



Economic &
Planning Systems

*Public Finance
Real Estate Economics
Regional Economics
Local Government*

FINAL REPORT

ELK GROVE COMMUNITY SERVICES DISTRICT EASTERN ELK GROVE PARK AND FIRE FACILITIES FEE NEXUS STUDY

Prepared for:

Elk Grove Community Services District

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I. INTRODUCTION

PURPOSE OF REPORT

This report is updating park and fire facility development impact fees for the Elk Grove Community Services District (EGCSD) for areas east of State Route 99. The park and fire facilities fees for this area were originally part of the Elk Grove/West Vineyard (EGWV) and East Elk Grove (EEG) Fee Programs. The plan area covered by the EGWV and EEG Fee Programs included areas in both the City of Elk Grove (City) and Sacramento County (County).

In summer 2003, the City and County agreed to replace the EGWV and EEG Fee Programs with separate City and County fee programs. As a result of this split, the EGCSD required an update to the park and fire facilities components of the former fee programs. The EGCSD hired Economic & Planning Systems, Inc., (EPS) to complete the park and fire fee update.

This EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study (Nexus Study) proposes the EGCSD Eastern Elk Grove Park and Fire Facilities Fee Program (Fee Program) to implement updated park and fire facilities fees in the Fee Program area. This Fee Program represents the successor fee program to EGWV and EEG Fee Programs.

The purpose of this report is to update the nexus between new development that occurs in the Fee Program area and the need for additional park improvements and fire protection facilities as a result of this new development. After establishing the nexus, this report calculates the revised park and fire impact fees to be levied for each land use in the Fee Program area based upon each land use's proportionate share of the total facility use.

AUTHORITY

This report has been prepared to establish a development impact fee program pursuant to the City police power in accordance with the procedural guidelines established in A.B. 1600 which is codified in California Government Section 66000 *et seq.* This code section sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that "a reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition."¹

¹*Public Needs & Private Dollars*, William Abbott, Marian E. Moe, and Marilee Hanson, page 109.

Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed; and
- Demonstrate 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.

BACKGROUND

The City straddles State Route 99 approximately 17 miles south of Sacramento in the southern portion of the County. The Fee Program area that will be considered in this report includes all areas in the EGCSD and City boundaries east of State Route 99.

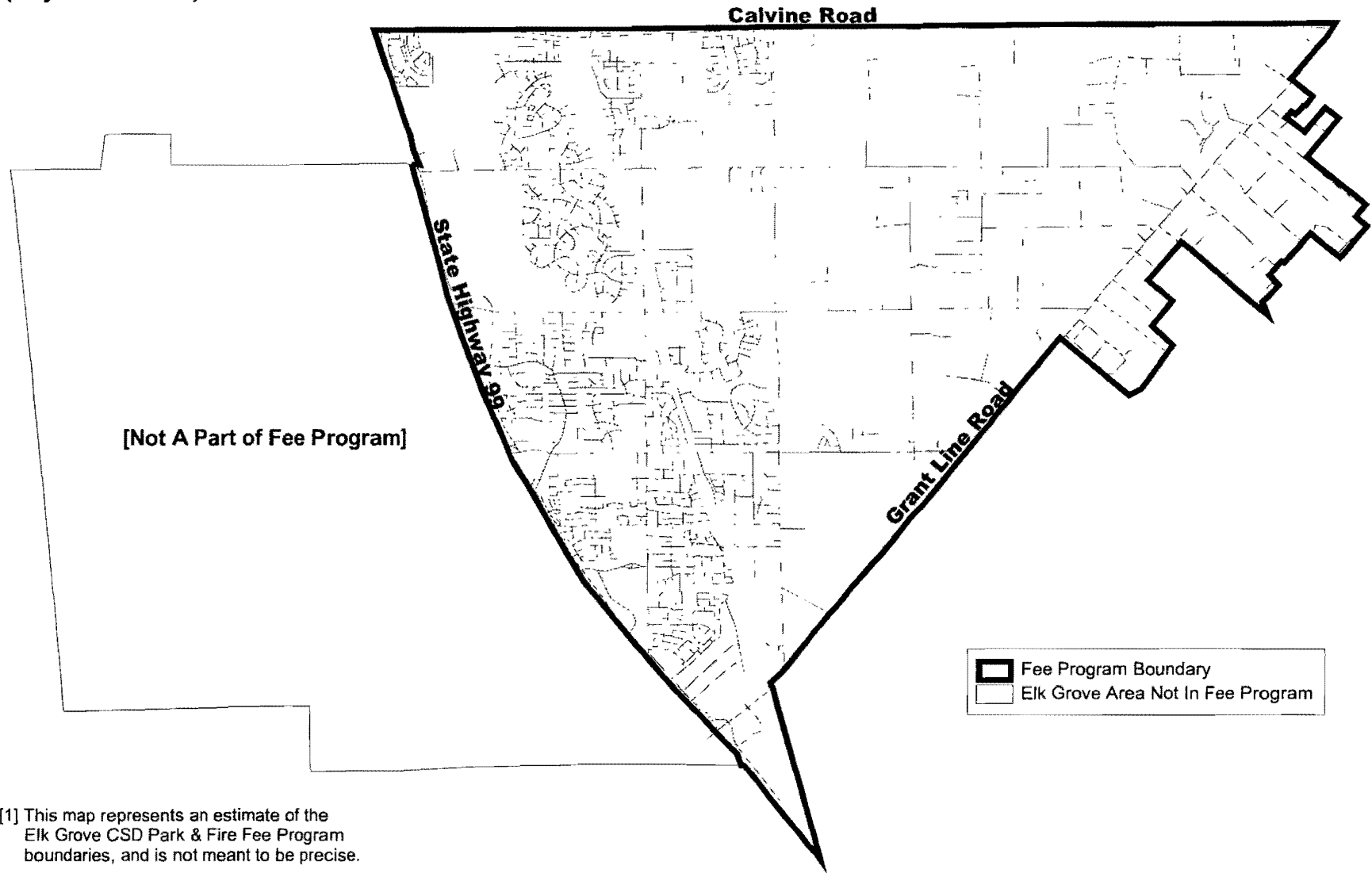
The area included in the proposed Fee Program is bounded by State Route 99 on the west, Calvine Road to the north, and the city limits to the south and east. **Map 1** shows the area included in the proposed Fee Program. All of this area is within the EGCSD service area boundaries.

On September 22, 1993, the Sacramento County Board of Supervisors approved the EGWV Financing Plan Development Fee Program which included the EGCSD Park Improvement Development Fee and the EGCSD Fire Protection Development Fee components. Subsequently, in June 1999, the County Board of Supervisors approved an update to the EGWV Fee Program that updated planned development and planned park and fire facilities in the EGWV fee program area. In the 1999 update, the EEG plan area was included in the EGWV fee program and identified it as a separate fee zone.

The recent agreement between the City and County regarding separate fee programs to replace the EGWV and EEG fee programs has necessitated this study. This Nexus Study proposes updated park and fire development impact fees that will be applicable to new development in the proposed Fee Program area shown in **Map 1**.

This Nexus Study evaluates the nexus (reasonable relationship) between projected development in the Fee Program area and the necessary park and fire facilities that will be funded by the revised development impact fee program. The report re-establishes

Map 1
Elk Grove Community Services District
Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Fee Program Boundary [1]
(City of Elk Grove)



[1] This map represents an estimate of the Elk Grove CSD Park & Fire Fee Program boundaries, and is not meant to be precise.

Prepared By EPS

the nexus for the parks and fire development impact fees based on the benefit new development receives from the parks and fire facilities. This Nexus Study covers the park and fire facility needs of the Fee Program area until the time of its buildout. The Nexus Study will continue to be revised periodically in the future with updated facility, development, cost estimate, and funding source information.

PROPOSED FEE PROGRAM SUMMARY

This section summarizes the land use, cost, cost allocation, and fee calculation assumptions and methodologies contained in this Nexus Study. **Table 1** summarizes the proposed Fee Program park and fire development impact fees.

