	<i>B = A x 4%</i>	<i>C = A + B</i>
<u>Land Use</u>	<i>Drainage Fees per Acre</i>		
Single Family	\$21,401	\$856	\$22,257
Multi-Family, Commercial, Office, and Light Industrial	\$40,127	\$1,605	\$41,732

VII. ADMINISTRATION OF THE DRAINAGE FEE PROGRAM

The City will administer the Drainage Fee Program. This will include, but not limited to, the following ongoing duties:

- Annually updating the Drainage Fee rates for inflation based on the ENR index
- Update the Nexus Study as necessary
- Collect and allocate Drainage Fee revenues to the separate fee accounts
- Enter into reimbursement agreements for land dedications or drainage improvements that may reimburse using either or both credit or cash
- Manage and track existing Drainage Fee credits and reimbursements
- Conduct the annual and five year reporting requirements pursuant to the Mitigation Fee Act

PAYMENT AND CALCULATION OF THE DRAINAGE FEE

The Drainage Fee shall be collected at improvement plan approval. The City's building department shall calculate the total Drainage Fee for each development based on its gross acres, which would include major roadway acreage up to the centerline of the road adjoining the property.

ELK GROVE STORM DRAINAGE UTILITY FEE

The SEPA and LRSP P3 Drainage Fees will not impact the City's existing Storm Drain Utility Fee.

ANNUAL INFLATION UPDATE

In January of each calendar year, the Channel Fee, Basin Fees, and the LRSP P3 Fee components of the Drainage Fee, as well as the drainage facilities costs, and land costs in the Fee Program should be inflated automatically based on the average change in the San Francisco Construction Cost Index (CCI) and the change in the 20-city CCI as reported in the *Engineering News Record* (ENR) for the 12-month period ending October of the previous year or equivalent, as determined by the Finance Director, if these numbers are not available. For example, the adjustment for January 2020 will be determined by calculating the change from October 2018 to October 2019

in the 20-city and San Francisco CCIs. These two inflation rates will be averaged, and the resulting value will be the inflation adjustment factor that will be applied to the aforementioned Drainage Fee components, drainage facilities and land costs in January 2020.

The City Infrastructure Development Fee component of the Drainage Fee will be inflated annually based on an inflation rate that is equal to the LAIF rate plus 2.0% for the prior 12-month period ending October of the prior year, or other equivalent inflator as determined by the Finance Director.

The City will incorporate these adjustments into the total Drainage Fees when they are implemented by the SCWA.

NEXUS STUDY UPDATES

The Drainage Fee Nexus Study will be subject to periodic update based on changes in developable land, land uses, and facilities. The City will periodically review the costs, fees, and account balances to determine if an update to the Drainage Fee is warranted. During the periodic reviews, the City may analyze the following items that would impact the Drainage Fee Program:

- Significant changes to the required drainage facilities in the Drainage Fee Program
- Significant changes in zoning or density
- Changes in the cost to administer the Drainage Fee

DRAINAGE FEE ACCOUNTS

The City will establish separate fee accounts for Zones 1 and 2 and for the individual fee components of the Drainage Fee. This will include separate fee fund accounts for the channel component, for each of the basin components, the City infrastructure development costs component, and the Administration fee. The City will also determine whether it will allow interfund borrowing between the separate fee accounts to allow funding of priority projects. Interfund borrowing will require payment of interest to the fund from which the money is borrowed.

ADMINISTRATION FEE COMPONENT OF THE DRAINAGE FEE

The Drainage Fee includes an administration fee that equals 4.0% of the total costs. Calculations performed by City staff for other City fee programs show that expenditures for program administration equal and often exceed 4.0% of the fee program's expenditures. Costs included in the administration of the program include, but are not limited to, preparation of the nexus study; preparation of updates to the nexus study; preparation of annual reports for the fee; and administration costs for maintaining the fee fund. The City should monitor its costs in the following years and adjust the rate, as necessary.

FEE CREDITS AND REIMBURSEMENTS

Fee credits and reimbursements will be available as part of the Drainage Fee Program for construction of drainage facilities or land dedications through the execution of an agreement with the City. The City will determine which drainage facilities and land dedications will be eligible for developers to construct or dedicate. Facilities must meet City standards for acquisition projects in order to be eligible for credits and/or cash reimbursement. All future construction contracts, construction work, and requests for credit/reimbursement associated with storm drainage facilities 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 of public projects that are not currently under contract with the City.

Fee credits and/or cash reimbursement will be given only to projects included in the Drainage Fee Program that are fully completed and have been accepted by the City. The City will reimburse the developer for acquisition or installation of facilities under the applicable fee based upon the lesser of either of the following:

1. 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 allowance for soft costs (e.g., engineering, mobilization, staking) associated with the actual construction costs, as determined by the City; or
2. Where the actual costs exceed the value of the improvements as provided in the program (as listed in the schedule of quantities and values, plus annual cost inflation

adjustments, as applicable), the value of those improvements as provided in the program.

In no instance will the City provide credit or reimbursement in excess of the lesser of the value in the program or the actual construction costs. Costs are subject to binder review (including certified payroll) by the City. For example, if the value of the improvements under the schedule is \$2.0 million and the contract value is \$1.7 million, the City will only reimburse or provide credit to a maximum of \$1.7 million. Likewise, if the value of the improvements under the schedule is \$2.0 million and the contract value is \$2.3 million, the City will only reimburse or provide credit to a maximum of \$2.0 million.

Fee credits will be provided up to the total fee obligation for the developer and cash reimbursement will be provided for any remaining amount. Project costs incurred in excess of the cost shown in the Nexus Study plus inflation adjustments will not be credited or reimbursed.

The City will determine the method of applying the fee credits. Additionally, the City will allow credits to be applied only for in-kind items. For example, credits for basin construction can only be applied against the basin fee component of the Drainage Fee. Likewise for a land credit, which would only be applied against the land dedication costs of the Drainage Fee. The remaining amount of the Drainage Fee would be payable to the City in cash.

For reimbursements, the Finance Director will determine the priority of repayment. Reimbursement will only be paid after the City has accepted the developer-funded facility or land dedication. All reimbursements will be an obligation of the individual funds within the Drainage Fee Program and not the City General Fund or any other unrelated specialty funds.

FEE CREDITS AND REIMBURSEMENTS – SUB-SHEDS S6 AND S8

The City has purchased land for basins in the S6 and S8 sub-sheds. Because the City would like to expedite reimbursement for these land acquisition costs, it will require development that constructs basin facilities in these two sub-sheds to pay 20% of the basin fee component and receive fee credits for 80% of the basin fee. The uncredited facilities would go into a reimbursement agreement. Once the City is fully reimbursed for its land acquisition costs, any remaining basin fee revenue will be used to reimburse the developer that constructed the basin facilities for the fees paid to the City.

DRAINAGE 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 public agencies and land shall be exempted from payment of the Drainage Fee:

- Public facilities (e.g., schools, parks, drainage facilities) are exempt from the Drainage Fee. The City will determine if other non-City public agencies and their facilities will be subject to payment of the Drainage Fee.

ANNUAL AND FIVE-YEAR REPORTING REQUIREMENTS

The Mitigation Fee Act requires the City to report every year and every fifth year certain financial information regarding the fees. The City must make available within 180 days after the last day of each fiscal year the following information from the prior fiscal year:

- 1) A brief description of the type of fee in the account or fund
- 2) The amount of the fee
- 3) The beginning and ending balance in the account or fund
- 4) The amount of the fee collected and the interest earned
- 5) An identification of each public improvement for which fees were expended and the amount of expenditures
- 6) An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project
- 7) A description of each interfund transfer or loan made from the account and when it will be repaid
- 8) Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee-related projects

The City must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the fee account, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

- 1) Identify the purpose to which the fee is to be put
- 2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- 3) Identify all sources and amounts of funding anticipated to complete financing any incomplete improvements
- 4) Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the City's fiscal year and must be reviewed at the next regularly scheduled public meeting. The City must make these findings, otherwise, the law requires that the City refund the money on a prorated basis to the then current record owners of the development project.

APPENDIX A

SOUTHEAST POLICY AREA AND LAGUNA RIDGE SPECIFIC PLAN PHASE 3 DRAINAGE FEE CALCULATION TABLES

Table A-1
Land Use Summary

<u>Residential</u>	<u>SEPA</u>	<u>LRSP Phase III</u>
Single Family ¹	476.5	314.0
Multi-Family ²	68.8	19.1
Subtotal	545.3	333.0
<u>Non-Residential</u>		
Commercial ³	34.4	0.0
Office	311.1	0.0
Industrial/Flex	110.7	0.0
Subtotal	456.2	0.0
Total Acres	1,001.5	333.0
<u>Community and Public Land Uses</u>		
School	19.5	10.1
Parks/Open Space	50.4	22.6
Drainage Basins	38.9	3.7
Channel	51.7	0.0
Greenway	45.8	3.5
Total	206.3	39.9
 Total Acres	 1,207.8	 372.9

¹ Includes acreage associated with estate, low density, and medium density residential land uses.

² Includes acreage associated with high density and mixed use residential land uses.

³ Includes anticipated non-residential acreage within the mixed use area.

Source: City of Elk Grove

Table A-2
SEPA - Land Uses By Basin and Channel

	North Sub-shed	S4	S5	S6	S7	S8	SC1-4	Total
<u>Residential</u>								
Estate Residential	28.6	0.0	0.0	0.0	63.0	0.0	0.0	91.6
Low Density Residential	201.5	0.0	0.0	51.8	23.4	0.0	0.0	276.6
Medium Density Residential	108.3	0.0	0.0	0.0	0.0	0.0	0.0	108.3
High Density Residential	59.4	0.0	0.0	0.0	9.4	0.0	0.0	68.8
Subtotal	397.7	0.0	0.0	51.8	95.8	0.0	0.0	545.3
<u>Non-Residential</u>								
Commercial	0.0	0.0	0.0	0.0	0.0	17.6	0.0	17.6
Mixed Use Village Center	16.8	0.0	0.0	0.0	0.0	0.0	0.0	16.8
Office	105.0	95.6	97.2	13.3	0.0	0.0	0.0	311.1
Light Industrial/Flex Space	0.0	49.5	0.0	0.0	0.0	61.2	0.0	110.7
Subtotal	121.7	145.1	97.2	13.3	0.0	78.8	0.0	456.2
Total Developable Lands	519.5	145.1	97.2	65.1	95.8	78.8	0.0	1,001.5
<u>Non Developable Lands</u>								
Park/Open Space	35.6	0.0	0.0	14.3	0.4	0.0	0.0	50.4
Greenway	25.3	4.4	2.5	5.8	2.6	5.1	0.1	45.8
School	9.5	0.0	0.0	10.0	0.0	0.0	0.0	19.5
Basin	21.4	3.9	4.5	2.8	2.2	4.1	0.0	38.9
Drainage Channel	0.0	0.0	0.0	0.0	0.0	0.0	51.7	51.7
Total	91.8	8.4	7.0	32.9	5.3	9.2	51.8	206.3
Total Acres	611.2	153.4	104.3	98.0	101.0	88.0	51.8	1,207.8

Source: City of Elk Grove

*Table A-3
Storm Drainage Facilities Costs Summary*

	SEPA								LRSP P3	Total Cost
	Channel Costs	City Infrastructure Develop. Costs	North Sub-shed Costs ¹	Basin S4 Costs	Basin S5 Costs	Basin S6 Costs	Basin S7 Costs	Basin S8 Costs	Drainage Costs	
Channel Costs	\$5,850,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,850,000
City Development Costs	\$0	\$2,656,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,656,000
Basin Costs	\$0	\$0	\$8,849,000	\$1,695,000	\$1,267,000	\$1,026,000	\$872,000	\$1,142,000	\$6,360,000	\$21,211,000
Land Costs	\$7,547,000	\$0	\$2,708,900	\$391,200	\$660,050	\$211,886	\$223,500	\$708,232	\$1,124,295	\$9,571,000
Total Costs	\$9,397,000	\$2,656,000	\$11,557,900	\$2,086,200	\$1,927,050	\$1,237,886	\$1,095,500	\$1,850,232	\$7,484,295	\$39,288,000

¹ The North Sub-shed includes Basins 1A, 1B, 2, and 3.

Source: City of El Cerrito, West Cost Associates, Cassman Consulting Group, Inc.

Table A-4
Drainage Facilities Cost Summary - Channel Costs

Drainage Improvements	Cost Estimates	
<u>SEPA Improvements</u>		
Channel Facilities		
Upstream Facilities		
West Reach Channel		\$1,224,520
Middle Reach Channel		\$1,494,310
East Reach Channel		\$3,131,335
Subtotal (Rounded)		\$5,850,000
Land Costs	<u>Acreage</u>	
Channel Land to be Dedicated	33.93	\$3,543,000
Channel Land Acquired By the City	6.45	\$866,921
80 Foot Easement Inside Floodplain ¹	11.24	\$0
Downstream Temporary Easement	--	\$20,000
Less: City Direct Costs ²	(6.45)	(\$886,921)
Subtotal (Rounded)	45.17	\$3,543,000
Total Channel Costs		\$9,393,000

¹ Assumes that the estimated value of 11.24 acres of land associated with the 80 foot easement along the length of the channel is \$0.

² City Direct Costs for 6.45 acres of acquired land and the downstream temporary easement are included in the City's Infrastructure Development Cost.