Table 1
EGCSD Eastern Elk Grove Park and Fire
Facilities Fee Nexus Study
Fee Summary (2004\$)

| Land Use | Fees [1] | |
|-----------------------|-----------------|--------|
| | Park | Fire |
| <u>Residential</u> | | |
| | <i>per unit</i> | |
| Single-Family [2] | \$4,213 | \$462 |
| Multifamily [3] | \$2,809 | \$306 |
| Age-Restricted [4] | \$2,739 | \$300 |
| <u>Nonresidential</u> | | |
| | <i>per sqft</i> | |
| Commercial | \$0.67 | \$0.30 |
| Office [4] | \$0.96 | \$0.43 |
| Industrial | \$0.33 | \$0.25 |

"fee_sum"

- [1] Fees include 3% for administration.
- [2] Single-Family structures include those that contain one or two units.
- [3] Multifamily structures include those that contain three or more units.
- [4] No age-restricted or office development is projected for the project area, but fee rates are included here in case such uses are developed.

Proposed residential park fees range from \$2,739 to \$4,213 per unit for single, multifamily, and age-restricted development. Proposed nonresidential development fees range from \$0.33 to \$0.96 per building square foot for commercial, office, and industrial development.

Proposed residential fire fees range from \$300 to \$462 per unit for single-family, multifamily, and age-restricted development. Proposed nonresidential development fees range from \$0.25 to \$0.43 per building square foot for commercial, office, and industrial development.

LAND USE ASSUMPTIONS

As discussed in **Chapter II**, the City provided estimated residential and nonresidential development anticipated to occur within the proposed Fee Program boundaries. Given the nature of estimated development and the density assumptions used, land use estimates were adjusted downward for purposes of cost allocation and fee calculation. Adjusted land uses used to calculate the proposed park and fire fees include approximately 5,500 single-family residential units, 1,600 multifamily units, and approximately six million building square feet of nonresidential development.

PARK AND FIRE FACILITY COST ESTIMATES

In 1999, the EGCSD determined the park and fire facilities that would be required to serve the EGWV and EEG areas based on development estimates derived at that time. As described below, the park and fire facility capital improvement programs (CIPs) have now been updated from those established during the 1999 update to the EGWV fee program.

Park Facility Costs

The updated park fee will be collected to fund the following types of park facilities:

- Phase I-Basic Park Improvements;
- Phase II Park Improvements;
- Street Frontage;
- Other Facilities (including a community center and a swimming pool);
- Sports Park; and
- Trail Facilities.

In addition to updating park development unit costs, the updated park CIP includes additional park and recreation facilities to be funded through the updated park fee. These additional facilities are based on the current development projections and the EGCSD's park facilities master plan.

The total cost of park facilities remaining to be completed is estimated at \$39.8 million dollars with the totals by category as follows:

- \$11.1 million for Phase 1-Basic Park Improvements (28 percent of total);
- \$6.6 million for Phase II Park Improvements (17 percent of total);
- \$2.6 million for Street Frontage Improvements (7 percent of total);
- \$14.0 million for Other Facilities (35 percent of total);
- \$3.3 million for Sports Park (8 percent of total); and
- \$2.2 million for Trail Facilities (5 percent of total).

Appendix A contains several tables that detail remaining park improvement costs. The park fee calculated in this Nexus Study is based on the portion of total remaining park costs that are attributable to remaining development. Of the remaining \$39.8 million in park facility costs, remaining development is responsible for approximately \$29.4 million (or 74 percent). **Table 11** in **Chapter IV** allocates this \$29.4 million of park costs attributable to remaining development across remaining land uses to calculate the new park fee.

The \$10.4 million in park costs that is not attributable to remaining development represents existing development's cost share of remaining park facility costs. As of November 30, 2003, the EGCSD had a park improvements fund balance of \$4.8 million. This fund balance is a result of fees collected from existing development subject to the existing EGWV and EEG park fee programs. Therefore, after subtracting the fund balance of \$4.8 million, an unfunded shortfall of approximately \$5.6 million remains. Because this unfunded shortfall is attributable to existing development, it will not be funded through this Fee Program, and must therefore be funded through other sources. Park facility costs are further explained in **Chapter III** of this report.

Fire Facility Costs

Development in the proposed Fee Program is served by two fire stations—Station 73 and Station 76. The proposed fire fee includes funding for the following items:

- Fire station construction;
- Fire station land acquisition;
- Fire station apparatus; and
- Fire station and apparatus financing.

Because all fire protection facilities and apparatus that serve the Fee Program area have already been acquired and financed, the fire facilities CIP contains the same facilities

identified in the 1999 EGWV fee program update. Because the EGCSD internally financed required fire facility improvements, the updated fire fee will be collected to fund remaining debt service payments related to the financing.

The fire facilities CIP in **Chapter III** identifies the total debt service requirements, remaining payments, and the existing fund balance available for debt service payments. Including financing costs, the fire facilities costs totaled \$7.4 million.

A total of \$1.4 million in debt service payments have been made through November 30, 2003, leaving approximately \$6.0 million in remaining debt service. As of November 30 2003, the EGCSD had approximately \$1.6 million in their fire fee account. After adjusting for the existing fire fee account balance, there is approximately \$4.4 million in remaining fire facility costs.

PARK AND FIRE FACILITY COST ALLOCATION AND FEE CALCULATION

The cost allocation and fee calculation for the proposed park and fire fees is contained in **Chapters IV** and **V** of this Nexus Study. This section briefly summarizes the cost allocation and fee calculations.

Park Facility Cost Allocation and Fee Calculation

Facility costs are typically allocated to new development by first identifying those facilities and associated costs that will serve new development. Those costs are then allocated to each land use based on that land use's relative benefit received from that facility based on dwelling unit equivalent (DUE) factors.

The total cost of park and recreation facilities that have yet to be constructed (total remaining costs) include costs that should have been paid for by existing development. Because this is true in the case of the remaining EGCSD park facility costs, this Nexus Study separately identifies a portion of the total remaining park costs that are attributable to remaining/projected development.

Remaining park facility costs include a portion that should have been funded by existing development because of the following reasons:

- 1) The cost of park and recreation facilities has increased annually greater than the annual inflation adjustment to the fees.
- 2) The pace of park and recreation facility construction has not kept pace with development and, as a result, the facilities remaining to be constructed (some of which that will benefit existing development) will be completed at higher costs.

- 3) Additional park facilities have been added to the park CIP. A portion of the cost of these new facilities should be allocated to existing development as existing development receives a proportional share of benefit from the additional fee-funded facilities.

As described in **Chapter IV**, the park facility cost allocations account only for the portion of remaining park facility costs that are attributable to remaining development. The unfunded shortfall between the total costs of parks remaining to be funded and remaining development's share of these costs must be funded by other sources. In addition to the allocated cost of park facilities attributable to remaining development, the park facilities fee includes an amount of 3 percent for Fee Program administration. As Fee Program administration will be the EGCSD and City responsibility, each agency has agreed to retain half of the administrative portion of the fee (or 1.5 percent each).

Fire Facility Cost Allocation and Fee Calculation

The fire facility cost allocations were calculated by allocating remaining fire facility costs to remaining development. This methodology is appropriate as the EGCSD financed all fire facility improvements and the remaining costs equal debt service payments on the loans.

As shown in **Chapter V**, fire facilities costs are allocated to each land use based on that land use's relative benefit received from fire facilities based on DUE factors. The fire cost allocations account for the existing fire fee fund balance of approximately \$1.4 million. The resulting cost allocation plus 3 percent for administration makes up the proposed fire fee.

IMPLEMENTATION

Chapter VI describes the implementation and ongoing administration associated with the proposed Fee Program. The development impact fees presented in this report are based on the best available cost estimates and land use information at this time. If costs change significantly in either direction, or if other funding becomes available, the fees shall be adjusted accordingly. The EGCSD will periodically conduct a review of facility costs and building trends in the Fee Program area. Based on these reviews, the EGCSD will make necessary adjustments to the Fee Program.

Fee Program implementation and administration will include the following tasks:

- Implementing documents and actions;
- Fee collection and exemptions;

- Reimbursements and fee credits; and
- Annual inflation adjustment and periodic review.

In addition, the implementation chapter of this report presents park and fire fee comparisons for single-family development.

STRUCTURE OF THE REPORT

This report is divided into six chapters. Following this introduction and summary, **Chapter II** of this report describes the projected land uses within the Fee Program boundaries. **Chapter III** then identifies the cost of required park and fire facilities. **Chapter IV** explains the nexus findings and fee calculation for park development facilities and **Chapter V** describes the nexus findings and fee calculation for fire protection facilities. **Chapter VI** discusses the implementation procedures for the proposed park and fire fees, and includes regional comparisons of the proposed fees for single-family park and fire fees in the Sacramento region.

In addition to the main body of the report, there are three appendices. **Appendix A** is the detailed park facilities CIP. **Appendix B** is the fire protection facilities CIP, and **Appendix C** contains the park and fire fee comparisons for single-family development.

II. LAND USE ESTIMATES

This chapter summarizes the land use estimates used to derive the EGCSO Eastern Elk Grove Park and Fire Facilities Fees. Land use estimates include anticipated future development in the City east of State Route 99.

LAND USE

The area included in the proposed Fee Program is bounded by State Route 99 on the west, Calvine Road to the north, and the city limits to the south and east. **Map 1** shows the area included in the Fee Program. All of this area is within the EGCSO service area boundaries.

As discussed in the introduction, all of the area shown in **Map 1** was included in the EGWV Fee Program, which included fees for EGCSO park and fire facilities. The only exception to this was the area near the intersection of Elk Grove Boulevard and Elk Grove Florin Road known as the "Downtown Area."

The City's Planning Department provided the land use estimates for the Fee Program area. Land use estimates provided were based on General Plan land use designations assuming average densities per acre. **Table 2** is a summary of the projected land use estimates provided by the City including the land use adjustments noted below. These estimates were used as the basis for the proposed park and fire fee updates.

ADJUSTMENTS TO LAND USE ESTIMATES

The land use estimates in **Table 2** were adjusted to reflect more likely development patterns. There are two reasons why adjustments to the City-provided land use estimates are appropriate: 1) a significant portion of projected development is anticipated to be rural and estate development, which may be slow to occur or may not occur at all; and 2) historically, actual densities have been less than average densities assumed in the General Plan.

Table 3 provides a detailed calculation of the City-provided and adjusted land use estimates for single-family, multifamily, and nonresidential development.

Rural and Estate Residential Development

As shown in **Table 3**, approximately 53 percent of projected residential development is anticipated from rural and estate properties. Because this development is semi-rural

Table 2
EGCSD Eastern Elk Grove Park and Fire Facilities
Fee Nexus Study
Summary of Land Use Projections

| Land Use Type | Projected Development |
|---|--------------------------|
| Residential Units | |
| Single-Family | 5,545 |
| Multifamily [1] | 1,606 |
| Total Residential Units | 7,151 |
| Nonresidential Square Feet | |
| Commercial | 1,730,569 |
| Industrial | 3,866,204 |
| Total Nonresidential Square Feet | 5,596,772 |

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Source: City of Elk Grove

[1] Multifamily units include 50% of medium-density units and 100% of high-density units of City of Elk Grove Planning Department land use categories. See Table 3 for details.

and not in any current or planned master-planned community, the pace and total amount of rural and estate development may be slower to develop and at lesser densities than allowed in the City's General Plan.

The Fee Program does not want to overstate future revenues or under-collect future fees because actual units are less than estimated in the fee study. Consequently, this Nexus Study has reduced rural residential development estimates by 75 percent and estate residential development estimates by 35 percent. After these adjustments, rural and estate properties equate to approximately 40 percent of projected residential development.

Table 3
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
City of Elk Grove Development Projections with Adjustments

| City of Elk Grove Planning Department Land Use Categories | EGCSD Fee Program Category | As of June 30, 2003 [1] | Less Permits Issued July 1 - Oct. 31, 2003 | As of Oct. 31, 2003 A | Land Use Adjustments Percent Reduction | Unit Reduction B | Adjusted EGCSD Fee Program Unit Estimates C=A+B |
|---|-------------------------------|-------------------------------|--|-----------------------------|--|------------------------|--|
| Residential | | <i>Units</i> | | | | | |
| Rural | Single-Family | 2,103 | - | 2,103 | 75% | (1,577) | 526 |
| Estate | Single-Family | 3,622 | - | 3,622 | 35% | (1,268) | 2,354 |
| Low Density | Single-Family | 2,144 | 349 | 1,795 | 9% | (162) | 1,633 |
| Medium Density | 50% SF, 50% MF | 2,267 | - | 2,267 | 9% | (204) | 2,063 |
| High Density | Multifamily | 575 | - | 575 | 0% | 0 | 575 |
| Subtotal Residential | | 10,711 | 349 | 10,362 | | (3,211) | 7,151 |
| Nonresidential | | <i>Sqft.</i> | | | | | |
| Commercial | Commercial | 1,934,029 | 11,175 | 1,922,854 | 10% | (192,285) | 1,730,569 |
| Industrial | Industrial | 4,372,727 | 76,945 | 4,295,782 | 10% | (429,578) | 3,866,204 |
| Subtotal Nonresidential | | 6,306,756 | 88,120 | 6,218,636 | | (625,075) | 5,596,772 |

"land_use_mod"

Source: City of Elk Grove, Elk Grove Community Services District, and EPS.

[1] Based on General Plan land use designations assuming average densities per acre within each Elk Grove Planning Dept. land use category.

Low-, Medium-, and High-Density Residential and Nonresidential Development

Historically, the City has seen an approximate 9 percent reduction between actual and average densities in low- and medium-density residential single-family subdivisions. Consequently, this Nexus Study has reduced the low- and medium-density residential development estimates by 9 percent. This approach is consistent with the City's recently adopted roadway fee program. As shown in **Table 3**, no density adjustment was made to the high density residential development estimates.

Nonresidential building square footage estimates also were estimated by the City's Planning Department assuming General Plan average densities. In many cases, because of land constraints, building configurations, or parking requirements, nonresidential development cannot meet average building square foot densities assumed by the General Plan. In addition, nonresidential buildout would occur after most of the park and fire facility costs would be incurred, if buildout occurs at all. As a result, this Nexus Study has reduced nonresidential building square footage estimates by 10 percent. **Table 3** shows Fee Program land use estimates before and after adjustments.

III. FACILITY COST ESTIMATES

This chapter summarizes the EGCSO park and fire facility costs, which were provided by the EGCSO.

BACKGROUND

In 1999, the EGCSO determined the park and fire facilities that would be required to serve the EGWV and EEG areas based on development estimates derived at that time. As described below, the park and fire facility CIPs have now been updated from those established during the 1999 update to the EGWV fee program. Each section below separately describes how the park and fire CIPs have been updated to reflect park and fire facilities required to serve existing and future development.

PARK FACILITIES CIP

The EGCSO Parks and Recreation Department handles all park land dedication and improvement requirements. Consistent with Quimby park land requirements, the EGCSO requires five acres of park land be dedicated for every one thousand residents.

Park land dedication requirements and associated in-lieu fees (if any) are handled separately from park development costs; therefore, they are not included in this Nexus Study. In addition to land dedication requirements, City and EGCSO standards require provision of on-site improvements to parks and recreation areas.

The total cost of park facilities remaining to be completed is estimated by the EGCSO at \$39.8 million. In addition to updated per acre and per item park development costs, the updated park CIP includes additional park and recreation facilities to be funded through the updated park fee. These additional facilities are based on the current development projections and the EGCSO's park facilities master plan. As identified, **Appendix A** contains several tables that detail the total remaining park facility costs.

The updated park fee will be collected to fund the following types of park and recreation facilities:

- Phase I-Basic Park Improvements;
- Phase II Park Improvements;
- Street Frontage;
- Other Facilities (including community center and swimming pool);

- Sports Park; and
- Trail Facilities.

Phase I-Basic park improvement costs for mini, neighborhood, and community parks include the following items:

- Grading and site clearing;
- Turf and irrigation;
- Walkways;
- Lighting and signage;
- Trees; and
- Engineering, design, and permitting costs.