Source: City of Elk Grove; West Yost Associates

Table A-5
Summary of Basin Facilities and Land Costs

	North Sub-shed	S4	S5	S6	S7	S8	Total
<u>Facilities Costs</u>							
Basin Cost	\$8,849,000	\$1,695,000	\$1,267,000	\$1,026,000	\$872,000	\$1,142,000	\$14,851,000
<u>Land Dedication Costs</u>							
Inside Floodplain	9.99	3.91	0.38	0.00	2.24	0.17	16.68
Cost per Acre Inside	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Subtotal - Inside	\$998,900	\$391,200	\$38,300	\$0	\$223,500	\$16,500	\$1,668,400
Outside Floodplain	11.40	0.00	4.15	0.00	0.00	0.14	15.68
Cost per Acre Outside	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	
Subtotal - Outside	\$1,710,000	\$0	\$621,750	\$0	\$0	\$20,850	\$2,352,600
Subtotal - Land Dedication	\$2,708,900	\$391,200	\$660,050	\$0	\$223,500	\$37,350	\$4,021,000
<u>Land Acquisition Costs¹</u>							
Acres Acquired by City	0.00	0.00	0.00	2.80	0.00	3.70	6.50
Cost per Acre	\$0	\$0	\$0	\$75,674	\$0	\$181,319	
Subtotal - Land Acquired	\$0	\$0	\$0	\$211,886	\$0	\$670,882	\$882,768
Total	\$11,557,900	\$2,086,200	\$1,927,050	\$1,237,886	\$1,095,500	\$1,850,232	\$19,754,768

¹ Includes 6.5 acres of land acquired by the City for \$882,768

Source: City of Elk Grove

Table A-6
City Infrastructure Development Costs

Item	Cost Estimates
Design	
West Yost, 35% Design	\$254,000
Hunting Environmental	\$93,000
UNICO Engineering	\$37,000
Matt Boyer & Associates	\$121,600
Blackburn Consulting (Property Demo)	\$8,300
WRECO	\$18,150
Dokken Environmental	\$68,700
Dokken Structures	\$4,500
Willdan	\$180,800
Interwest	\$50,000
Subtotal	\$836,050
Permitting	
1602 East Reach	\$41,200
1602 Middle Reach	\$5,150
1602 West Reach	\$46,300
404 Permit	\$130,000
1602 Downstream	\$5,150
Mitigation	\$475,000
Subtotal	\$702,800
Right-of-Way Acquisition	
Channel	\$866,921
Downstream Temporary Easement	\$20,000
Basins	\$0
Subtotal	\$886,921
Downstream	
Improvements	\$150,000
Contingency	\$37,500
Engineering, Staking, Inspection	\$37,500
Permitting	\$5,200
Subtotal	\$230,200
Total City Infrastructure Development Costs	\$2,656,000

Source: City of Elk Grove

Table A-7
Drainage Facilities Cost Summary - LRSP Costs

Drainage Improvements	Acres	Cost Estimates
<hr/>		
<u>LRSP Improvements</u>		
Southern Shed Trunk Drainage Facilities		\$6,359,500
Land Costs		
LRSP Outfall Channel	4.38	\$569,295
LRSP Detention Basin	3.70	\$555,000
Total LRSP	8.08	\$7,484,000

Source: City of Elk Grove; West Yost Associates

Table A-8
Percent Impervious Percentages

Land Use	SEPA	LRSP Phase 3
<u>Residential</u>		
	Percent <u>Impervious</u>	<u>Acres</u>
Single Family	30%	Acres
Estate Residential	91.6	0.0
Low Density Residential	276.6	314.0
Medium Density Residential	108.3	0.0
Total Acres	476.5	314.0
Single Family Weighted Average - Percent Impervious	45%	40%
Multi-Family - Percent Impervious	75%	75%
<u>Non-Residential</u>		
	Percent <u>Impervious</u>	Percent <u>Impervious</u>
Commercial	75%	75%
Office	75%	75%
Industrial/Flex	75%	75%

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

Table A-9
Channel Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$9,393,000					
<i>Residential</i>						
Single Family	476.5	45% ¹	213.9	35.20%	\$3,306,370	\$6,939
Multi-Family	68.8	75%	51.6	8.49%	\$797,685	\$11,593
Subtotal	545.3		265.5	43.69%	\$4,104,055	
<i>Non-Residential</i>						
Commercial	34.4	75%	25.8	4.25%	\$398,955	\$11,593
Office	311.1	75%	233.4	38.40%	\$3,607,000	\$11,593
Industrial/Flex	110.7	75%	83.0	13.66%	\$1,282,990	\$11,593
Subtotal	456.2		342.2	56.31%	\$5,288,945	
Total	1,001.5		607.7	100.00%	\$9,393,000	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

Source: Goodwin Consulting Group, Inc.

Table A-10
North Sub-shed Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$11,557,900					
<u><i>Residential</i></u>						
Single Family	338.3	45% ¹	151.9	52.79%	\$6,100,938	\$18,033
Multi-Family	59.4	75%	44.5	15.48%	\$1,789,248	\$30,126
Subtotal	397.7		196.4	68.27%	\$7,890,187	
<u><i>Non-Residential</i></u>						
Commercial	16.8	75%	12.6	4.38%	\$505,675	\$30,126
Office	105.0	75%	78.7	27.36%	\$3,162,039	\$30,126
Industrial/Flex	0.0	75%	0.0	0.00%	\$0	n/a
Subtotal	121.7		91.3	31.73%	\$3,667,713	
Total	519.5		287.7	100.00%	\$11,557,900	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

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

Table A-11
Basin S4 Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$2,086,200					
<u><i>Residential</i></u>						
Single Family	0.0	45% ¹	0.0	0.00%	\$0	\$0
Multi-Family	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	0.0		0.0	0.00%	\$0	
<u><i>Non-Residential</i></u>						
Commercial	0.0	75%	0.0	0.00%	\$0	\$0
Office	95.6	75%	71.7	65.91%	\$1,375,000	\$14,378
Industrial/Flex	49.5	75%	37.1	34.09%	\$711,200	\$14,378
Subtotal	145.1		108.8	100.00%	\$2,086,200	
Total	145.1		108.8	100.00%	\$2,086,200	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

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

Table A-12
Basin S5 Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$1,927,050					
<i>Residential</i>						
Single Family	0.0	45% ¹	0.0	0.00%	\$0	\$0
Multi-Family	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	0.0		0.0	0.00%	\$0	
<i>Non-Residential</i>						
Commercial	0.0	75%	0.0	0.00%	\$0	\$0
Office	97.2	75%	72.9	100.00%	\$1,927,050	\$19,817
Industrial/Flex	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	97.2		72.9	100.00%	\$1,927,050	
Total	97.2		72.9	100.00%	\$1,927,050	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

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

Table A-13
Basin S6 Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$1,237,886					
<i>Residential</i>						
Single Family	51.8	45% ¹	23.3	69.98%	\$866,213	\$16,723
Multi-Family	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	51.8		23.3	69.98%	\$866,213	
<i>Non-Residential</i>						
Commercial	0.0	75%	0.0	0.00%	\$0	\$0
Office	13.3	75%	10.0	30.02%	\$371,673	\$27,938
Industrial/Flex	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	13.3		10.0	30.02%	\$371,673	
Total	65.1		33.2	100.00%	\$1,237,886	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

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

Table A-14
Basin S7 Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$1,095,500					
<u><i>Residential</i></u>						
Single Family	86.3	45% ¹	38.8	84.59%	\$926,683	\$10.732
Multi-Family	9.4	75%	7.1	15.41%	\$168,817	\$17.929
Subtotal	95.8		45.8	100.00%	\$1,095,500	
<u><i>Non-Residential</i></u>						
Commercial	0.0	75%	0.0	0.00%	\$0	\$0
Office	0.0	75%	0.0	0.00%	\$0	\$0
Industrial/Flex	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	0.0		0.0	0.00%	\$0	
Total	95.8		45.8	100.00%	\$1,095,500	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

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

Table A-15
Basin S8 Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$1,850,232					
<u><i>Residential</i></u>						
Single Family	0.0	45% ¹	0.0	0.00%	\$0	\$0
Multi-Family	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	0.0		0.0	0.00%	\$0	
<u><i>Non-Residential</i></u>						
Commercial	17.6	75%	13.2	22.36%	\$413,736	\$23,470
Office	0.0	75%	0.0	0.00%	\$0	\$0
Industrial/Flex	61.2	75%	45.9	77.64%	\$1,436,495	\$23,470
Subtotal	78.8		59.1	100.00%	\$1,850,232	
Total	78.8		59.1	100.00%	\$1,850,232	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.2 acres of medium density residential at 70% imperviousness.

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

Table A-16
City Infrastructure Development Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$2,656,000					
<i><u>Residential</u></i>						
Single Family	476.5	45% ¹	213.9	35.20%	\$934,922	\$1,962
Multi-Family	68.8	75%	51.6	8.49%	\$225,556	\$3,278
Subtotal	545.3		265.5	43.69%	\$1,160,478	
<i><u>Non-Residential</u></i>						
Commercial	34.4	75%	25.8	4.25%	\$112,810	\$3,278
Office	311.1	75%	233.4	38.40%	\$1,019,929	\$3,278
Industrial/Flex	110.7	75%	83.0	13.66%	\$362,783	\$3,278
Subtotal	456.2		342.2	56.31%	\$1,495,522	
Total	1,001.5		607.7	100.00%	\$2,656,000	

¹ Weighted average assuming 91.6 acres of estate residential at 30% imperviousness, 276.6 acres of low density residential at 40% imperviousness, and 108.3 acres of medium density residential at 70% imperviousness.

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

Table A-17
LRSP Drainage Facilities and Land Costs
Cost Allocation

Land Use	Acres	Percent Impervious	Impervious Acres	Percent Allocation	Total Costs	Cost per Acre
Cost	\$7,484,000					
<u><i>Residential</i></u>						
Single Family	314.0	40% ¹	125.6	89.79%	\$6,719,573	\$21,401
Multi-Family	19.1	75%	14.3	10.21%	\$764,427	\$40,127
Subtotal	333.0		139.9	100.00%	\$7,484,000	
<u><i>Non-Residential</i></u>						
Commercial	0.0	75%	0.0	0.00%	\$0	\$0
Office	0.0	75%	0.0	0.00%	\$0	\$0
Industrial Flex	0.0	75%	0.0	0.00%	\$0	\$0
Subtotal	0.0		0.0	0.00%	\$0	
Total	333.0		139.9	100.00%	\$7,484,000	

¹ Weighted average assuming 0.0 acres of estate residential at 30% imperviousness, 314.0 acres of low density residential at 40% imperviousness, and 0.0 acres of medium density residential at 70% imperviousness.

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

APPENDIX B

DETAILED DRAINAGE COST ESTIMATES

Table B-1
 SEPA - Zone 1
 Detailed Channel Development Costs

Channel Costs

Segment	Units	Cost
<i>Upstream</i>		
Improvements		
West	LS	\$ 1,064,800
Middle	LS	\$ 1,299,400
East	LS	\$ 2,722,900
<i>Subtotal</i>	LS	\$ 5,087,100
Contingency	0%	\$ -
Mobilization	0%	\$ -
Engineering and Staking	15%	\$ 763,065
<i>Subtotal</i>		\$ 5,850,165
Rounded Total		\$ 5,850,000

Basin Development Costs

Basin and Trunk Costs

Component	Units	Basin S1A	Basin S1B	Basin S2	Basin S3	Basin S4	Basin S5	Basin S6	Basin S7	Basin S8
Improvements	LS	\$ 1,605,300	\$ 1,274,700	\$ 2,038,200	\$ 2,776,500	\$ 1,473,800	\$ 1,102,000	\$ 892,100	\$ 758,600	\$ 992,700
Contingency	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mobilization	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering and Staking	15%	\$ 240,795	\$ 191,205	\$ 305,730	\$ 416,475	\$ 221,070	\$ 165,300	\$ 133,815	\$ 113,790	\$ 148,905
Permitting	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 1,846,095	\$ 1,465,905	\$ 2,343,930	\$ 3,192,975	\$ 1,694,870	\$ 1,267,300	\$ 1,025,915	\$ 872,390	\$ 1,141,605
Rounded Totals:		\$ 1,846,000	\$ 1,466,000	\$ 2,344,000	\$ 3,193,000	\$ 1,695,000	\$ 1,267,000	\$ 1,026,000	\$ 872,000	\$ 1,142,000
North Supersubshed Total:		\$		8,849,000						

Source: City of Elk Grove

Table B-2
SEPA Zone 1
Channel and Basin Land Cost Detail

Channel Reach	Channel Reaches			Total		
	Design Area		Less 80-foot Easement	Within 100-yr	Outside 100-year	Total
	Within 100 yr	Outside 100-year				
C1-3	18.58	1.84	11.2	7.3	1.84	9.18
C-4	26.18	5.02	0.0	26.2	5.02	31.20
Subtotal	44.76	6.86	11.2	33.5	6.9	40.38
LESS Acquired Acres				2.6	3.86	6.45
Total Acres For Dedication				30.9	3.00	33.93
Total Dedication Reimbursement				\$3,092,849	\$450,000	\$ 3,542,849
Plus Acquisition Costs						\$ 866,921
Plus Downstream TCE						\$ 70,000
Total Budget:						\$ 4,479,770
LESS City Direct Costs						\$ 866,921
TOTAL						\$ 3,542,849
ROUNDED						\$ 3,543,000

APN	Subshed/ Basin	Design Area		Grand Total	By Acquisition		By Dedication		Acquisition Cost	Dedication Cost	Total Cost	
		Within 100 yr	Outside 100-year		Within 100 yr	Outside 100-year	Within 100 yr	Outside 100-year				
		132-0290-021	1A			6.6	6.6					
132-0320-006	1B	2.5	0.5	3.0			2.5	0.5	\$ -	\$323,900	\$ 323,900.00	
132-0290-014	2		4.3	4.3				4.3	\$ -	\$645,000	\$ 645,000.00	
132-0320-006	3	7.5		7.5			7.5		\$ -	\$750,000	\$ 750,000.00	
132-0320-010	4	3.9		3.9			3.9		\$ -	\$391,200	\$ 391,200.00	
132-0320-009	5	0.4	4.1	4.5			0.4	4.1	\$ -	\$660,050	\$ 660,050.00	
132-0300-015	6	2.8		2.8	2.8				\$ 211,885.90	\$0	\$ 211,885.90	
132-0300-008	7	2.2		2.2			2.2		\$ -	\$223,500	\$ 223,500.00	
132-0300-012	8								\$ -	\$0	\$ -	
132-0300-013	8	0.2	0.1	0.3				0.2	0.1	\$ -	\$37,350	\$ 37,350.00
132-0300-014	8		0.4	0.4		0.4			\$ 191,576.32	\$0	\$ 191,576.32	
132-0300-015	8	2.0		2.0	2.0				\$ 154,374.02	\$0	\$ 154,374.02	
132-0300-016	8	1.2		1.2	1.2				\$ 324,931.43	\$0	\$ 324,931.43	
TOTALS		22.8	16.1	38.9					\$ 882,767.65	\$4,021,000	\$ 4,903,767.65	

Total Basin Land Cost			
Basin	Acquisition Cost	Dedication Cost	Total Cost
1A	\$ -	\$ 990,000	\$ 990,000
1B	\$ -	\$ 323,900	\$ 323,900
2	\$ -	\$ 645,000	\$ 645,000
3	\$ -	\$ 750,000	\$ 750,000
4	\$ -	\$ 391,200	\$ 391,200
5	\$ -	\$ 660,050	\$ 660,050
6	\$ 211,886	\$ -	\$ 211,886
7	\$ -	\$ 223,500	\$ 223,500
8	\$ 670,882	\$ 37,350	\$ 708,232
TOTAL	\$ 882,768	\$ 4,021,000	\$ 4,903,768
LESS City Acquired			\$ 882,768
NET TOTAL (rounded)			\$ 4,021,000

Source: City of Elk Grove

Exhibit A-2
Southeast Policy Area Park and Trail Fee Program Nexus Study

GCG

GOODWIN CONSULTING GROUP



CITY OF
ELK GROVE

**CITY OF ELK GROVE
SOUTH EAST POLICY AREA
PARK AND TRAIL IMPACT FEES
NEXUS STUDY**

May 22, 2019

**CITY OF ELK GROVE
SOUTH EAST POLICY AREA
PARK AND TRAILS IMPACT FEE
NEXUS STUDY**

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Executive Summary	i
I. Introduction	1
II. Fee Calculation Methodology	4
III. Land Use Categories	8
IV. Park and Trail Facilities	11
V. Nexus Findings and Fees	17
VI. Administration of the Fee Program.....	22

EXHIBITS

Exhibit 1 – Boundary Map of the Southeast Policy Area.....	2
Exhibit 2 – Map of the Southeast Policy Area Land Use Plan.....	10
Exhibit 3 – Map of Proposed Park Sites in the Southeast Policy Area	14
Exhibit 4 – Map of Proposed Trail Sites in the Southeast Policy Area	16

APPENDICES

- Appendix A – SEPA Park and Trail Fee Program Calculations
- Appendix B – Detailed Park and Trail Cost Estimates
- Appendix C – SEPA Trail Type Cross Sections and Cost Estimates

EXECUTIVE SUMMARY

The Southeast Policy Area (“SEPA”) is an employment-oriented development located in the southern portion of 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 SEPA lies west of Highway 99, south of Poppy Ridge Road, east of Big Horn Boulevard and Bruceville Road, and north of Kammerer Road. A map identifying the Southeast Policy Area and the Park and Trail Fee Program boundaries is shown on page 2 of this report.