Phase II park construction costs include the following items:

- Ball fields;
- Sports courts;
- Shade structures;
- Restrooms;
- Parking facilities; and
- Tot Lots.

Street frontage costs include the curb lane street frontage improvements adjacent to fee-funded park facilities. Other facilities include the community center, gymnasium, and swimming pool. The sports park category includes the costs for building the Bartholomew sports park, sports park financing, and trail facilities costs include various power line, drainage corridor, and open space trail facilities in the Fee Program area.

Table 4 summarizes remaining park and recreation facility costs by major cost component. **Table 4** also summarizes how much of remaining park and recreation facility costs will be funded by remaining development (through this Fee Program) and how much will be existing development's share.

The park fee calculated in this Nexus Study is based on the portion of total remaining park costs that are attributable to remaining development. Of the remaining \$39.8 million in park and recreation facility costs, remaining development is responsible for approximately \$29.4 million (or 74 percent). **Table 11** in **Chapter IV** allocates this \$29.4 million of park costs attributable to remaining development across remaining land uses to calculate the new park fee.

As shown in **Table 4**, the \$10.4 million in park costs that is not attributable to remaining development represents existing development’s cost share of the total remaining park and recreation facility costs. As of November 30, 2003, the EGCSD had a park improvements fund balance of \$4.8 million. This fund balance is a result of fees collected from existing development subject to the existing EGWV and EEG park fee programs. Therefore, after subtracting the fund balance of \$4.8 million, an unfunded shortfall of approximately \$5.6 million remains. Because this unfunded shortfall is attributable to existing development, it will not be funded through this Fee Program, and must therefore be funded by other sources.

Table 4
Elk Grove CSD Park & Fire Fee Nexus Study
Summary of Total Park Improvement Costs (2004\$)

| Improvement Type | Total Cost | Percent of Total |
|--|---------------------|------------------|
| Phase I - Basic Park Improvements | \$11,128,320 | 28% |
| Phase II Park Improvements | \$6,587,250 | 17% |
| Street Frontage | \$2,613,703 | 7% |
| Other Facilities | \$14,027,500 | 35% |
| Sports Park | \$3,281,089 | 8% |
| Trail Facilities | \$2,157,561 | 5% |
| Total Remaining Park Facility Costs | \$39,795,422 | 100% |
| Less Park Facility Costs Attributable to Remaining Development | (\$29,439,696) | See Table 9 |
| Park Costs Attributable to Existing Development | \$10,355,727 | |
| Less Existing Park Fee Account Balance [1] | (\$4,801,554) | |
| Unfunded Remaining Park Facility Costs | \$5,554,173 | |

"small_park_sum"

Source: Elk Grove Community Services District

[1] As of November 30, 2003.

FIRE FACILITIES CIP

Development in the Fee Program is served by two fire stations—Station 73 and Station 76. The proposed fire fee includes funding for the following items:

- Fire station construction;
- Fire station land acquisition;
- Fire station apparatus; and
- Fire station and apparatus financing.

Unlike park facilities, no additional fire facilities remain to be constructed. Each of the two stations along with the associated apparatus was financed, constructed and/or acquired by the EGCSD. Fees collected from the proposed fire fee will be used to pay debt service on the fire station and apparatus loans.

Table 5 shows the total \$5.0 million in fire station and apparatus costs, based on amounts the EGCSD actually incurred when the facilities were financed. As shown in **Table 5**, after accounting for financing costs, the total fire facilities costs equal \$7.4 million.

A total of \$1.4 million in debt service payments have been made to date leaving approximately \$6.0 million in remaining debt service. As of November 30, 2003, the EGCSD had approximately \$1.6 million in their fire fee account. After adjusting for the existing fire fee account balance, there is approximately \$4.4 million in remaining fire facility costs.

Table 5
Elk Grove CSD Park and Fire Fee Nexus Study
Fire Facility Financing (2004\$)

| Loan | Term | Total Base Costs [1] | Down Payment | Principal Amount | Annual Payment | Total Cost | Remaining Payments |
|--|------|----------------------|------------------|--------------------|----------------|--------------------|--------------------|
| Station 73 Construction [2] | 20 | \$2,091,206 | \$292,710 | \$1,798,496 | \$141,612 | \$2,832,240 | \$2,223,870 |
| Station 76 Construction | 20 | \$2,201,819 | \$105,712 | \$2,096,107 | \$187,748 | \$3,754,960 | \$3,285,586 |
| Station 76 Apparatus | 7 | \$510,000 | \$0 | \$510,000 | \$83,519 | \$584,633 | \$501,109 |
| Station 76 Land Cost [3] | n/a | \$198,211 | \$198,211 | \$0 | \$0 | \$198,211 | \$0 |
| Total Financing Required | | \$5,001,236 | \$596,633 | \$4,404,603 | n/a | \$7,370,044 | \$6,010,565 |
| <i>Total Financing Required</i> | | | | | | \$7,370,044 | |
| <i>Less Amounts Paid to Date</i> | | | | | | <u>\$1,359,479</u> | |
| <i>Remaining Payments</i> | | | | | | <u>\$6,010,565</u> | |
| <i>Less Fire Fee Account Balance as of 11/30/03 (i.e., Cash on Hand)</i> | | | | | | (\$1,623,601) | |
| Remaining Cost to be Funded by Fee Revenue | | | | | | \$4,386,964 | |

"net fire cost"

Source: Elk Grove Community Services District

[1] Both fire stations have already been constructed; total cost was advance funded by the EGCSO.

[2] Site acquisition for Station 73 is funded by monies received from the County of Sacramento for the acquisition of the Sheriff's substation site from the EGCSO. The district paid for the fire apparatus with general fund revenues.

[3] Land acquisition was 100% funded by cash.

IV. PARK DEVELOPMENT FEE NEXUS FINDINGS AND FEES

This chapter describes the park facilities nexus findings, the Nexus Study methodology, and proposed park fees.

FINDINGS FOR PARK DEVELOPMENT FEE NEXUS

As outlined in the introduction to this Nexus Study, the authority to collect a development impact fee is outlined in Government Code Section 66000 *et seq.* Among other conditions, these procedures require that a proper nexus must exist between the proposed exaction and the purpose of the condition. This section of the report presents the findings necessary to establish the development impact fees in accordance with Government Code Section 66000 *et seq.*

PURPOSE OF FEE

The proposed fee will help develop five acres of park land per one thousand residents in the Fee Program area along with associated recreational facilities. New development in the area will increase the population, which is the basis for the park acres developed per thousand residents as established by the EGCSO. The proposed fee will fund the improvements necessary to accommodate new residential and nonresidential development in the Fee Program area.

USE OF FEE

Fees from new development in the Fee Program area will be used to fund additions and improvements to park facilities and to accommodate future park facilities demand resulting from new residential and nonresidential development. The fee will be used to develop approximately 104.2 acres of the total remaining 127.7 acres of park land in the EGCSO boundaries (See **Table 6**).

Development of park land will include turf, irrigation, landscaping, and recreational amenities (park land will be acquired through land dedications and Quimby In-Lieu Fees.) The fee also will be used to plan, design, and develop other facilities, such as a community center and gymnasium, sports park, and swimming pool needed to meet the recreation needs of the new residents and employees. The fee also will fund the fee study and administration to support the program.

Table 6
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Park Acres Required for Remaining Development (2004\$)

| Residential | Units | Persons Per Household [1] | New Park Users |
|--|--------------|---------------------------------|-------------------|
| Single-Family | 5,545 | 3.15 | 17,467 |
| Multifamily | 1,606 | 2.10 | 3,373 |
| Total Residential | 7,151 | | 20,840 |
| <hr/> | | | |
| Thousand Population (Population / 1,000) | 20.8 | | |
| Park Acres Required for Remaining Development [2] | 104.2 | | |

"park_goal"

Source: EGCSD and EPS

[1] Persons per household based on City of Elk Grove General Plan.

[2] Based on park development of 5 acres per 1,000 population.