The SEPA is envisioned to provide a wide range of land uses that will provide a balanced mix of retail, office, light industrial, mixed use, and residential developments. At build out SEPA is projected to include almost 4,000 residential units, including 2,429 single family units and 1,543 multi-family units. The SEPA will also include approximately 446,000 square feet of building space zoned for commercial and mixed use non-residential development, approximately 4.4 million square feet of office space, and just over 900,000 square feet of building zoned for industrial/flex space.

PURPOSE OF STUDY

As the SEPA develops, park and trail facilities will be constructed to meet the demands of future development. Park and trail facilities that will serve development in the SEPA will be funded through fee revenue from the proposed Southeast Policy Area Park and Trail Fee Program (“Fee Program”). The SEPA park fee (“Park Fee”) and the SEPA trail fee (“Trail Fee”) will apply to all future development within the SEPA. This Southeast Policy Area Park and Trail Impact Fee Nexus Study report (“Nexus Study”) provides the supporting basis for the Fee Program.

The Fee Program is compliant with the requirements set forth in the Mitigation Fee Act, also commonly known as AB 1600, and ensures that a rational nexus exists between future development in the SEPA and (i) the use and need for the proposed park and trail facilities, and (ii) the cost or portion of the cost of the public facilities attributable to future development. This Nexus Study demonstrates that a reasonable relationship exists between the Park Fee and the Trail Fee and the cost of the facilities attributable to development in SEPA that these fees will be levied on.

PARK AND TRAIL FACILITIES AND PUBLIC LAND REQUIREMENTS

The Fee Program provides funding for the project-specific park and trail facilities in the SEPA. These project-specific park and trail facilities, as described in the Southeast Policy Area Community Plan and the Southeast Policy Area Specific Planning Area Report, are planned to serve the SEPA. A detailed review was conducted by City staff to identify all eligible park, trails, and land costs. The result of this effort serves as the basis for the Fee Program. The total cost associated with park and trail facilities and public land included in the Fee Program is estimated to be \$74.8 million and includes the following:

- Community Park Development \$4.8 million
- Local and Neighborhood Parks Development \$32.7 million
- Trails Development \$30.5 million
- Trails Land Acquisition \$6.8 million

Detailed cost estimates for the above-referenced facilities are shown in Appendix B of this report. Exhibits 3 and 4 on pages 13 and 15 of this report identify the locations of the park and trail facilities included in the Fee Program. Park land in the SEPA will be dedicated through the Quimby park land requirement. The City will require actual dedication of land pursuant to the Quimby Act requirements or payment of an in-lieu fee at final map approval.

PARK FEE

The Park Fees are presented in Table ES-1. Table ES-1 identifies the three components of the Park Fee, namely Shared Park Facilities, Residential-Focused Park Facilities, and the City's administration fee. The City will charge an administration fee that equals 4.0% of the total costs. Calculations performed by City staff for other City fee programs show that expenditures for program administration equal and often exceed 4.0% of the fee program's expenditures. Fee program administration costs include, but are not limited to, preparation of the nexus study; preparation of updates to the nexus study; preparation of annual reports for the fee; and administration costs for maintaining the fee fund. The City should monitor its costs in the following years and adjust the rate, as necessary.

TRAIL FEE

The Trail Fees are presented in Table ES-2. Table ES-2 identifies the three components of the Trail Fee, namely Trail Facilities, Trails Land, and the City's 4.0% administration fee component.

**Table ES-1
PARK FEE SUMMARY**

Land Use	Shared Park Facilities <i>A</i>	Residential- Focused Park Facilities <i>B</i>	Administration (4%) <i>C = (A + B) x .04</i>	Total Park Fee <i>D = A + B + C</i>
<u>Residential</u>				
			<i>per Unit</i>	
Single Family	\$2,103	\$8,223	\$413	\$10,739
Multi-Family	\$1,519	\$5,940	\$298	\$7,757
<u>Non-Residential</u>				
			<i>per Acre</i>	
Commercial	\$1,713	\$0	\$69	\$1,782
Office	\$3,098	\$0	\$124	\$3,222
Industrial/Flex	\$897	\$0	\$36	\$933

**Table ES-2
TRAIL FEE SUMMARY**

Land Use	Trail Facilities <i>A</i>	Trail Land Component <i>B</i>	Administration (4%) <i>C = (A + B) x .04</i>	Total Trail Fee <i>D = A + B + C</i>
<u>Residential</u>				
			<i>per Unit</i>	
Single Family	\$7,627	\$1,691	\$373	\$9,691
Multi-Family	\$5,510	\$1,222	\$269	\$7,001
<u>Nonresidential</u>				
			<i>per Acre</i>	
Commercial	\$6,212	\$1,378	\$304	\$7,894
Office	\$11,239	\$2,493	\$549	\$14,281
Industrial/Flex	\$3,253	\$721	\$159	\$4,133

5.0 ACRES PER 1,000 RESIDENTS LAND DEDICATION REQUIREMENT

Pursuant to the requirements of the Quimby Act, development in SEPA will be required to dedicate 5.0 acres of park land per 1,000 residents in SEPA. Base on the estimated residential development planned for the SEPA, a total of 59.4 acres of park land will be required to be dedicated to the City. Table B-3 in Appendix B of this report shows that the total park land planned in the SEPA equals 59.4 acres and trail acreage totals 45.1 acres. Since the park land will be dedicated to the City, only the cost of the trails acreage, 45.1 acres, is included in the Fee Program.

The City will require all development in the SEPA to dedicate 5.0 acres of park land per thousand residents or pay an in-lieu fee if unable to dedicate sufficient land to meet their obligation. The City will determine the appropriate land in-lieu fee, pursuant to the provisions of Elk Grove Municipal Code section 22.40.040 (Calculation of in-lieu fees), prior to the approval of a final map. Additional details regarding this land dedication requirement are included in Section VI of this report.

FEE ADJUSTMENTS

The Park Fee and the Trail 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 SEPA. In addition to such adjustments, the Park Fee and the Trail Fee will be automatically inflated each year by the construction cost index, as outlined in Section VI in this report.

I. INTRODUCTION

The Southeast Policy Area is an employment-oriented development located in the southern portion of the City of Elk Grove. The City is located in the south central portion of Sacramento County along Highway 99, approximately 20 miles south of downtown Sacramento. The SEPA lies west of Highway 99, south of Poppy Ridge Road, east of Big Horn Boulevard and Bruceville Road, and north of Kammerer Road. The SEPA is envisioned to provide a wide range of land uses that will provide a balanced mix of retail, office, light industrial, mixed use, and residential developments. The SEPA is projected to include almost 4,000 residential units, including 2,429 single family units and 1,543 multi-family units and will also include approximately 446,000 square feet of building space zoned for commercial and mixed use non-residential development, approximately 4.4 million square feet of office space, and just over 900,000 square feet of building zoned for industrial/flex space. A map identifying the Southeast Policy Area and the Park and Trails Fee Program boundaries is shown on page 2 of this report.

In 2003, as part of the adoption of the City's General Plan, the Elk Grove City Council declared the SEPA a special land use policy area. The policies regarding this designation required the preparation of the Southeast Policy Area Community Plan ("Community Plan") and the Southeast Policy Area Special Planning Area Report ("Special Planning Area Report"). The Community Plan illustrates the location and planned uses for properties within the SEPA and established guiding principles and standards for park and trail facilities. The Special Planning Area Report specifies features, amenities, and design requirements for park and trail facilities in the plan area.

IMPACT FEE NEXUS REQUIREMENTS (AB 1600)

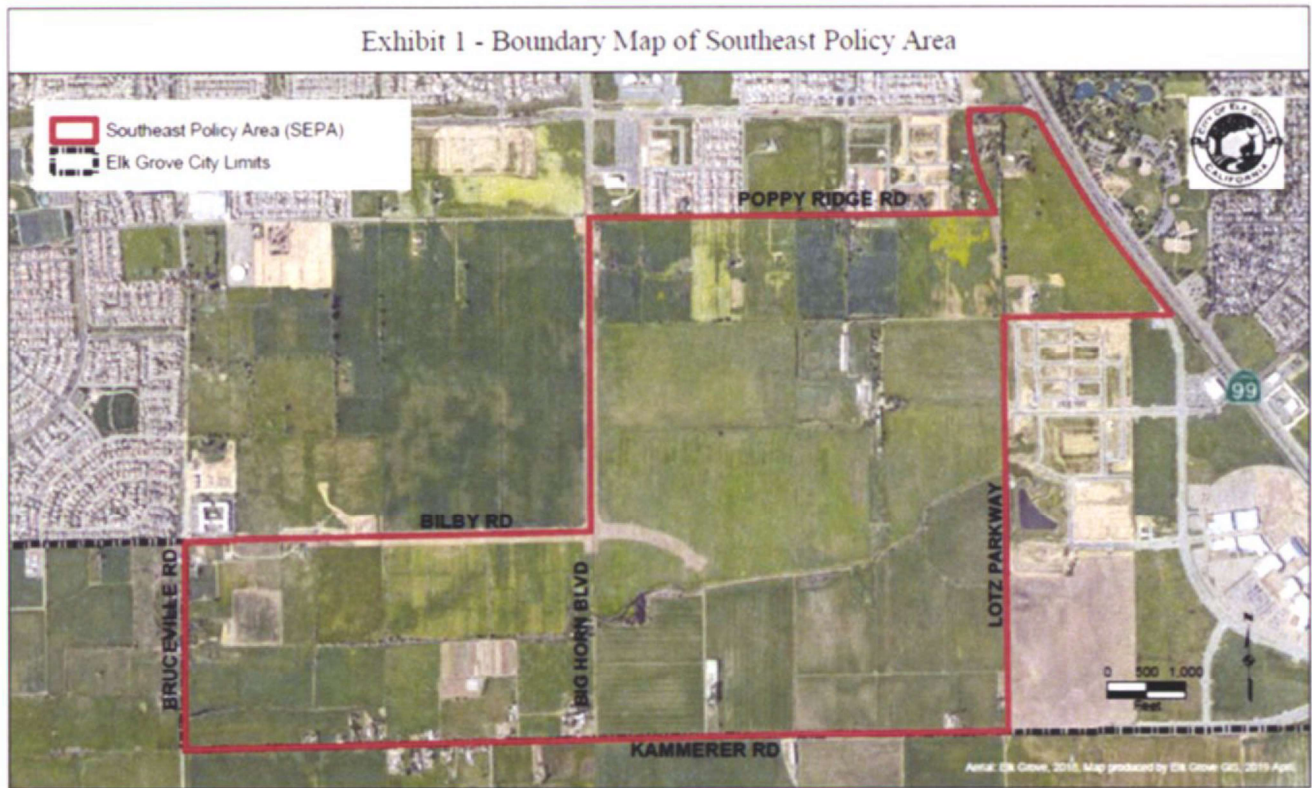
Assembly Bill (AB) 1600, which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600, which created the Mitigation Fee Act, requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as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

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 purpose of this Nexus Study is to demonstrate that the fees calculated herein comply with the Mitigation Fee Act. The assumptions and cost allocation methodology that are used to establish the nexus between the proposed Park Fee, Trail Fee, and the development on which they will be levied are summarized in the subsequent sections of this report.

Exhibit 1 – Boundary Map of Southeast Policy Area



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 SEPA land use categories used in the calculation of the fees. |
| Section IV | Discusses various types of park and trail facilities and public land in the Fee Program and their costs. |
| Sections V | Presents the nexus findings and discusses the calculation of the Park Fee and the Trail Fee. |
| Section VI | Addresses future fee adjustments, credit and cash reimbursement policies, and exemptions for the Fee Program as well as other administration issues relevant to the Fee Program. |

II. FEE CALCULATION METHODOLOGY

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

FEE METHODOLOGY

The methodology used to calculate the fees ensures that each land use category funds its equitable share of park and trail facilities and public land based on the estimated benefit that the development type will receive from the park and trail facilities. Following is a summary of the steps used to calculate the Fees:

- 1) Facilities Fee components of the Park and Trail Fees:
 - (a) Determine residential and non-residential development, by land use category, expected within the SEPA. Determine the amount of parks and trails needed to serve this development.
 - (b) Based on the SEPA planning documents, determine the community park facilities, local and neighborhood park facilities, and trail facilities needed to serve development in the SEPA.
 - (c) Based on current park and trail development standards, estimate the cost of park and trail facilities identified in Step (b).
 - (d) Based on development projections of residential units and non-residential building square feet, apply the average persons per household and a user-equivalent employees per 1,000 square feet of building space, to calculate a dwelling unit equivalent (DUE) factor for each residential and non-residential land use category.
 - (e) Calculate the total DUEs in the SEPA that will be generated from future development for all residential and non-residential land use categories by multiplying the total development for each land use category by its DUE factor.
 - (f) Divide the total DUEs for each land use category by the total DUEs for all land use categories in the SEPA to determine each land use's percent share of the total DUEs.
 - (g) Multiply each land use's percent share of the total DUEs by the park and trail

facilities costs to determine the cost attributable to each land use category.

- (h) Divide the cost attributable to each land use category by the quantity (i.e., units or building square feet) of each land use type to determine the community park facilities and local and neighborhood park facilities fee components of the Park Fee and the trail facilities fee component of the Trail Fee for each residential and non-residential land use category.
- 2) Land component of the Trail Fee:
 - (a) Based on SEPA planning documents, determine the amount of land needed for trails in the SEPA.
 - (b) Estimate the total cost of the land included in the Fee Program. The City estimates the cost of trail land is \$150,000 per acre based upon a review of land values and recent property transactions for similar properties in the City.
 - (c) Apply the average persons per household and a user-equivalent employee per 1,000 square feet of building space to calculate a DUE factor for each residential and non-residential land use category.
 - (d) Calculate the total DUEs that will be generated from future development in all land use categories by multiplying each land use type by its DUE factor and taking the sum of the DUEs.
 - (e) Divide the total DUEs for each land use category by the total DUEs for all land uses to determine each land use's percent share of the total DUEs.
 - (f) Multiply each land use's percent share of the total DUEs by the land cost to determine the cost attributable to each land use category.
 - (g) Divide the cost attributed to each land use category by the units or building square feet for each land use type to determine the land fee component of the Trail Fee.
 - 3) Sum the separate fee components for the Park and Trail Fees
 - 4) Apply a 4% charge to the total of the park and trail fee components to determine the Fee Program's administration fee. The City will charge an administration fee that equals 4.0% of the total costs. Calculations performed by City staff for other City fee programs show that expenditures for program administration equal and often exceed 4.0% of the fee program's expenditures. Fee program administration costs include, but are not limited to, preparation of the nexus study; preparation of updates to the nexus study; preparation of annual reports for the fee; and administration costs for maintaining the fee fund.