RELATIONSHIP BETWEEN USE OF FEE AND TYPE OF DEVELOPMENT

The development of new residential and nonresidential land uses in the EGCSD will generate additional need for neighborhood and community park and recreation services and the associated need for neighborhood and community park and recreation facilities. The fees will be used to develop and expand the user capacity for neighborhood and community park land, gymnasium/recreation center, sports park, and swimming pool.

RELATIONSHIP BETWEEN NEED FOR FACILITY AND TYPE OF PROJECT

Each new residential and nonresidential development project will generate additional demand for park and recreation services and the associated need for park and recreation facilities. In order to maintain the EGCSD's park standard of five park acres per thousand people, the EGCSD must develop five acres of park land per thousand people of new development.

RELATIONSHIP BETWEEN AMOUNT OF FEE AND COST OR PORTION OF FACILITY ATTRIBUTED TO NEW DEVELOPMENT

The amount of park facilities needed by each land use has been estimated by calculating the number of new park users in each land use category, determining the corresponding percentages in each and apportioning the total facility costs by these percentages.

Although residents are the primary beneficiaries of park facilities, workers located in nonresidential land uses also benefit from park facilities; therefore, the cost of parks has been allocated to both residential and nonresidential land uses based on common use factors. The common use factor for park facilities is the relative abilities of residents and employees to visit and enjoy park facilities during the hours the parks are available to each. This factor is calculated in **Table A-6** (see **Appendix A**) on a per-unit basis for residential land uses and on a per-employee basis for nonresidential land uses.

In addition, the fee on new development is net of the share that existing development should have paid as described in this chapter.

SUMMARY OF METHODOLOGY

The Nexus Study methodology is designed to ensure new development pays for its fair share of new park and recreation facilities from which its residents and employees will receive benefit.

The methodology for calculating the park development impact fees is this:

- 1) Determine the amount of development (remaining development) occurring within the Fee Program boundaries (summarized in **Chapter II**).
- 2) Determine the new park facilities and improvements needed to serve both existing and remaining development (included in **Chapter III**).
- 3) Determine the portion of facility costs that is attributable to remaining development, and therefore funded by development impact fees.
- 4) Determine from the development projections of residential units and nonresidential square feet, using an assumed average persons per household, and employees per square foot factor, the total park user equivalents.
- 5) Multiply the total cost of facilities benefiting remaining development by the percentage of total new park users for a particular land use out of the total park users to apportion the total park facilities costs by land use.

- 6) Divide the total facility costs attributable to remaining development in each land use category by the total number of projected units or square feet in each land use category to determine the park fee per unit or per building square foot.
- 7) Add an allowance to the cost allocation for administration of the fee program.

By following this methodology, the amount of the park fee for each land use is based on the amount of benefit received from the improvements.

This study updates development impact fees for facilities that benefit remaining development. However, remaining development is only responsible for financing the portion of remaining facilities costs from which it receives benefit. No fees are to be collected from existing development unless the development is subject to pay under prior agreements. The shortfall in remaining park costs that is attributable to existing development must be paid for through alternative funding sources.

PARK FACILITIES COST ALLOCATION

REMAINING DEVELOPMENT'S SHARE OF REMAINING PARK ACRES

The City General Plan includes a park standard for new residential development to provide a minimum of five acres per 1,000 population. **Table 6** estimates the total population that remaining development will house by multiplying projected units by average persons per household for single-family and multifamily units. **Table 6** shows that remaining development will generate approximately 20,840 additional people in the Fee Program area. Applying the current park standard of five park acres per 1,000 population reveals that remaining development is responsible for developing approximately 104.2 acres of the total 127.7 park acres remaining to be developed. The remaining 23.5 acres, therefore, is considered to be existing development's responsibility, and will not be funded through this Fee Program.

REMAINING DEVELOPMENT'S SHARE OF REMAINING PARK FACILITIES COSTS

Remaining park facilities costs are grouped into six main categories as shown in **Table 4**. The park fee calculation is based on the portion of total park facility costs that is attributable to remaining development. **Tables 7 and 8** calculate the portion of remaining park facilities costs that are attributable to remaining development.

Table 7
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Total Cost Share for Remaining Development (Phase I, Phase II, and Street Frontage Costs - 2004\$)

| Item | Source | Phase I | Phase II | Street Frontage | Total |
|--|------------------|--------------------|--------------------|------------------------|----------------------|
| Total Costs | <i>Table A-1</i> | \$11,128,320 | \$6,587,250 | \$2,613,703 | \$20,329,273 |
| Less Total Cost Attributable to Existing Development | <i>Table A-5</i> | (\$1,727,550) | (\$938,000) | (\$181,940) | (\$2,847,490) |
| Total Cost Share for Remaining Development (Phase I, Phase II, and Street Frontage Costs) | | \$9,400,770 | \$5,649,250 | \$2,431,763 | \$17,481,783 |

"ph_i,ii,street_front"

Source: EGCSD and EPS

Table 8
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Park Cost Allocation for Other Facilities, Trail Facilities, and Sports Park (2004\$)

| Item | Other Facilities | Trail Facilities | Sports Park Facility | Sports Park Financing |
|---|-------------------------|-------------------------|-----------------------------|------------------------------|
| Total Cost [1] | \$14,027,500 | \$2,157,561 | \$9,847,000 | \$7,888,610 [2] |
| Total DUEs from Remaining Development [3] | 7,197 | 7,197 | 7,197 | 7,197 |
| Total DUEs from All Development [4] | 11,358 | 11,358 | 75,000 | 75,000 |
| Percent DUEs from Remaining Development | 63.4% | 63.4% | 9.6% | 9.6% |
| Total Cost Share for Remaining Development (Other Facilities, Trail Facilities, and Sports Park) | \$8,888,778 | \$1,367,177 | \$944,945 | \$757,012 |

"other_trail_sports_park"

Source: EGCSD and EPS

[1] See Table 1.

[2] The sports park assumed to be debt-financed with a loan term of 20 years and an interest rate of 6.5 percent. This is the total amount of interest that will be accrued through the use of debt financing.

[3] DUEs from remaining development as calculated in Table 10.

[4] DUE estimate of 11,358 for the plan area is from the EGWV 1999 Fee Update. The sports park serves a greater area of park users than does the project area for this proposed fee program. Therefore, total DUEs benefiting from the sports park is 75,000 per the EGCSD.

Table 7 shows the cost share for the Phase I, Phase II, and street frontage costs that are attributable to remaining development. Remaining development is responsible for 104.2 of the 127.7 remaining park acres to be developed. One 20-acre community park and one 3.5-acre neighborhood park comprise the 23.5 park acres attributable to existing development. **Table 7** subtracts the costs for 23.5 park acres considered existing development's responsibility. Based on calculations in **Figure A-5** in **Appendix A**, existing development's share of remaining Phase I, II, and street frontage costs is approximately \$2.8 million, leaving \$17.5 million to be funded by remaining development.

Remaining park costs attributable to remaining development for other facilities, trail facilities, and the sports park are calculated by multiplying the percentage of total DUEs generated from remaining development by the total cost of the park facility category as shown in **Table 8**. The percentage of total DUEs generated from remaining development is determined by dividing DUEs from remaining development by total DUEs from all development (existing plus remaining DUEs). As shown in **Table 8**, the percentage of DUEs from remaining development is approximately 63.4 percent for the other facilities and the trail facilities. Attributing 63.4 percent of the total costs for trail facilities and other facilities to remaining development yields approximately \$8.9 million in other facilities costs, and \$1.4 million in trail facilities costs will be funded by remaining development.

Table 8 also shows the portion of the Bartholomew Sports Park development and financing costs that are attributable to remaining development. Because the sports park will benefit an area of park users that is greater than the boundaries for this proposed Fee Program, both the total costs to construct the facility, as well as the estimated DUEs in that larger area are factored in to the cost share calculation.

Based on EGCSD calculations the Bartholomew Sports Park is anticipated to benefit 75,000 DUEs. Consequently, the 7,197 remaining DUEs in the Fee Program area equates to approximately 10 percent of the total benefiting DUEs. Applying this 10 percent to the total costs of constructing and financing the sport park yields that remaining development is responsible for approximately \$944,900 in construction costs, and approximately \$757,000 in financing costs for the sports park.