By applying this fee methodology, the Park and Trail Fees calculated for each land use category is based on the estimated benefit received from the park and trail facilities and land, and thus a nexus, or reasonable relationship, is established between the amount of the fee and the cost of the facilities attributable to each type of development.

DWELLING UNIT EQUIVALENT (DUE) FACTORS

Development in the SEPA will create demand for park and trail facilities. This Nexus Study measures demand by the number of user-equivalents anticipated in the plan area. By allocating facilities costs to each land use category based on its anticipated demand for park and trail facilities, this Nexus Study ensures that each land use category will fund its fair-share of the required facilities.

A dwelling unit equivalent, or DUE, is a factor that quantifies the demand for park and trail facilities of different land use types relative to the demand of 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 number of user-equivalents expected for each land use category relative to the user-equivalents for a single family unit. For example, a single family unit is assumed to have 3.35 persons per household, based upon a review of Census data for the City of Elk Grove (2016 American Community Survey, 5-year average). If each person were assumed to equal one user-equivalent, then a single family unit equals 3.35 user-equivalents. A multi-family unit with an average of 2.42 persons per household would generate 2.42 park user-equivalents. By dividing 2.42 by 3.35, a DUE factor of approximately 0.72 is calculated for a multi-family residential unit.

For non-residential development, employees will also be users of SEPA parks and trails, but to a much lesser degree than residents. To establish a relative relationship of the demand for parks and trails between residents and employees, the Nexus Study estimates the potential amount of available time that a resident and employee can use parks and trails. In this case, a resident has the potential to use parks and trails about 12 hours per day, seven days a week; or 84 hours a week. An employee is assumed to have the potential to use parks and trails about 1.5 hours per day, five days a week; or 7.5 hours per week. Based on these assumptions, an employee's demand for parks and trails is about 9% of a resident's demand. For example, 7.5 hours divided by 84 hours equals approximately 9%. So an employee's demand for parks and trails equals approximately 0.09 of a user-equivalent.

To convert this demand into DUE factors for non-residential development, the number of employees per 1,000 square feet of building space is multiplied by 9% to determine the number of user-equivalents. For Commercial development, there are 0.18 user-equivalents per 1,000 square feet. The DUE factor is then calculated by dividing 0.18 user-equivalents by 3.35 user-equivalents to get a DUE factor of 0.05 for Commercial development. Table A-2 in Appendix A shows the calculation of DUE factors for each residential and non-residential land use type.

III. 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 may vary 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 Park Fee and the Trail Fee have been calculated per dwelling unit for each residential land use categories and per acre for non-residential land use categories. The following land use categories are identified for purposes of the Fee Program:

- Single Family:** All single family residential development categories, including estate residential, low density residential, and medium density residential. Also includes, but is not limited to, duplexes, halfplexes, row houses, townhomes, and other similar residential developments.
- Multi-family:** All multi-family residential development categories, including high density residential and mixed use residential. Examples include, but are not limited to, apartment complexes, regardless of income or age restrictions.
- 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, residential care facilities (as defined in EGMC Title 23) 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/Flex: 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, or similar.

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 determine a mixed rate or an applicable ad hoc fee.

LAND USES

The SEPA encompasses approximately 1,200 gross acres, of which approximately 1,000 acres are planned for residential and non-residential development. The remainder of the SEPA is slated for public uses, which include parks, open space, trails, drainage facilities, schools, and major and minor roadways. Exhibit 2 on page 9 is a map that identifies the land uses in the SEPA.

Table A-1 summarizes the estimated total residential units and non-residential square feet anticipated within the SEPA. The SEPA is planned for almost 4,000 residential units, including 2,429 single family units and 1,543 multi-family units. In addition, approximately 5.7 million square feet of non-residential building space is proposed, including approximately 4.4 million square feet of office space, approximately 446,000 square feet of commercial and non-residential mixed-use space, and 900,000 square feet of industrial/flex space.

Exhibit 2 – Map of SEPA Land Use Plan



IV. PARK AND TRAIL FACILITIES

The SEPA Park and Trails Fee Program will provide funding for the park and trail facilities to serve development in the SEPA. These facilities were originally described in the Special Planning Area Report and Community Plan. An analysis was conducted by City staff to identify the park and trail facilities as well as their associated costs. The total cost of the facilities included in the Fee Program is estimated to be \$74.8 million and includes the following components:

Park Fee

- Reardan Community Park (9.0 acres)
- Local and Neighborhood Parks

Trail Fee

- Trail Facilities
- Trail Public Land Acquisition

Each of these components are described in more detail below. The Cosumnes Community Services District (CCSD), in partnership with the City, will oversee the development and construction of park and trail facilities included in the Fee Program. Detailed cost estimates for all park and trail facilities and public land are shown in Tables B-1 through B-3 of Appendix B. Exhibits 3 and 4 on pages 13 and 15 identify the locations of the park and trail facilities included in the Fee Program.

COMMUNITY PARK

The Fee Program includes funding for Reardan Community Park. Reardan Park, located just north of Poppy Ridge Road, is planned to be a 26-acre community park. The Fee Program provides development funding for 9.0 acres of the park, with the rest coming from the Laguna Ridge Specific Plan (LRSP) Supplemental Park Fee.

The community park is intended as a place for large groups to gather and includes amenities such as active sports facilities (e.g., ball fields, full court basketball, and tennis courts). Improvement costs of \$522,500 per acre included in the Fee Program are based upon park classifications consistent with the CCSD's park design principles. In addition, approximately \$10,450 per acre is included for public art; this amount equals two percent of the park's cost per acre and is consistent with City's requirements pursuant to Resolution No. 2016-226, which implemented the arts program for SEPA and LRSP parks. Overall, the Fee Program includes funding for approximately \$4.8 million in community park facilities.

LOCAL AND NEIGHBORHOOD PARK

The Fee Program includes funding for various local and neighborhood parks in SEPA totaling approximately 50.4 acres. The SEPA park improvement plans include 12 local parks, 2 pocket parks, and 2 neighborhood parks. Table IV-1 below identifies the planned local and neighborhood parks and their associated acreage. Parks range in size from less than one acre to over nine acres. Local and neighborhood park facilities are estimated to cost \$32.7 million.

**TABLE IV-1
LOCAL AND NEIGHBORHOOD PARKS**

Park	Acres
A - Pocket Park	0.2 Acres
B - Pocket Park	0.2 Acres
C - Neighborhood Park	9.4 Acres
D - Local Park	3.7 Acres
E - Local Park	1.4 Acres
F - Local Park	3.3 Acres
G - Local Park	3.2 Acres
H - Local Park	4.5 Acres
I - Local Park	2.1 Acres
J - Local Park	4.7 Acres
K - Neighborhood Park	9.7 Acres
L - Local Park	2.2 Acres
M - Local Park	1.3 Acres
N - Local Park	1.3 Acres
O - Local Park	2.1 Acres
P - Local Park	1.3 Acres
Total	50.4 Acres

TRAIL FACILITIES

In addition to community, local and neighborhood park facilities, the Fee Program includes approximately \$31.7 million in development costs for trails within the SEPA. A total of 38 trail segments totaling 47,896 linear feet are included in the Fee Program and are estimated to cost \$28.5 million. The remaining \$3.2 million in development costs includes funding for trail crossings and bridges. The costs for the trail crossings and bridges included in the Fee Program will be supplemented with \$1.3 million anticipated to be funded by the City’s Roadway Fee Program. Table IV-2 on the following page shows that trail segments range in size from 119 linear feet to 5,701 linear feet. See Appendix C for design and cost details regarding each trail type included in the Fee Program.

TABLE IV-2
TRAIL FACILITIES

Facility	Trail Type	Units
<u>Trails – Map ID</u>		
1	3	857 L.F.
2	7B	970 L.F.
3	7A	559 L.F.
4	7A	5,651 L.F.
5	6B	5,701 L.F.
6	5	1,277 L.F.
7	2	488 L.F.
8	2	584 L.F.
9	5	601 L.F.
10	5	1,088 L.F.
11	4	382 L.F.
12	2	1,445 L.F.
13	2	1,240 L.F.
14	2	944 L.F.
15A	4	830 L.F.
15B	4	119 L.F.
16	5	820 L.F.
17A	4	841 L.F.
17B	4	160 L.F.
18	4	767 L.F.
19	4	906 L.F.
20	4	454 L.F.
21	1	666 L.F.
22	4	749 L.F.
23	1	530 L.F.
24	1	541 L.F.
25	1	351 L.F.
26	6A	1,806 L.F.
27	6A	2,292 L.F.
28	6A	498 L.F.
29	7A	982 L.F.
30	6B	1,917 L.F.
31	6B	2,322 L.F.
32	6B	1,692 L.F.
33	1	416 L.F.
34	1	666 L.F.
35	1	659 L.F.
36	1	1,633 L.F.
37	1	1,413 L.F.
38	1	883 L.F.
39	1	1,196 L.F.
<u>Shed C Crossings</u>		
Bilby Road		1
Big Horn Blvd		1
Village Center Ped Crossing		1
LRSP Outfall Pedestrian Crossing		1
Bruceville Meadows Ped Crossing		1
Total		47,896 L.F.

Exhibit 3 – Map of Proposed Park Sites in the SEPA



TRAIL LAND

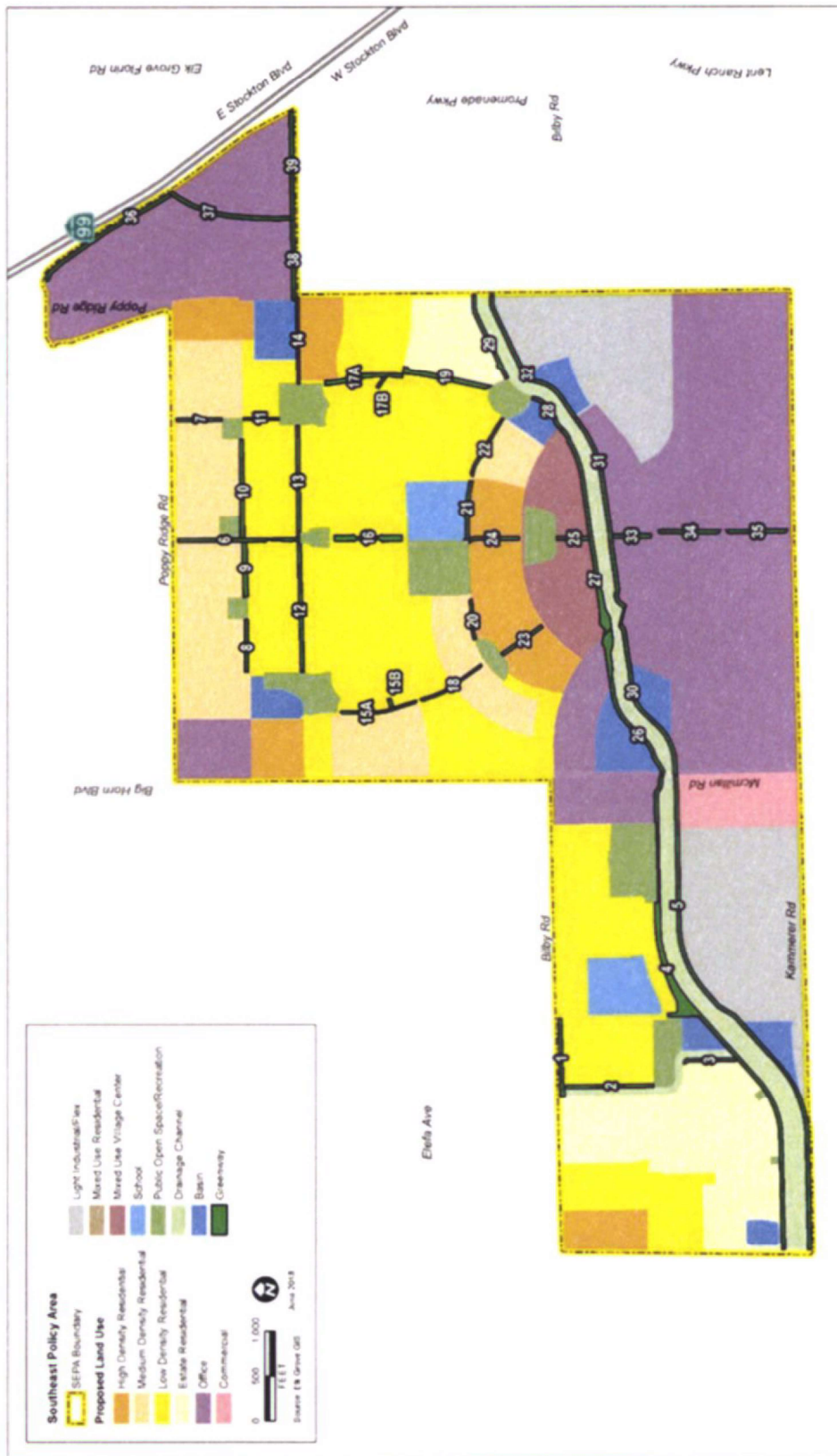
Developing community, local, and neighborhood parks and trails will require acquiring the land for these facilities. Funding for park land totaling to 5.0 acres per 1,000 residents, or approximately 59.4 acres, is not included in the Fee Program and instead will be dedicated to the City pursuant to the Quimby Act land dedication requirements (EGMC 22.40.040). The City will require actual dedication of land from those developers with land or payment of an in-lieu fee for developers that do not have sufficient land to dedicate. The City will determine the appropriate land in-lieu fee prior to the approval of a final map. Those who dedicate will be reimbursed with credits.

The Fee Program only includes the estimated cost of land for trail facilities in the SEPA. Table IV-3 below shows the calculation of the number of trail acres required to serve future development in the SEPA. Approximately 45.1 acres of land, with an estimated cost of \$150,000 per acre, or a total of approximately \$6.8 million, is included in the Fee Program.

**TABLE IV-3
CALCULATION OF PARK AND TRAILS LAND FOR SEPA**

Land Use	Units	Persons per Household	Total Population
Single Family	2,429	3.35	8,137
Multi-Family	1,543	2.42	3,734
Age Restricted	0	1.86	0
Total	3,972		11,871
Total Residents		11,871	
Quimby Standard per 1,000 population		<u>5.00</u>	Acres
Total Park Acres Required per Quimby		59.4	
Total Acres of Park and Trail Land in SEPA		104.4	Acres
Total Park Acres Planned in SEPA		<u>59.4</u>	Acres
Trails Acreage in Fee Program		45.1	Acres

Exhibit 4 – Map of Proposed Trail Sites in the SEPA



V. NEXUS FINDINGS AND FEES

Development of the SEPA will create demand for various park and trail facilities to serve future residents and employees. The Fee Program will fund construction of a portion of one community park, 16 local and neighborhood parks, various trails, and acquisition of approximately 45.1 acres of public land for trails. The Park Fee and the Trail Fee, as calculated in this Nexus Study meet the AB 1600 nexus requirements, as outlined below.

Purpose of Fee

The purpose of the Park Fee is to fund community, local, and neighborhood park facilities to serve future residents and employees within the SEPA. The purpose of the Trail Fee is to fund trail facilities and land to serve future residents and employees within the SEPA.