Table 9 sums the park improvement costs that are attributable to remaining development. Remaining development is responsible for funding approximately \$29.4 million of the total \$39.8 million in remaining park improvement costs. This Fee Program will therefore, spread only \$29.4 million of park costs across the projected land uses shown in **Table 2** in order to calculate the new park fee.

Table 9
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Park Improvement Cost Share Attributable to Remaining Development
(2004\$)

| Improvement Type | Reference | Remaining Dev. Total Cost Share |
|---|-----------|---------------------------------------|
| Phase I - Basic Park Improvements | Table 7 | \$9,400,770 |
| Phase II Park Improvements | Table 7 | \$5,649,250 |
| Street Frontage | Table 7 | \$2,431,763 |
| Other Facilities | Table 8 | \$8,888,778 |
| Sports Park | Table 8 | |
| Park Costs | | \$944,945 |
| Debt Financing | | \$757,012 |
| Trail Facilities | Table 8 | \$1,367,177 |
| Total Park Costs Attributable To Remaining Development | | \$29,439,696 |

"new_dev_cost_share"

Source: EGCSD and EPS

PARK FACILITY DUES

The purpose of allocating certain improvement costs among the various land uses is to provide an equitable method of funding-required infrastructure. The keys to apportioning the cost of regional improvements to different land uses are based on the assumption that the demands placed on public facilities are related to land use type and that such demands can be stated in relative terms for all particular land uses. It is by relating demand for facilities to land use types that a reasonable nexus, or relationship, can be established to apportion each land use's "fair share" costs.

A DUE is a common use factor that allows the allocation of improvement costs among residential and nonresidential land uses. A DUE is defined as the amount of facility use for each land use type relative to a single-family unit. Thus, the DUE for a single-family unit is 1.0.

The park development fees are based on an overall cost per DUE multiplied by the number of DUEs per single-family or multifamily unit or per one thousand building square feet. **Table 10** calculates the remaining park facility DUEs in the Fee Program area.

Because this Nexus Study is updating an existing park development fee, the source of the DUE factors by land use type is the EGWV and EEG fee programs. The only change was to calculate the DUEs on a per unit basis or per thousand building square foot basis as opposed to an acreage basis. This conversion had no effect on the relative distribution of park costs between residential and nonresidential land uses.

In addition, DUEs from new development were calculated by multiplying DUE factors by land use type by the adjusted estimates of units and building square feet derived in **Chapter II** of this report. **Table 10** calculates the total remaining DUEs in the Fee Program area to be 7,197 DUEs. **Table 10** also derives a percentage of total DUEs by land category for purposes of allocating remaining park facility costs as described below.

PARK FACILITIES FEE CALCULATION

PARK FEE CALCULATION

Table 11 calculates the total park fees for residential and nonresidential land use categories. First the \$29.4 million in park costs attributable to remaining development is allocated to each land use category using the percentages derived in **Table 10**. For each land use category, the \$29.4 total is multiplied by the percentage of total DUEs in each land use category. Then, the park facilities cost in each land use category is divided by the category's respective projected number of units or building square feet in order to determine the park cost per unit for single-family and multifamily uses, and the per square foot cost for commercial and industrial uses. A total of 3 percent of the cost is added to cover the administrative costs of the Fee Program. Of this 3 percent, 1.5 percent will cover the administrative efforts of the EGCSD, and the remaining 1.5 percent will be allocated to the City. The sum of park costs and administrative costs equals the total park fee for each land use type.

Although not currently planned, age-restricted single-family or office development may occur within the Fee Program boundaries. To account for this, the park fees, as summarized in **Table 1** (on page 4), include rates for age-restricted single-family and office development. Each rate was calculated using DUEs as compared to a single-family dwelling unit.

Table 10
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Calculation of Park DUEs Remaining in 2003

| Land Use Type | New Units/Sqft | Persons per Household | Sqft per Employee | DUE Factor | Total DUEs | Percent of Total DUEs |
|-----------------------------|------------------|-----------------------|-------------------|----------------------------|--------------|-----------------------|
| | | [1] | [2] | | | |
| Residential | | | | | | |
| | | | | <i>per unit</i> | | |
| Single-Family | 5,545 | 3.15 | - | 1.00 | 5,545 | 77.04% |
| Multifamily | 1,606 | 2.10 | - | 0.67 | 1,071 | 14.88% |
| Total Residential | 7,151 | | | | 6,616 | 91.92% |
| Nonresidential [3] | | | | | | |
| | | | | <i>per 1,000 sqft. [3]</i> | | |
| Commercial | 1,730,569 | - | 500 | 0.15873 | 275 | 3.82% |
| Industrial | 3,866,204 | - | 1,000 | 0.07937 | 307 | 4.26% |
| Total Nonresidential | 5,596,772 | | | | 582 | 8.08% |
| TOTAL PARK DUEs | | | | | 7,197 | 100.00% |

"park_dues"

[1] Based on value for Elk Grove CDP from 2000 Census.

[2] Source: EPS

[3] Calculation of Nonresidential DUEs:

| Item | Factor | Commercial | Industrial | Formula |
|--------------------------------|--------|------------|------------|---------------------|
| Employees/1,000 sqft. | | 2.0 | 1.0 | <i>a</i> |
| Park User Equivalent | 0.25 | 0.5 | 0.25 | $b = 0.25 \times a$ |
| Persons per Single Family Unit | | 3.15 | 3.15 | <i>c</i> |
| DUE Factor per 1,000 sqft. | | 0.1587 | 0.0794 | $d = b/c$ |

Table 11
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Park Facility Cost Allocation and Fee Calculation (2004\$)

| Land Use Type | Percent of Total DUEs | Park Facility Cost Allocation | Residential Units/ Non-Res Sqft | Park Cost per Unit/ Sqft | Administration Cost | | Total Park Fee |
|-----------------------------|-----------------------|-------------------------------|---------------------------------|--------------------------|---------------------|------------------------|----------------|
| | | | | | EGCSD 1.5% | City of Elk Grove 1.5% | |
| Residential | | | | | | | |
| Single-Family | 77.04% | \$22,681,470 | 5,545 | \$4,090 | \$61 | \$61 | \$4,213 |
| Multifamily | 14.88% | \$4,379,494 | 1,606 | \$2,727 | \$41 | \$41 | \$2,809 |
| Total New Residents | 91.92% | \$27,060,964 | 7,151 | | | | |
| Nonresidential [3] | | | | | | | |
| Commercial | 3.82% | \$1,123,616 | 1,730,569 | \$0.65 | \$0.010 | \$0.010 | \$0.67 |
| Industrial | 4.26% | \$1,255,116 | 3,866,204 | \$0.32 | \$0.005 | \$0.005 | \$0.33 |
| Total Nonresidential | 8.08% | \$2,378,732 | 5,596,772 | | | | |
| TOTAL | | \$29,439,696 | | | | | |

"park_cost_alloc"

29

00047

This Fee Program establishes fees for general residential and nonresidential land use categories. Instances may occur in which it is difficult to determine whether a specific nonresidential land use falls in the commercial or industrial category. **Table 14** (see **Chapter VI**) provides a matrix of general and specific land use categories that is meant to be used as a guide for administering fees in this Fee Program.

OPTIONS FOR FUNDING EXISTING DEVELOPMENT’S SHARE OF PARK FACILITIES COSTS

The park fees established in this Fee Program were established at a rate that ensures that new development will not pay for existing deficiencies. **Table 4** (shown in **Chapter III**) identifies a shortfall of approximately \$5.6 million that represents the amount of park costs remaining to be funded by existing development.

The \$5.6 million shortfall may be funded by the following sources:

- Grants;
- EGCSD districtwide funding sources;
- In-lieu park fees;
- Mello-Roos Community Facilities District bond proceeds;
- Pay-as-you-go taxes from a Mello-Roos Community Facility District; or
- Cost savings on improvements in the EGCSD park fee components.