Use of Fee

Fee revenue will be used to fund community, local and neighborhood parks, and trails and the land for the trail facilities. These facilities and lands are identified in Tables B-1 through B-3 of Appendix B and their costs are summarized in Table A-3 of Appendix A.

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

New development will generate residents and employees who will require park and trail facilities. Parks, trails, and land will be funded by fee revenue from both residential and non-residential development since these facilities provide amenities and services that will serve residents and employees. Therefore, the cost of these facilities is allocated to residential and non-residential development.

Table B-1 in Appendix B of this report identifies the parks and their costs. Parks shown in Table B-1 are categorized as either Shared Parks or Residential-Focused Parks based on the expected usage by residents and employees in SEPA. Shared Parks, for example, due to their proximity to residential and non-residential development, are expected to be utilized by residents and employees. The Shared Parks category includes Local Park H and Neighborhood Park K.

Residential-Focused Parks include the 14 remaining local and neighborhood parks, not including Parks H and K, and also the 9.0 acre portion of Reardan Community Park. These parks are expected to be used primarily by residents since non-residential development in SEPA will not be in close proximity to them.

Reardan Community Park and all local and neighborhood parks in the SEPA will be located near

residential developments in SEPA and will be easily accessible to SEPA residents. As a result, all residential development in SEPA will be allocated a proportionate share of the total cost of these facilities.

Non-residential development in SEPA, on the other hand, will be located in close proximity only to Local Park H and Neighborhood Park K. Therefore, employees of non-residential development in SEPA will have the opportunity to use these two parks. As a result, non-residential development is allocated a proportionate share of the costs of these two parks.

Exhibit 4 in this report shows a map of the trails planned for SEPA. Trails are planned throughout the SEPA and are interconnected so that all development in SEPA will have access to the trail system. Because all development in SEPA will have access to the trails, the costs of trails development and land are allocated to all residential and non-residential development in the SEPA.

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

New development in the SEPA will generate residents and employees that will require park and trail facilities. However, a resident and an employee will not create the same amount of demand for park and trail 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 and trail facilities.

The assumption that determines this conversion factor is the estimated potential for residents and employees to use park and trail facilities. A resident, for example, can potentially utilize park and trail facilities 12 hours per day 7 days a week, or a total of 84 hours per week. An employee has the potential to use parks and recreation facilities, on average, about 1.5 hours per day, 5 days a week, or a total of 7.5 hours per week. The conversion factor to determine relative demand between a resident and an employee is calculated by dividing 7.5 hours by 84 hours, which is approximately 0.09. Therefore, since a resident is assigned a user-equivalent factor of 1.00, an employee, relative to a resident, would be 0.09 of one user-equivalent. In effect, it is assumed that an employee will have 9% of the impact on park and trail facilities that a resident will.

While Residential-Focused Parks, due to their locations in SEPA, will serve primarily residents, Shared Parks and trail facilities are designed to serve the entire SEPA, including all residential and non-residential development. Therefore, the Nexus Study allocates Residential-Focused Parks costs only to residential development in the SEPA. Shared Parks, trail facilities, and all

trail land acquisition costs are allocated to residential and non-residential development. The user-equivalent factor mentioned in the prior paragraph is utilized to determine DUE factors for all land use categories which, in turn, are used to allocate the cost of the facilities to the future residential and non-residential development.

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

The Fee Program provides funding for the park and trail facilities needed to serve development in the SEPA. These park and trail facilities have been designed to benefit primarily development in the SEPA and therefore, are entirely attributable to the SEPA. The relationship between the amount of the fee and the portion of the facilities costs attributable to the development type is based on DUEs.

Although residents are the primary beneficiaries of Residential-Focused Parks, both residents and employees benefit from the Shared Parks and trails facilities. As such, a fair-share portion of the cost of these facilities has been allocated to residential and non-residential development based on an estimate of the number of user-equivalents for each development type in the SEPA at buildout.

Based on the potential benefit from facilities funded through the Fee Program to residents and employees, a proportionate share of the cost for park and trail facilities is allocated to residential and non-residential land uses in the SEPA. This cost allocation establishes the Park Fee and the Trail Fee for each land use category and also establishes a reasonable relationship between the fee and the cost of facilities attributable to each development type in the SEPA.

FACILITIES AND COSTS IN THE FEE PROGRAM

The Fee Program will provide funding for the park and trail facilities in the SEPA. City staff conducted a thorough review of all park and trail facilities to determine those eligible for the Fee Program; the result of this effort serves as the basis for the Fee Program. The total cost associated with park and trail facilities and public land included in the Fee Program is estimated at \$74.8 million, and includes costs for the following:

- Community Park Development \$4.8 million
- Local and Neighborhood Parks Development \$32.7 million
- Trails Development \$30.5 million
- Trails Land Acquisition \$6.8 million

FEE CALCULATION

Park and trail facilities and land funded through the Fee Program are designed to serve residents and employees in the SEPA. The total Fee Program cost of \$74.8 million is allocated to future residential and non-residential land uses in the SEPA based on the DUE factors calculated in Table A-2 of Appendix A. The fee for each development type, or land use category, is based on the cost allocation calculations for the community park, local and neighborhood parks, trails, and land costs, as shown in Tables A-4 through Table A-7 in Appendix A. Fees are presented on a per unit basis for residential development and per acre for non-residential development.

PARK FEE

The Park Fees for the land use categories in the SEPA are identified on the following page in Table V-1. Table V-1 identifies the three components of the Park Fee, namely Shared Park Facilities, Residential-Focused Park Facilities, and the City's administration fee. The administration fee is a 4.0% add-on fee that will reimburse the City for costs associated with administering the Fee Program.

TRAIL FEE

The Trail Fees for the land use categories in the SEPA are identified in Table V-2 on the following page. Table V-2 identifies the three components of the Trail Fee, namely Trail Facilities, Trail Land, and the City's administration fee.

**Table V-1
PARK FEE SUMMARY**

Land Use	Shared Park Facilities <i>A</i>	Residential- Focused Park Facilities <i>B</i>	Administration (4%) <i>C = (A + B) x .04</i>	Total Park Fee <i>D = A + B + C</i>
<u>Residential</u>				
			<u>per Unit</u>	
Single Family	\$2,103	\$8,223	\$413	\$10,739
Multi-Family	\$1,519	\$5,940	\$298	\$7,757
<u>Non-Residential</u>				
			<u>per Acre</u>	
Commercial	\$1,713	\$0	\$69	\$1,782
Office	\$3,098	\$0	\$124	\$3,222
Industrial/Flex	\$897	\$0	\$36	\$933

**Table V-2
TRAIL FEE SUMMARY**

Land Use	Trail Facilities <i>A</i>	Trail Land Component <i>B</i>	Administration (4%) <i>C = (A + B) x .04</i>	Total Trail Fee <i>D = A + B + C</i>
<u>Residential</u>				
			<u>per Unit</u>	
Single Family	\$7,627	\$1,691	\$373	\$9,691
Multi-Family	\$5,510	\$1,222	\$269	\$7,001
<u>Nonresidential</u>				
			<u>per Acre</u>	
Commercial	\$6,212	\$1,378	\$304	\$7,894
Office	\$11,239	\$2,493	\$549	\$14,281
Industrial/Flex	\$3,253	\$721	\$159	\$4,133

VI. ADMINISTRATION OF THE FEE PROGRAM

The City will administer the Fee Program. This will include, but not limited to, the following ongoing duties:

- Annually update the Park Fee and the Trail Fee rates due to inflation
- Update Nexus Study as necessary
- Collect fee revenues and allocating to separate fee accounts
- Enter into credit/reimbursement agreements for land dedications, park improvements, or trail improvements
- Manage and track existing fee credits and reimbursements
- Complete annual and five year reporting requirements pursuant to the Mitigation Fee Act

ANNUAL INFLATION UPDATE

In January of each calendar year, the Park Fee and the Trail Fee rates, facilities costs, and land costs in the Fee Program should be inflated automatically based on the average 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, or equivalent, as determined by the Finance Director if these numbers are not available. For example, the adjustment for January 2020 will be determined by calculating the change from October 2018 to October 2019 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 Fee and the Trail Fee in January 2020.

FEE ACCOUNTS

The City may establish fee accounts for the individual components of the Park Fee and the Trail Fee. For the Park Fee, this may include separate accounts for the community park facilities fee component, the local and neighborhood parks fee component, and the administration fee. For the Trail Fee, this may include separate accounts for the facilities fee component, the trail land component, and the administration fee. The City will also determine whether it will allow interfund borrowing between the separate accounts to whether to allow funding of priority projects. Interfund loans must be repaid at some future date.

ADMINISTRATION FEE COMPONENT

The Park and Trails Fees include an administration fee component that equals 4.0% of the Fees' components. The City will charge an administration fee that equals 4.0% of the total costs. Calculations performed by City staff for other City fee programs show that expenditures for program administration equal and often exceed 4.0% of the fee program's expenditures. Fee program administration costs include, but are not limited to, preparation of the nexus study; preparation of updates to the nexus study; preparation of annual reports for the fee; and administration costs for maintaining the fee fund. The City should monitor its costs in the following years and adjust the rate, as necessary. The 4.0% rate will be applied only to the cash fee amount that is collected. If fee rates are reduced due to public land dedications or improvements, the 4.0% administration fee will be applied only to the reduced fee.

NEXUS STUDY UPDATES

The Nexus Study will be subject to periodic updates based on changes in developable land, land uses, facilities and land costs, or economic conditions. The City will periodically review the costs, fees, and account balances to determine if an update to either the Park Fee and/or the Trail Fee is warranted. During the periodic reviews, the City may analyze the following items that would impact the Fee Program:

- Changes to the required facilities included in the Fee Program
- Actual changes in land costs that are inconsistent with the inflated cost of land
- Changes in zoning or density
- Changes in the cost to administer the Fee Program

FEE CREDITS AND REIMBURSEMENTS

Fee credits and reimbursements will be available as part of the Fee Program. Fee credits and reimbursements will not be available for the administration component of the Park Fee or the Trail Fee. The City will determine which park or trail facilities and land dedications will be eligible for developers to construct or dedicate. Facilities that have not yet been accepted by the City prior the adoption of this Nexus Study must meet City standards for acquisition projects in order to be eligible for fee credits or reimbursements. All future construction contracts, construction work, and requests for credit/reimbursement associated with park and trail facilities 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 of public projects that are not currently under contract with the City.

Fee credits and reimbursements will be given only to projects included in the Fee Program that are fully completed and have been accepted by the City. The City will reimburse the developer for acquisition or installation of facilities under the applicable fee based upon the lesser of either of the following:

1. 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 allowance for soft costs (e.g., engineering, mobilization, staking) associated with the actual construction costs, as determined by the City; or
2. Where the actual costs exceed the value of the improvements as provided in the program (as listed in the schedule of quantities and values, plus annual cost inflation adjustments, as applicable), the value of those improvements as provided in the program.

In no instance will the City provide credit or reimbursement in excess of the lesser of the value in the program or the actual construction costs. Costs are subject to binder review (including certified payroll) by the City. For example, if the value of the improvements under the schedule is \$2.0 million and the contract value is \$1.7 million, the City will only reimburse or provide credit to a maximum of \$1.7 million. Likewise, if the value of the improvements under the schedule is \$2.0 million and the contract value is \$2.3 million, the City will only reimburse or provide credit to a maximum of \$2.0 million.

Fee credits will be provided up to the total fee obligation for the developer and reimbursement will be provided for any remaining amount. Project costs incurred in excess of the cost shown in the Nexus Study will not be credited or reimbursed.

The City will determine the most efficient method of applying fee credits. It may allow application of full fee credits on a per unit basis until the entire credit amount is exhausted or it may calculate a reduced net fee that proportionately allocates the total credit to all lots within a final subdivision map. The developer must enter into a credit agreement with the City.

The Finance Director will determine the priority of the reimbursement, and the reimbursement will only be paid after the City has accepted the developer-funded facility or land dedication. All reimbursements will be an obligation of the individual fee funds accounts (i.e., Shared Park facilities fee account for reimbursements resulting from oversizing of park facilities and the Trail Land fee account for reimbursements resulting from land dedications) within the Fee Program. For example, if a developer over-dedicates public land and is due reimbursement, only monies from the Trail Fee land component fund can be used to reimburse the developer. The same would be true for reimbursements for Shared Park facilities oversizing.

PARK LAND EXCLUDED FROM THE FEE PROGRAM

As determined by the City, land in an amount equal to 5.0 acres per 1,000 residents is excluded from the Fee Program. Table B-3 in Appendix B of this report shows that the total park and trail acreage in the SEPA totals 104.4 acres. However, because the City has chosen to include only acreage in excess of 5.0 acres per 1,000 residents, 45.1 acres of trails land are included in the Fee Program. For the excluded 59.4 acres, the City will require actual dedication of land pursuant to the Quimby Act requirements or payment of an in-lieu fee at final map approval.

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 Fee and the Trail Fee:

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 and the Trail Fee. Other non-City public agencies will be subject to payment of the fees; however, the City may choose to waive some or all of the Park Fee and/or the Trail 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 and the Trail Fee, provided the fee was properly remitted to the City at the time the now damaged structure was originally built. 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 and the Trail Fee. If a residential structure has been vacant for more than five years, the exemption will not apply.

- b. 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 and Trail Fee adjustment to reflect the different characteristics of the original and new land uses that may require the payment of additional fees. No refund will be granted. If replaced with additional square footage, then the additional square footage is subject to the fee. If a structure has been vacant for more than five years, the exemption will not apply.
- C. Any replacement of existing square footage (non-residential) will be assessed for the additional square footage.

ANNUAL AND FIVE-YEAR REPORTING REQUIREMENTS

The Mitigation Fee Act requires the City to report every year and every fifth year certain financial information regarding the fees. The City must make available within 180 days after the last day of each fiscal year the following information from the prior fiscal year:

- 1) A brief description of the type of fee in the account or fund
- 2) The amount of the fee
- 3) The beginning and ending balance in the account or fund
- 4) The amount of the fee collected and the interest earned
- 5) An identification of each public improvement for which fees were expended and the amount of expenditures
- 6) An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project
- 7) A description of each interfund transfer or loan made from the account and when it will be repaid
- 8) Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee-related projects

The City must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the fee account, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

- 1) Identify the purpose to which the fee is to be put
- 2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- 3) Identify all sources and amounts of funding anticipated to complete financing any incomplete improvements
- 4) Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the City's fiscal year and must be reviewed at the next regularly scheduled public meeting. The City must make these findings, otherwise, the law requires that the City refund the money on a prorated basis to the then current record owners of the development project.