V. FIRE FACILITY FEE NEXUS FINDINGS, COST ALLOCATION, AND FEE CALCULATION

This chapter describes the fire facilities nexus findings, the Nexus Study methodology, and proposed fire fees.

FINDINGS FOR FIRE DEVELOPMENT FEE NEXUS

As outlined in the introduction to this Nexus Study, the authority to collect a development impact fee is outlined in Government Code Section 66000 *et seq.* Among other things, these procedures require that a proper nexus must exist between the proposed exaction and the purpose of the condition. This section of the report presents the findings necessary to establish the development impact fees in accordance with Government Code Section 66000 *et seq.*

PURPOSE OF FEE

The proposed fee will help maintain the current safety standard for fire and emergency response services in the EGCSO. New development in the area will increase the population by an amount that would require two fire stations, and related fire fighting apparatus as established by the EGCSO. The proposed fee will fund the fire facilities necessary to accommodate new residential and nonresidential development in the Fee Program area.

USE OF FEE

Fees from new development in the Fee Program area will be used to fund two fire stations, and related fire station apparatus, that are necessary to accommodate future fire station demand resulting from new residential and nonresidential development. The fee will be used to fund two fire stations; Station 73, and Station 76. The fire fee will be used to pay for the construction of Station 73, and the land acquisition, apparatus, and construction of Station 76.

RELATIONSHIP BETWEEN USE OF FEE AND TYPE OF DEVELOPMENT

The development of new residential and nonresidential land uses in the EGCSO will generate additional need for fire protection and emergency response services, and the associated need for fire facilities. New development within the Fee Program area boundary will increase the number of emergency calls, to which the EGCSO Fire

Department will be required to respond. This creates the need for additional fire stations and apparatus to provide emergency services to the developing land uses within the Fee Program boundary. The fees will be used to develop fire protection facilities to serve new residential and nonresidential development, and in turn ensuring that EGCSD's existing fire protection standards (response times) are not jeopardized by the impact of new development.

RELATIONSHIP BETWEEN NEED FOR FACILITY AND TYPE OF PROJECT

Each new residential and nonresidential development project will generate additional demand for fire protection and emergency response services, and the associated need for fire protection facilities. New development within the Fee Program area boundary will increase the number of emergency calls, to which the EGCSD Fire Department will be required to respond. This creates the need for additional fire stations and apparatus to provide emergency services to the developing land uses within the Fee Program boundary. In order to maintain the EGCSD's current fire protection standards (response times), the EGCSD must develop two new fire stations.

RELATIONSHIP BETWEEN AMOUNT OF FEE AND COST OF PORTION OF FACILITY ATTRIBUTED TO NEW DEVELOPMENT

The amount of fire protection facilities needed by each land use has been estimated by calculating the number of new fire users in each land use category, determining the corresponding percentages in each and apportioning the total facility costs by these percentages.

Although residents are the primary beneficiaries of fire protection facilities, workers located in nonresidential land uses also benefit from the facilities; therefore, the cost of fire stations and related apparatus has been allocated to both residential and nonresidential land uses based on common use factors. The common use factors for fire facilities consider the relative demand for fire protection facilities based on the number of persons per acre for each land use type. Unlike the park fee analysis, the Fee Program assumes that residents and workers will utilize the same level of fire protection services from the new fire stations.

SUMMARY OF METHODOLOGY

The Nexus Study methodology is designed to ensure new development pays for its fair share of new fire protection facilities from which its residents and employees will receive benefit.

The methodology for calculating the fire development impact fee is:

- 1) Determine amount of development (remaining development) occurring within the Fee Program boundaries (summarized in **Chapter II**).
- 2) Determine the new fire facilities needed to serve the new development and the cost of such facilities (included in **Chapter III**).
- 3) Determine the appropriate DUEs by which to allocate the total fire facility cost to each land use type.
- 4) Multiply the DUE factors by the number of projected residential units or nonresidential square feet in order to determine how much of each land use category will impact the new fire facilities, and determine the percentage spread of DUEs across land uses.
- 5) Allocate the total fire facility costs across land uses using the percentage spread of DUEs determined in previous step.
- 6) Divide the total cost of fire facilities in each land use category by the total projected residential units and nonresidential square feet to determine the per unit fire fee for residential uses, and the per square foot fire fee for nonresidential development.
- 7) Add an allowance to the cost allocation for administration of the fee program.

Except as noted, the steps outlined above are discussed in this chapter. Using this methodology, the development impact fee to be collected for each land use is calculated based upon the proportionate share of the total facility use that each land use represents.

FIRE FACILITY COST ALLOCATION

The cost of fire protection facilities to be funded by new development is outlined in **Chapter III**. The Fee Program will fund an estimated cost of \$4.4 million and spread this cost across the projected residential and nonresidential development shown in **Table 12**. The \$4.4 million funded by the Fee Program represents remaining debt service costs for fire facilities as explained in **Chapter III**.

Unlike park facilities, there are no additional fire facilities remaining to be constructed. Each of the two stations along with the associated apparatus was financed, constructed and/or acquired by the EGCSD. Fees collected from the proposed fire fee will be used to pay debt service on the fire station and apparatus loans.

Table 12
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Calculation of Fire DUEs

| Land Use Type | New Units/Sqft | DUE Factor Per Unit/Sqft | Total DUEs Per Unit / 1,000 Sqft | Percent of Total DUEs |
|----------------------------------|------------------|--------------------------|----------------------------------|-----------------------|
| Residential | <i>Units</i> | <i>Per Unit</i> | | |
| Single-Family | 5,545 | 1.00 | 5,545 | 56.59% |
| Multifamily | 1,606 | 0.67 | 1,071 | 10.93% |
| Total Residential DUEs | 7,151 | | 6,616 | 67.52% |
| Nonresidential | <i>Sqft</i> | <i>Per Bldg Sqft [1]</i> | | |
| Commercial | 1,730,569 | 0.00065 | 1,128 | 11.52% |
| Industrial | 3,866,204 | 0.00053 | 2,054 | 20.96% |
| Total Nonresidential DUEs | 5,596,772 | | 3,182 | 32.48% |
| Total Fire DUEs | | | 9,798 | 100.00% |

"Fire DUEs"

Source: Elk Grove/West Vineyard Public Facilities Financing Plan, 1999.

[1] Calculation of DUE per 1,000 sqft:

| Nonresidential Land Use Type | Total DUEs | Floor Space (Sqft Per Acre) | DUEs Per Bldg Sqft |
|------------------------------|------------|-----------------------------|--------------------|
| Commercial | 7.1 | 10,890 | 0.00065 |
| Industrial | 8.1 | 15,246 | 0.00053 |

FIRE PROTECTION FACILITIES DUE FACTORS

The purpose of allocating certain improvement costs among the various land uses is to provide an equitable method of funding required infrastructure. The keys to apportioning the cost of regional improvements to different land uses are based on the assumption that the demands placed on public facilities are related to land use type and that such demands can be stated in relative terms for all particular land uses. It is by relating demand for facilities to land use types that reasonable nexus, or relationship, can be established to apportion the “fair share” costs to that land use.

A DUE is a common use factor that allows the allocation of improvement costs among residential and nonresidential land uses. A DUE is defined as the amount of facility use for each land use type relative to a single-family unit. Thus, the DUE for a single-family unit is 1.0.

The DUE factors used in this study are calculated from past fire DUEs contained in the EGWV Public Facilities Financing Plan, 1998–1999 Update. For nonresidential development, the DUEs were converted from a per-acre basis to a per 1,000-square-footage basis in order to remain consistent with the nonresidential projections which are in building square feet. This conversion was done by dividing the total square feet per acre (i.e., floorspace) by the per-acre DUEs shown in the EGWV Public Facilities Financing Plan, 1998–1999 Update. The result of this calculation was divided by 1,000 to derive the DUE factor per thousand building square feet.

Total DUEs for residential development were calculated by multiplying the appropriate DUE factor by the applicable amount of projected new development in the Fee Program area. Total DUEs for nonresidential development were determined by multiplying the DUE factor per 1,000 building square feet for nonresidential development in each land use category by its respective square feet of projected development divided by 1,000. Fire DUEs for each land use category are calculated in **Table 12**.