APPENDIX A

SEPA PARK AND TRAIL FEE PROGRAM CALCULATIONS

<u>Table</u>	<u>Page</u>
Table A-1: Land Use Summary of SEPA	A-1
Table A-2: DUE Summary	A-2
Table A-3: Cost Summary – Capital Improvement Program	A-3
Table A-4: Cost Allocation – Shared Parks Development	A-4
Table A-5: Cost Allocation – Residential-Focused Parks Development	A-5
Table A-6: Cost Allocation – Trail Facilities	A-6
Table A-7: Cost Allocation – Trail Land Acquisition	A-7

Table A-1
Land Use Summary for SEPA

<u>Residential</u>	<u>PPH</u>	<u>Residents</u>	<u>Units</u>	
Single Family ¹	3.35	8.137	2.429	
Multi-Family ²	2.42	3.734	1.543	
Total		11.871	3.972	
			Gross	Net
<u>Non-Residential</u>	<u>FAR</u>	<u>Sq. Ft.</u>	<u>Acres</u>	<u>Acres</u> ⁴
Commercial ³	0.35	446,052	34.4	29.3
Office	0.38	4,377,641	311.1	264.5
Industrial/Flex	0.22	901,487	110.7	94.1
Total		5,725,180	456.2	387.8

¹ Includes estate, low density, and medium density residential units.

² Includes high density and mixed use residential units.

³ Includes anticipated non-residential development within the mixed use area.

⁴ Assumes a 15% reduction to account for local streets and roads such that the square footage of the building is determined by the FAR against the net lot area only and not the gross lot area.

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

*Table A-2
DUE Summary*

Land Use	Persons per Household (PPH)	Square Feet per Employee	Persons Per Unit or Empl. per 1,000 sf	User Equivalents	User Equivalents per Unit	DUE Factor per Unit
Residential						
			<i>per Unit</i>	<i>per Resident</i>	<i>per Unit</i>	<i>per Unit</i>
Single Family	3.35	--	3.35	1.00	3.35	1.00
Multi-Family	2.42	--	2.42	1.00	2.42	0.72
Non-Residential						
			<i>Empl. 1,000 SF</i>	<i>per Employee¹</i>	<i>per 1,000 SF</i>	<i>per 1,000 SF</i>
Commercial	--	500	2.00	0.09	0.18	0.05
Office	--	300	3.33	0.09	0.30	0.09
Industrial/Flex	--	600	1.67	0.09	0.15	0.04

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 1.5 hours per day 5 days a week (7.5 hours); this translates to 1.0 employee equal to approximately 0.09 residents (7.5/84 = 0.09) in terms of potential park utilization.

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

Table A-3
Cost Summary - Capital Improvement Program

Improvement	%	Cost
Shared Parks	11%	\$8,403,000
Residential-Focused Parks	39%	\$29,138,000
Trails Development	41%	\$30,481,000
Trails Land Acquisition ¹	9%	\$6,759,000
Total	100%	\$74,781,000

¹ Includes the trails acreage

Source: City of Elk Grove

Table A-4
Cost Allocation - Shared Parks Development

Land Use	Units	DUE Factor	Total DUEs	Percent Allocation	Total Costs	Cost per Unit or Acre
Cost	\$8,403,000					
<i>Residential</i>						
	<i>Units</i>	<i>per Unit</i>				<i>per Unit</i>
Single Family	2,429	1.000	2,429.0	60.8%	\$5,107,341	\$2,103
Multi-Family	1,543	0.722	1,114.6	27.9%	\$2,343,710	\$1,519
Subtotal	3,972		3,543.6	88.7%	\$7,451,050	
<i>Non-Residential</i>						
	<i>SF</i>	<i>per 1,000 SF</i>				<i>per Acre</i>
Commercial	446,052	0.053	23.8	0.6%	\$49,994	\$1,713
Office	4,377,641	0.089	388.9	9.7%	\$817,755	\$3,098
Industrial/Flex	901,487	0.044	40.0	1.0%	\$84,200	\$897
Subtotal	5,725,180		452.7	11.3%	\$951,950	
Total¹			3,996.4	100.0%	\$8,403,000	

1. Total DUEs are rounded.

Source: Goodwin Consulting Group, Inc

Table A-5
Cost Allocation - Residential-Focused Parks Development

Land Use	Units	DUE Factor	Total DUEs	Percent Allocation	Total Costs	Cost per Unit or Acre
Cost	\$29,138,000					
<i>Residential</i>	<i>Units</i>	<i>per Unit</i>				<i>per Unit</i>
Single Family	2,429	1.000	2,429.0	68.5%	\$19,972,714	\$8,223
Multi-Family	1,543	0.722	1,114.6	31.5%	\$9,165,286	\$5,940
Subtotal	3,972		3,543.6	100.0%	\$29,138,000	
<i>Non-Residential</i>	<i>SF</i>	<i>per 1,000 SF</i>				<i>per Acre</i>
Commercial	446,052	n/a	0.0	0.0%	\$0	n/a
Office	4,377,641	n/a	0.0	0.0%	\$0	n/a
Industrial/Flex	901,487	n/a	0.0	0.0%	\$0	n/a
Subtotal	5,725,180		0.0	0.0%	\$0	
Total			3,543.6	100.0%	\$29,138,000	

Source: Goodwin Consulting Group, Inc.

Table A-6
Cost Allocation - Trail Facilities

Land Use	Units	DUE Factor	Total DUEs	Percent Allocation	Total Costs	Cost per Unit or Acre
Cost	\$30,481,000					
<i>Residential</i>						
	<i>Units</i>	<i>per Unit</i>				<i>per Unit</i>
Single Family	2,429	1.00	2,429	60.8%	\$18,526,342	\$7,627
Multi-Family	1,543	0.72	1,115	27.9%	\$8,501,560	\$5,510
Subtotal	3,972		3,544	88.7%	\$27,027,903	
<i>Non-Residential</i>						
	<i>SF</i>	<i>per 1,000 SF</i>				<i>per Acre</i>
Commercial	446,052	0.05	24	0.6%	\$181,349	\$6,212
Office	4,377,641	0.09	389	9.7%	\$2,966,322	\$11,239
Industrial/Flex	901,487	0.04	40	1.0%	\$305,427	\$3,253
Subtotal	5,725,180		453	11.3%	\$3,453,097	
Total			3,996	100.0%	\$30,481,000	

Source: Goodwin Consulting Group, Inc.

Table A-7
Cost Allocation - Trail Land Acquisition

Land Use	Units	DUE Factor	Total DUEs	Percent Allocation	Total Costs	Cost per Unit or Acre
Cost	\$6,759,000					
<i>Residential</i>						
	<i>Units</i>	<i>per Unit</i>				<i>per Unit</i>
Single Family	2,429	1.00	2,429	60.8%	\$4,108,118	\$1,691
Multi-Family	1,543	0.72	1,115	27.9%	\$1,885,176	\$1,222
Subtotal	3,972		3,544	88.7%	\$5,993,294	
<i>Non-Residential</i>						
	<i>SF</i>	<i>per 1,000 SF</i>				<i>per Acre</i>
Commercial	446,052	0.05	24	0.6%	\$40,213	\$1,378
Office	4,377,641	0.09	389	9.7%	\$657,766	\$2,493
Industrial/Flex	901,487	0.04	40	1.0%	\$67,727	\$721
Subtotal	5,725,180		453	11.3%	\$765,706	
Total			3,996	100.0%	\$6,759,000	

Source: Goodwin Consulting Group, Inc.

APPENDIX B

DETAILED PARK AND TRAIL COST ESTIMATES

<u>Table</u>	<u>Page</u>
Table B-1: Detailed Park Improvement Costs.....	B-1
Table B-2: Detailed Trail Improvement Costs.....	B-2
Table B-3: Detailed Land Costs for Parks and Trails.....	B-3
Table B-4: Calculation of Public Land in Excess of 5.0 Acres per 1,000 Residents.....	B-4
Table B-5: Funding Sources for Shed C Crossings	B-5

Table B-1
Detailed Park Improvement Costs

Facility ID	Units	Cost per Unit ¹	Public Art Component ²	Total Cost
Shared Parks				
H - Local Park	4.5 Acres	\$707,200	\$14,144	\$3,260,475
K - Neighborhood Park	9.7 Acres	\$522,500	\$10,450	\$5,142,968
<i>Subtotal (Rounded)</i>				\$8,403,442
Residential-Focused Parks³				
A - Pocket Park	0.2 Acres	\$707,200	\$14,144	\$151,482
B - Pocket Park	0.2 Acres	\$707,200	\$14,144	\$173,123
C - Neighborhood Park	9.4 Acres	\$522,500	\$10,450	\$5,031,048
D - Local Park	3.7 Acres	\$707,200	\$14,144	\$2,632,906
E - Local Park	1.4 Acres	\$707,200	\$14,144	\$1,038,735
F - Local Park	3.3 Acres	\$707,200	\$14,144	\$2,373,222
G - Local Park	3.2 Acres	\$707,200	\$14,144	\$2,286,660
I - Local Park	2.1 Acres	\$707,200	\$14,144	\$1,493,182
J - Local Park	4.7 Acres	\$707,200	\$14,144	\$3,375,890
L - Local Park	2.2 Acres	\$707,200	\$14,144	\$1,550,890
M - Local Park	1.3 Acres	\$707,200	\$14,144	\$908,893
N - Local Park	1.3 Acres	\$707,200	\$14,144	\$901,680
O - Local Park	2.1 Acres	\$707,200	\$14,144	\$1,514,822
P - Local Park	1.3 Acres	\$707,200	\$14,144	\$908,893
Reardan Park	9.0 Acres	\$522,500	\$10,450	\$4,796,550
<i>Subtotal (Rounded)</i>				\$29,137,977
Total (rounded)		59.4 Acres		\$37,541,000

¹ Costs include soft costs, construction costs, construction engineering, and preliminary engineering.

Soft Costs include:

- Design costs
- Plan inspection and Construction Management
- Assumptions for site improvements
- Utility fees/connections (e.g., SCWA, SASD, SMUD)
- Hawk/Ag mitigation

² The Public Art Component equals two percent of the park's cost per acre.

³ Developers must pay environmental cost, rough grading, frontage improvements, and water fees for local and neighborhood parks.

Table B-2
Detailed Trail Improvement Costs

Facility	Trail Type	Area SF	Units	Cost per Unit	Total Cost
Trails - Map ID					
1	N	0	857 L.F.		\$0
2	7B	38,804	970 L.F.	\$678	\$657,364
3	7A	22,372	559 L.F.	\$633	\$353,911
4	7A	302,593	5,651 L.F.	\$633	\$3,575,685
5	6B	228,020	5,701 L.F.	\$678	\$3,862,801
6	5	63,865	1,277 L.F.	\$625	\$798,696
7	2	19,536	488 L.F.	\$528	\$257,778
8	2	23,360	584 L.F.	\$528	\$308,235
9	5	30,055	601 L.F.	\$625	\$375,868
10	5	54,405	1,088 L.F.	\$625	\$680,389
11	4	11,466	382 L.F.	\$736	\$281,223
12	2	57,784	1,445 L.F.	\$528	\$762,460
13	2	49,580	1,240 L.F.	\$528	\$654,208
14	2	28,326	944 L.F.	\$528	\$498,349
15A	4	24,909	830 L.F.	\$736	\$610,935
15B	4	4,756	119 L.F.	\$736	\$87,487
16	5	49,170	820 L.F.	\$625	\$512,433
17A	4	25,233	841 L.F.	\$736	\$618,881
17B	4	4,806	160 L.F.	\$736	\$117,875
18	4	23,013	767 L.F.	\$736	\$564,432
19	4	27,168	906 L.F.	\$736	\$666,340
20	4	13,608	454 L.F.	\$736	\$333,759
21	1	26,648	666 L.F.	\$430	\$286,666
22	4	22,470	749 L.F.	\$736	\$551,114
23	1	21,188	530 L.F.	\$430	\$227,930
24	1	21,644	541 L.F.	\$430	\$232,835
25	1	14,056	351 L.F.	\$430	\$151,207
26	6A	78,408	1,806 L.F.	\$633	\$1,142,918
27	6A	104,544	2,292 L.F.	\$633	\$1,450,573
28	6A	19,900	498 L.F.	\$633	\$314,806
29	7A	39,296	982 L.F.	\$633	\$621,638
30	6B	76,664	1,917 L.F.	\$678	\$1,298,736
31	6B	92,880	2,322 L.F.	\$678	\$1,573,445
32	6B	67,680	1,692 L.F.	\$678	\$1,146,542
33	1	16,632	416 L.F.	\$430	\$178,919
34	1	26,624	666 L.F.	\$430	\$286,408
35	1	26,372	659 L.F.	\$430	\$283,697
36	1	65,317	1,633 L.F.	\$430	\$702,644
37	1	56,504	1,413 L.F.	\$430	\$607,847
38	1	35,330	883 L.F.	\$430	\$380,059
39	1	47,844	1,196 L.F.	\$430	\$514,687
<i>Subtotal (Rounded)</i>		1,962,830	47,896 L.F.		\$28,532,000
Acres		45.1			
Shed C Crossings					
Bilby Road			1	\$530,000	\$530,000
Big Horn Blvd			1	\$400,000	\$400,000
Village Center Ped Crossing			1	\$612,000	\$612,000
LRSP Outfall Pedestrian Crossing			1	\$612,000	\$612,000
Bruceville Meadows Ped Crossing			1	\$1,050,000	\$1,050,000
<i>Subtotal (Rounded)</i>					\$3,204,000
LESS Roadway Fee Revenue				\$	(1,254,698)
Total			47,896 L.F.		\$30,481,000

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

**Table B-3
Detailed Land Costs for Parks and Trails**

Facility ID	Description	Total Acreage in SEPA	Estimated Land Value per Acre	Total Value
<u>Parks</u>				
Reardan Park	Community Park	9.0	\$0	\$0
A	Pocket Park	0.2	\$150,000	\$31,500
B	Pocket Park	0.2	\$150,000	\$36,000
C	Neighborhood Park	9.4	\$150,000	\$1,416,000
D	Local Park	2.7	\$150,000	\$407,500
E	Local Park	1.4	\$150,000	\$216,000
F	Local Park	3.3	\$150,000	\$495,500
G	Local Park	3.2	\$150,000	\$475,500
H	Local Park	4.5	\$150,000	\$678,000
I	Local Park	2.1	\$150,000	\$310,500
J	Local Park	4.7	\$150,000	\$702,000
K	Neighborhood Park	9.7	\$150,000	\$1,447,500
L	Local Park	2.2	\$150,000	\$322,500
M	Local Park	1.3	\$150,000	\$189,000
N	Local Park	1.3	\$150,000	\$187,500
O	Local Park	2.1	\$150,000	\$315,000
P	Local Park	1.3	\$150,000	\$189,000
<i>Subtotal</i>		<u>59.4</u>		<u>\$7,557,000</u>
<u>Trails</u>				
1	N	0.0	\$150,000	\$0
2	7B	0.9	\$150,000	\$133,623
3	7A	0.5	\$150,000	\$77,059
4	7A	6.9	\$150,000	\$1,041,987
5	6B	5.2	\$150,000	\$785,193
6	5	1.5	\$150,000	\$219,921
7	2	0.4	\$150,000	\$67,273
8	2	0.5	\$150,000	\$80,441
9	5	0.7	\$150,000	\$103,495
10	5	1.2	\$150,000	\$187,345
11	4	0.3	\$150,000	\$39,453
12	2	1.3	\$150,000	\$198,981
13	2	1.1	\$150,000	\$170,730
14	2	0.7	\$150,000	\$97,541
15A	4	0.6	\$150,000	\$85,775
15B	4	0.1	\$150,000	\$16,377
16	5	1.1	\$150,000	\$169,318
17A	4	0.6	\$150,000	\$86,890
17B	4	0.1	\$150,000	\$16,550
18	4	0.5	\$150,000	\$79,246
19	4	0.6	\$150,000	\$93,554
20	4	0.3	\$150,000	\$46,860
21	1	0.6	\$150,000	\$91,763
22	4	0.5	\$150,000	\$77,376
23	1	0.5	\$150,000	\$72,961
24	1	0.5	\$150,000	\$74,522
25	1	0.3	\$150,000	\$48,402
26	6A	1.8	\$150,000	\$270,000
27	6A	2.4	\$150,000	\$360,000
28	6A	0.5	\$150,000	\$68,526
29	7A	0.9	\$150,000	\$135,317
30	6B	1.8	\$150,000	\$263,994
31	6B	2.1	\$150,000	\$319,835
32	6B	1.6	\$150,000	\$233,058
33	1	0.4	\$150,000	\$57,273
34	1	0.6	\$150,000	\$91,680
35	1	0.6	\$150,000	\$90,812
36	1	1.5	\$150,000	\$224,920
37	1	1.3	\$150,000	\$194,575
38	1	0.8	\$150,000	\$121,659
39	1	1.1	\$150,000	\$164,754
<i>Subtotal</i>		<u>45.1</u>		<u>\$6,759,057</u>
Total		104.4		\$14,316,057
Acreage Provided Through Quimby		59.4		
Total Acreage Funded¹ (rounded)		45.1		\$6,759,000

¹ Excludes park acreage that the City will acquire through the Quimby process

Table B-4
Calculation of Public Land in Excess of 5.0 Acres per 1,000 Residents

Land Use	Units	Persons per Household	Total Population
Single Family	2,429	3.35	8,137
Multi-Family	1,543	2.42	3,734
Total	3,972		11,871
Total Residents		11,871	
Quimby Standard per 1,000 population		<u>5.00</u>	Acres
Total Park Acres required per Quimby		59.4	
Total Acres of Park and Trail Land in SEPA		104.4	Acres
Total Acres required per Quimby		<u>59.4</u>	Acres
Trails Acreage in Fee Program Requiring Funding		45.1	Acres

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

*Table B-5
Funding Sources for Shed C Crossings*

Location	Type Selection	Description	Total Cost Estimate	Roadway Fee Portion	Capital Facilities Fee Portion	SEPA Trails Fee Portion
<i>Roadways</i>						
Lotz Parkway	Culvert		TBD	100%		
Road B @ Shed C	Culvert		TBD	100%		
Bilby Road @ Shed C	Slab on grade	86'x110'	\$ 3,210,000.00	\$ 1,946,000.00	\$ 734,000.00	\$ 530,000.00
Big Horn Blvd @ Shed C	Slab on grade		\$ 2,420,000.00	\$ 2,020,000.00	-	\$ 400,000.00
Bruceville @ Shed C	Culvert	Double 34'x5'; 124' L, 31' W	\$ 1,990,000.00	\$ 1,990,000.00	-	\$ -
LRSP Outfall	Culvert		TBD	100%		
<i>Pedestrian Only</i>						
Village Center Ped Crossing	Steel Truss Bridge	90'x12'	\$ 612,000.00	\$ -	\$ -	\$ 612,000.00
LRSP Outfall Pedestrian Crossing	Steel Truss Bridge	90'x10'	\$ 612,000.00	\$ -	\$ -	\$ 612,000.00
Bruceville Meadows Ped Crossing	Steel Truss Bridge	100'x10'	\$ 1,050,000.00	\$ -	\$ -	\$ 1,050,000.00

Source: City of Elk Grove

APPENDIX C

SEPA TRAIL TYPE CROSS SECTIONS AND COST ESTIMATES

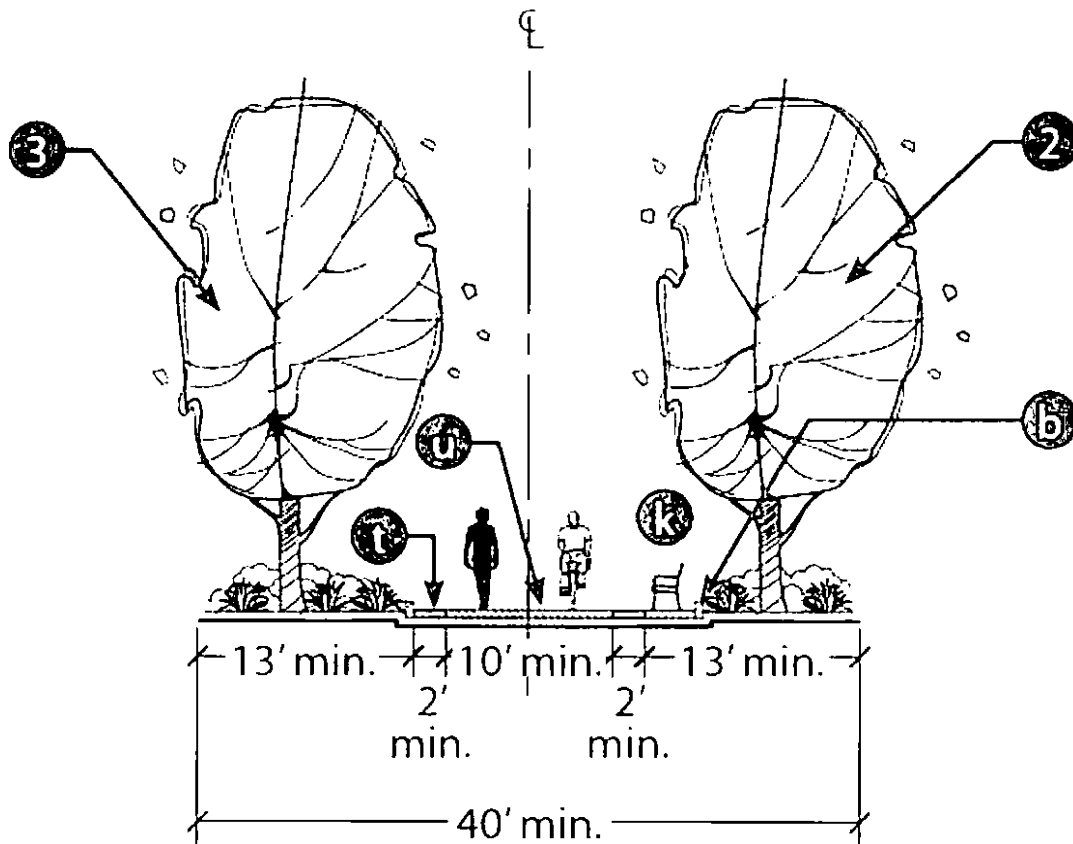
SEPA Trails Fee Program
Trail Type Cross Sections - Basis of Cost Estimates

January 2019

Note: The following diagrams are for estimating purposes only. Final design and improvements shall conform to the SEPA Landscape Planning and Prototype Manual and any applicable conditions of approval or provisions of a Development Agreement.

Trail Type 1 – Standard Trail between land uses other than SFR

Cost Estimate per LF: \$430.00



Characteristics

- 40' total section width
- 10' AC w/ 2' DG each side
- No walls/fences (trail located between commercial, HDR, or park sites when not required for security purposes)
- Landscape along either side of trail, minimum 13' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

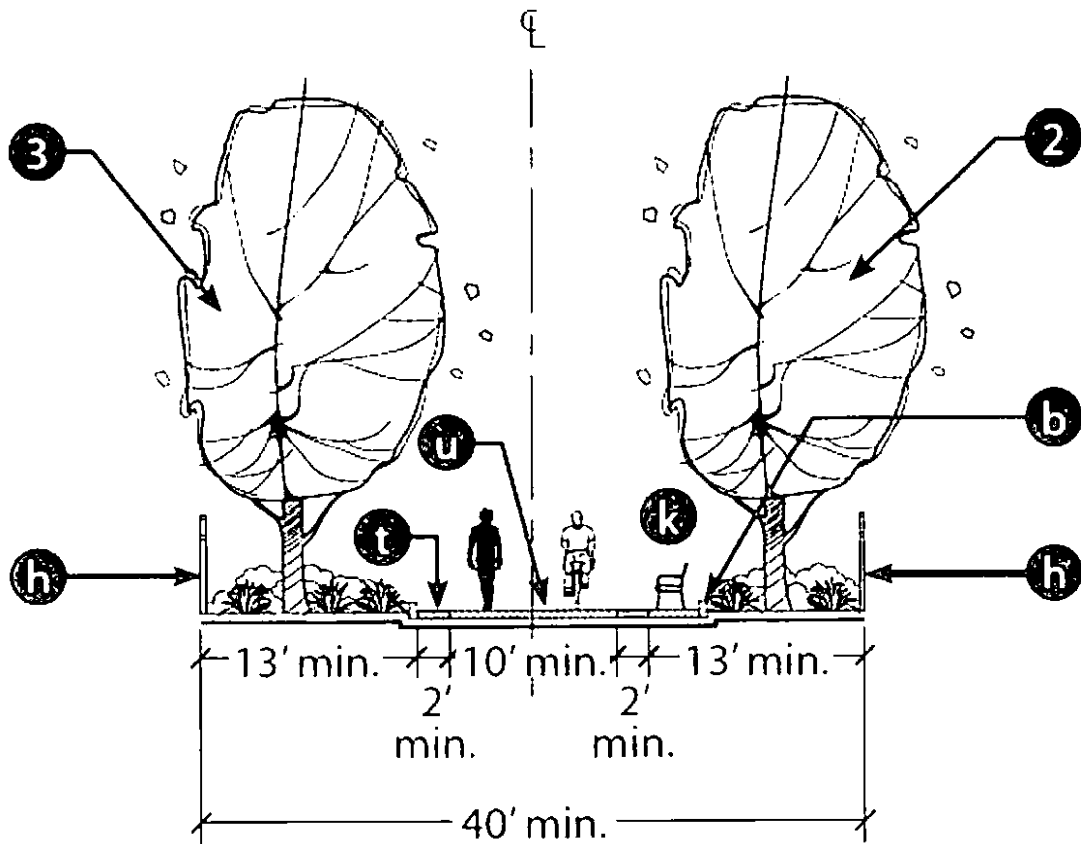
- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Trail Type 2 – Standard Trail between SFR uses, both sides

Cost Estimate per LF: \$528.00



Characteristics

- 40' total section width
- 10' AC w/ 2' DG each side
- Fence/wall along both sides. Assumed design is 2' block with 4' tubular steel fence above; pilaster every 100' OC, or at direction changes, 6'8" tall with stone veneer and cap.
- Landscape along either side of trail, minimum 13' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

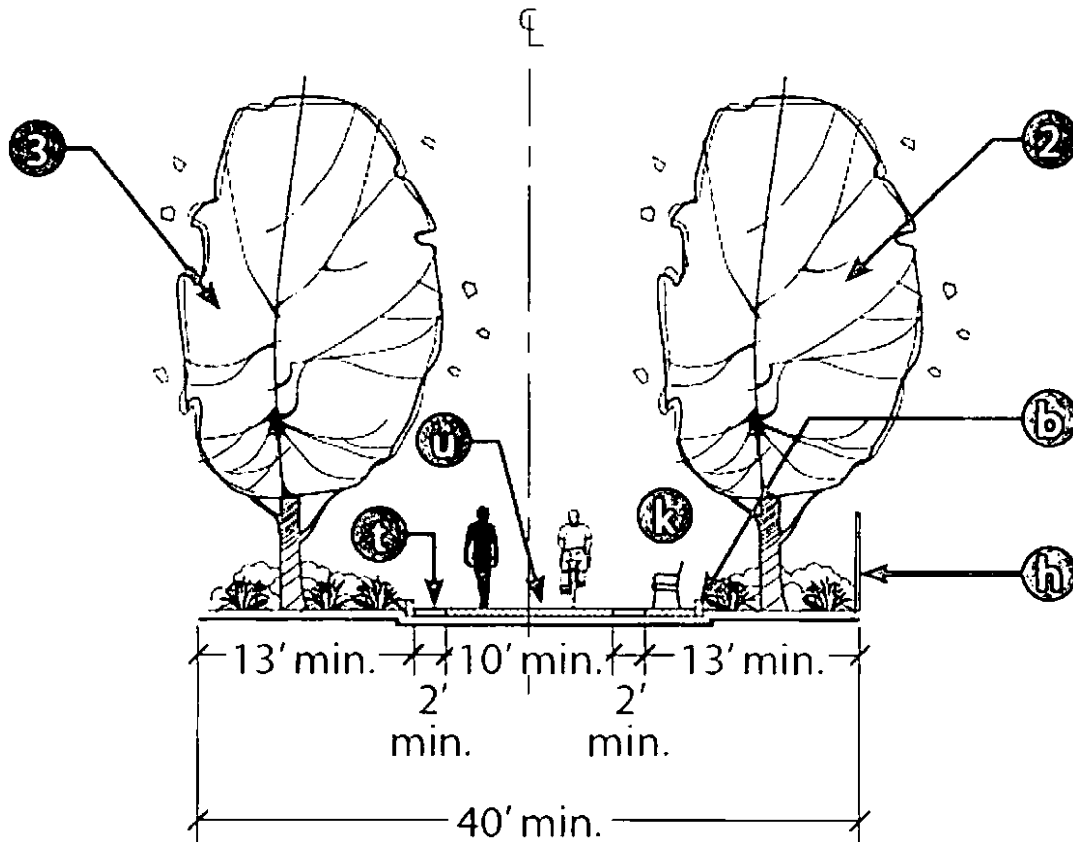
- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- h. Fencing/wall
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Trail Type 3 – Standard Trail between road and SFR one side

Cost Estimate per LF: \$853.00



Characteristics

- 40' total section width
- 10' AC w/ 2' DG each side
- Wall along one side. Assumed design is 6' high Proto II Wall with wall cap; pilaster every 100' OC, or at direction changes, 6'8" tall with stone veneer and cap.
- Landscape along either side of trail, minimum 13' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

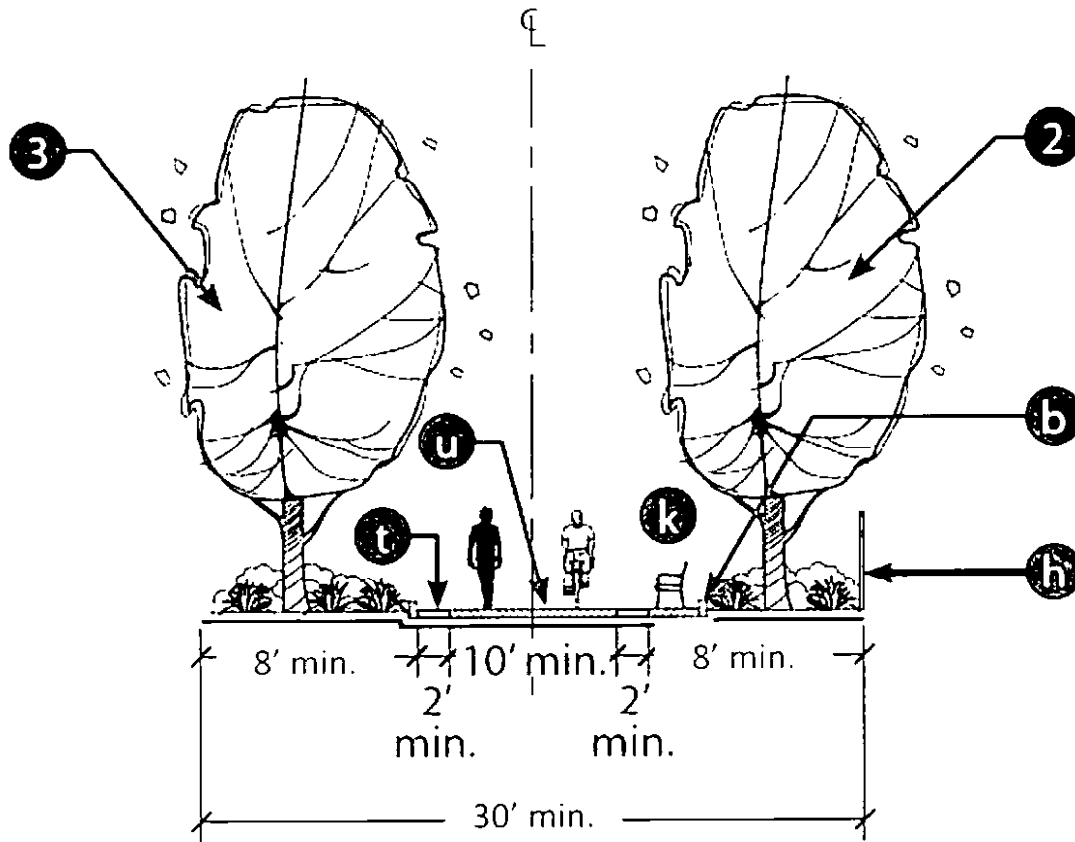
- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- h. Fencing/wall
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Trail Type 4 – Reduced Standard Trail between road and SFR one side

Cost Estimate per LF: \$736.00



Characteristics

- 30' total section width
- 10' AC w/ 2' DG each side
- Wall along one side. Assumed design is 6' high Proto II Wall with wall cap; pilaster every 100' OC, or at direction changes, 6'8" tall with stone veneer and cap.
- Landscape along either side of trail, minimum 8' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

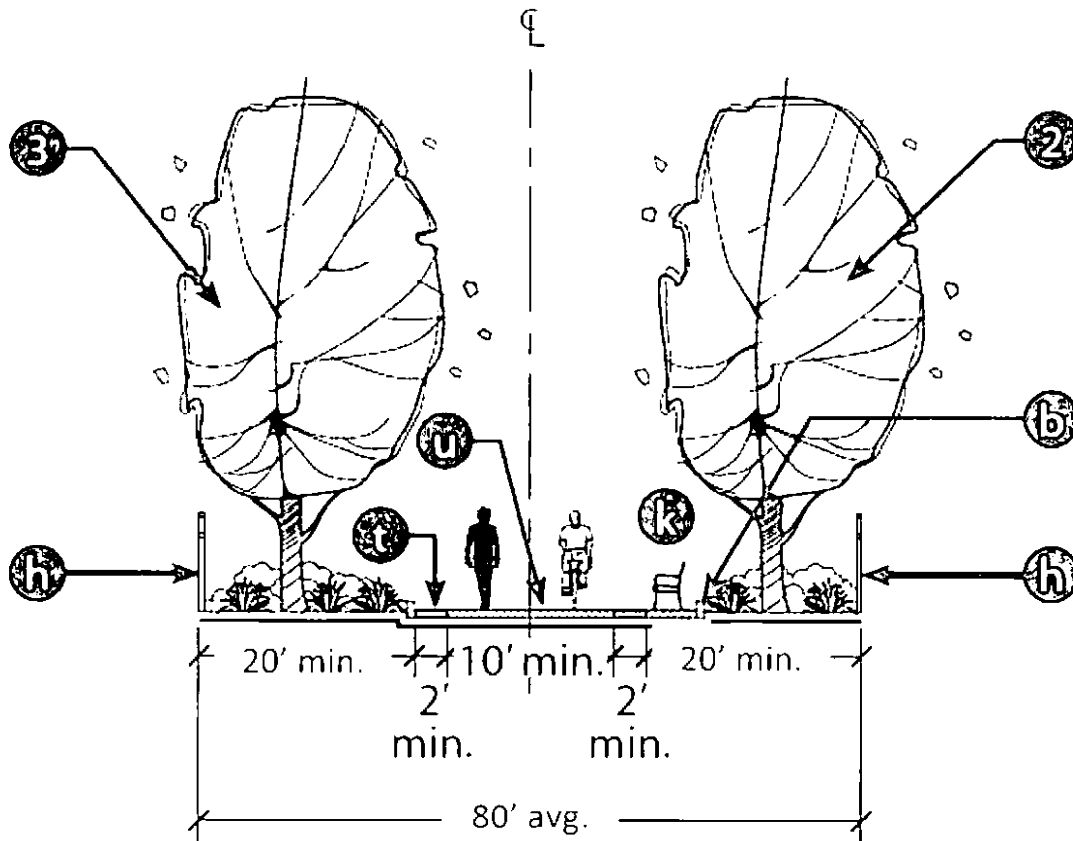
- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- h. Fencing/wall
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Trail Type 5 – Widened Trail between SFR uses, both sides,

Cost Estimate per LF: \$625.00



Characteristics

- 80' average section width
- 10' AC w/ 2' DG each side
- Fence/wall along both sides. Assumed design is 2' block with 4' tubular steel fence above; pilaster every 100' OC, or at direction changes, 6'8" tall with stone veneer and cap.
- Landscape along either side of trail, minimum 20' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

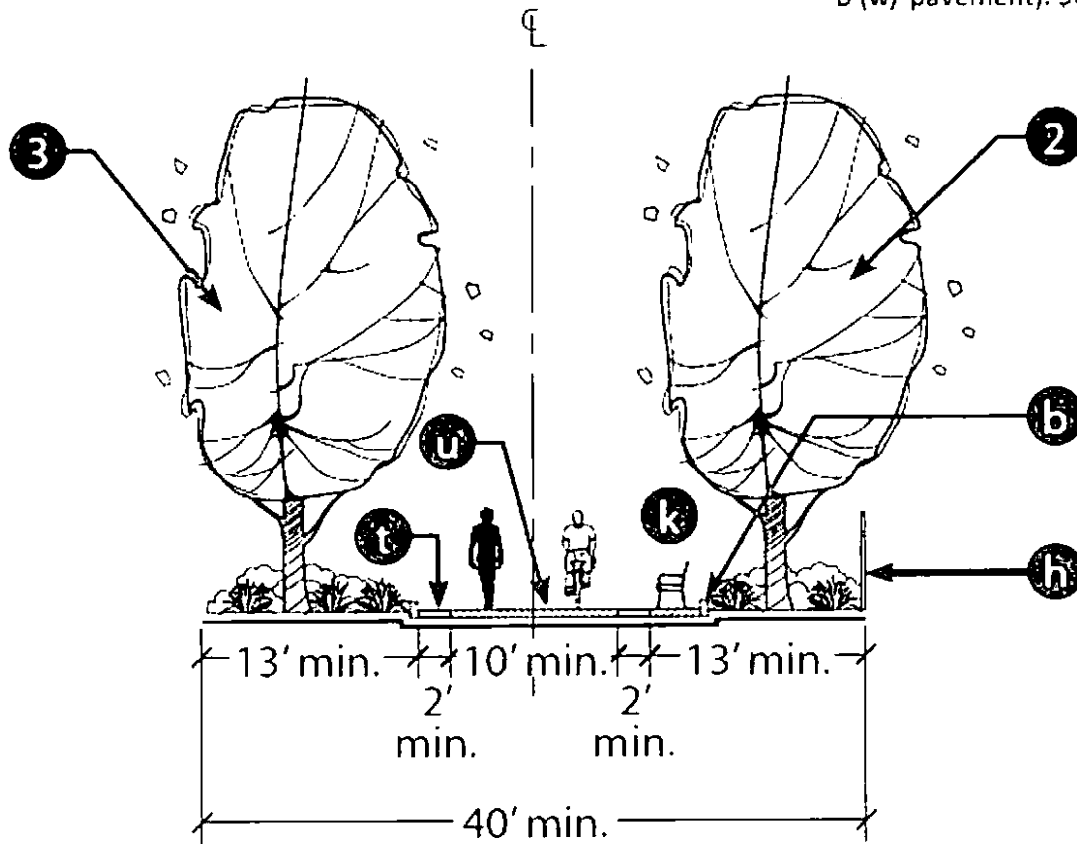
- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- h. Fencing/wall
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Trail Type 6 – Trail along Shed C and Basins, adjacent Park, VCMU, HDR, Office, LI/FX

Cost Estimate per LF:
 A (w/o pavement): \$633.00
 B (w/ pavement): \$678.00



Characteristics

- 40' total section width
- 10' AC w/ 2' DG each side
- Fence along channel/basin side only.
 Assumed design is:
 - Precast concrete split rail fence when adjacent to the channel (assumed 85% of the time)
 - Post and cable fence when adjacent to detention basins (assumed 15% of the time)
- Landscape along either side of trail, minimum 20' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

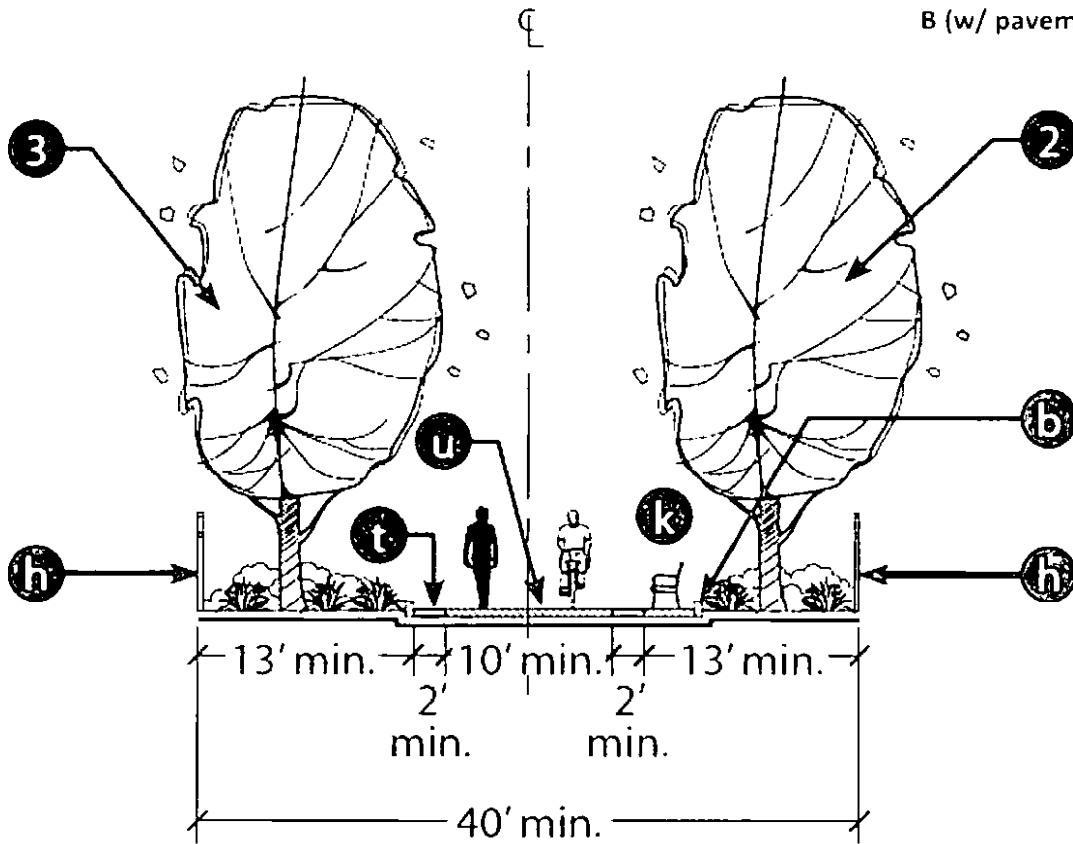
- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- h. Fencing/wall
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Trail Type 7 – Trail along Shed C and Basins, adjacent to SFR

Cost Estimate per LF:
 A (w/o pavement): \$633.00
 B (w/ pavement): \$678.00



Characteristics

- 40' total section width
- 10' AC w/ 2' DG each side
- Fencing/wall:
 - Fence along channel/basin side. Assumed design is:
 - Precast concrete split rail fence when adjacent to the channel (assumed 85% of the time)
 - Post and cable fence when adjacent to detention basins (assumed 15% of the time)
 - Adjacent SFR, use fence/wall. Assumed design is 2' block with 4' tubular steel fence above; pilaster every 100' OC, or at direction changes, 6'8" tall with stone veneer and cap.
- Landscape along either side of trail, minimum 20' width each side
- Includes benches, trash receptacles, drinking fountain, lighted bollard, and all other requirements for a safe and aesthetically pleasing facility pursuant to the Landscape Planning and Prototype Manual at regular intervals

Legend

- 2. Primary tree
- 3. Secondary tree
- b. Type 3 concrete curb
- h. Fencing/wall
- k. Bench
- t. Shoulder (2' DG)
- u. Pathway (10' AC or PCC)

Not shown:

- Root barrier
- Planting details

Exhibit B
Southeast Policy Area and Laguna Ridge Specific Plan Phase 3 Drainage Fee
Approved Rates

SEPA – Zone 1¹
All fees per acre

	Channel Fee	City Inf. Develop. Fee	Basin Fee	Admin Fee (4%)	Total Drainage Fee
North Sub-Shed					
Single Family	\$6,939	\$1,962	\$18,033	\$1,077	\$28,011
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$30,126	\$1,800	\$46,797
Basin S4					
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$14,378	\$1,170	\$30,419
Basin S5					
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$19,817	\$1,388	\$36,076
Basin S6					
Single Family	\$6,939	\$1,962	\$16,723	\$1,025	\$26,649
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$27,938	\$1,712	\$44,521
Basin S7					
Single Family	\$6,939	\$1,962	\$0	\$356	\$9,257
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$0	\$595	\$15,466
Basin S8					
Single Family	\$0	\$0	\$0	\$0	\$0
Multi-Family, Commercial, Office, and Light Industrial	\$11,593	\$3,278	\$23,470	\$1,534	\$39,875

Note:

1. Land uses that have a \$0 fee indicate that no acreage of that particular land use type is in the Sub-shed.
2. Basin S7 is not assessed a Basin Fee component in recognition that it is delivering all shed area improvements and will not be reimbursed for said improvements from any areas beyond the Basin S7 area.

LRSP Phase 3 – Zone 2

All fees per acre

	LRSP Drainage Fee	Admin Fee (4%)	Total Drainage Fee
Single Family	\$21,401	\$856	\$22,257
Multi-Family, Commercial, Office, and Light Industrial	\$40,127	\$1,605	\$41,732

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2019-101

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


I, Jason Lindgren, 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 May 22, 2019 by the following vote:

AYES: **COUNCILMEMBERS:** *Ly, Hume, Detrick, Nguyen, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California