FIRE PROTECTION FACILITIES AND COST ALLOCATION

The percentage spread of DUEs across land use categories is used to allocate the total \$4.4 million of fire facility costs that will be funded through this Fee Program. Once total DUEs are calculated in each land use category, the percentage of total DUEs in each land use category is then calculated. As shown in **Table 12**, residential development is allocated approximately 67.5 percent of total fire costs, and nonresidential development is allocated the remaining 32.5 percent. Of the total \$4.4 million in remaining fire facility

costs funded through this Fee Program, approximately \$3.0 million will be funded by residential development, and the remaining \$1.4 million will be funded by nonresidential development.

FIRE FACILITIES FEE CALCULATION

In order to determine the fire fee for each land use category, the total fire facility costs allocated to each land use are divided by the projected units or square feet of future development. This results in a per-unit cost for building residential development and a per-building-square-foot cost for nonresidential development. **Table 13** shows this calculation.

In order to cover the costs of administering the Fee Program, an additional 3 percent of the cost per unit or building square foot in each land use category is added to determine the total fire fee for each land use. Of this additional 3 percent administration cost, 1.5 percent will be used by the City, and the remaining 1.5 percent will be used by the EGCSD. The administration costs include the staff time and effort of the City and the EGCSD to administer the Fee Program.

Table 13 calculates the total fire fees. Every single-family unit developed within the Fee Program boundaries will pay a fire fee of \$462. Future multifamily units are expected to pay a fire fee of \$306. Commercial and industrial development will pay a per square foot fire fee of \$0.30 and \$0.25, respectively.

The projected development in the Fee Program boundaries does not include age-restricted or office development. The Fee Program calculates fees for both age-restricted and office development, however, so that fees may be administered for such uses should they develop in the future. The fee for age-restricted residential units is \$300 per unit, and the fee for office development is \$0.43 per building square foot. A summary of fees by land use category is shown in **Table 1** (see **Chapter I**).

This Fee Program establishes fees for general residential and nonresidential land use categories. Instances may occur in which it is difficult to determine whether a specific nonresidential land use falls in the commercial or industrial category. **Table 14** (see **Chapter VI**) provides a matrix of general and specific land use categories that is meant to be used as a guide for administering fees in this Fee Program.

Table 13
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Fire Facility Cost Allocation and Fee Calculation (2004\$)

| Land Use Type | Percent of Total DUEs | Fire Facility Cost Allocation | Residential Units/ Non-Res Sqft | Fire Cost Per Unit/ Sqft | Administration Cost | | Total Fire Fee |
|-----------------------------|-----------------------|-------------------------------|---------------------------------|--------------------------|-------------------------------------|-------------------|----------------|
| | | | | | EGCSD | City of Elk Grove | |
| | | | | | 1.5% | 1.5% | |
| Residential | | | | <i>Per Unit</i> | <i>Rounded up to nearest dollar</i> | | |
| Single-Family | 56.59% | \$2,482,718 | 5,545 | \$448 | \$7 | \$7 | \$462 |
| Multifamily | 10.93% | \$479,380 | 1,606 | \$298 | \$4 | \$4 | \$306 |
| Total New Residents | 67.52% | \$2,962,099 | 7,151 | | | | |
| Nonresidential | | | | <i>Per Sqft</i> | | | |
| Commercial | 11.52% | \$505,179 | 1,730,569 | \$0.29 | \$0.004 | \$0.004 | \$0.30 |
| Industrial | 20.96% | \$919,686 | 3,866,204 | \$0.24 | \$0.004 | \$0.004 | \$0.25 |
| Total Nonresidential | 32.48% | \$1,424,865 | 5,596,772 | | | | |
| TOTAL | 100.00% | \$4,386,964 | | | | | |

"fire cost alloc"

[1] Calculated using residential and nonresidential fire DUEs from the *Elk Grove/West Vineyard Public Facilities Financing Plan Development Fee Program, 1998/99 Update.*

VI. IMPLEMENTATION

This chapter details several considerations regarding the implementation and ongoing administration of the Fee Program. Implementation of the proposed park and fire fees will require actions by both the EGCSO and the City.

The proposed fees presented in this report are based on the best development cost estimates, administrative cost estimates, and land use information available at this time.

If costs change significantly in either direction, if the type or amount of new projected development changes, if other assumptions significantly change, or if other funding becomes available, the Fee Program should be updated accordingly.

After the fees presented in this report are established, EGCSO should conduct periodic reviews of the facility costs and other assumptions used as the basis of this Nexus Study. Based on these reviews, EGCSO may make necessary updates to the Fee Program.

The cost estimates presented in this report are in constant 2004 dollars. When EGCSO does not update the fees by reviewing facility costs or other assumptions, the costs and fees will be automatically adjusted for inflation as outlined in this chapter.

IMPLEMENTING ORDINANCES/RESOLUTIONS

The Nexus Study and proposed fees need to be approved by the EGCSO Board of Directors. If acceptable, the EGCSO Board would forward the study to the City and request the City prepare an ordinance and fee resolution to adopt the fee. The ordinance authorizing collection of the fee and resolution establishing the fee would need to be adopted by the Elk Grove City Council. At the first hearing City Council would conduct a public hearing and hear the first reading of the fee ordinance. The second reading of the ordinance would be scheduled for a subsequent City Council meeting. The fee will become effective sixty days following the second reading of the ordinance.

FEE COLLECTION AND EXEMPTIONS

The City will collect the park and fire fees on behalf of the EGCSO. The 3 percent administrative portion of the fee will be divided in half with the EGCSO and the City, each retaining 1.5 percent of the administrative portion of the fee.

All new development that occurs in the Fee Program boundaries, except specifically exempted herein, shall pay the proposed fee at the time of building permit issuance.

Existing development is exempt from the proposed fee. In addition, with written approval from the EGCSD Board of Directors, any or all portions of the proposed fees may be waived if it can be determined that a proposed project will not impact any facility for which the fees are collected. Written fee waivers may be available on a case-by-case basis for certain temporary structures such as a mobile home used for construction management purposes.

The fee categories specified throughout this report may not be applicable to specialized development projects in the EGCSD. For example, development of a cemetery, golf course, or stadium would not fall under one of the fee categories in this study. Other examples of specialized development projects are projects that increase park and fire usage, but do not include building square footage, such as parking lot expansion. For specialized development projects, the EGCSD, in conjunction with the City, will review park and fire facilities usage rates applicable to the specialized development and decide on an applicable fee.

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

The following land uses also will not be required to pay the park and fire fees established in this Fee Program.

PUBLIC AGENCIES

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

REPLACEMENT/RECONSTRUCTION

- Any replacement or reconstructions (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 other act of natural disaster shall be exempt from the park and fire fees set forth in this Fee Program. 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 and fire fees. If a residential structure has been vacant for more than 5 years, the exemption will not apply.

- Any replacement or reconstructions (no change in use) of any nonresidential unit that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or other natural disaster shall be exempt from the park and fire fees set forth in this Fee Program. However, if the building replaced or reconstructed exceeds the documented total floor area of the damaged/destroyed residential structure, the excess square footage is subject to the park and fire fees. If a structure has been vacant for more than 5 years, the exemption will not apply.
- If a residential and/or nonresidential structure is replaced with an alternative land use, such as replacing an office building with a retail building, then EGCSD and City staff will determine the appropriate park and fire fee adjustment to reflect the different use factors of the original and new land uses.

ADDITIONS/ALTERATIONS/MODIFICATIONS/TEMPORARY FACILITIES

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

REIMBURSEMENTS, FEE CREDITS, AND ADJUSTMENTS

As is typical with development impact fee programs, many of the public infrastructure facilities are needed up-front, in advance of when adequate revenue from the fee

collection would be available to fund such improvements. Consequently, some type of private funding is necessary to pay for the public improvements when they are needed. This private financing may be in the form of land secured bonds, developer equity, or other form of private financing.

When this occurs, development impact fee programs need a mechanism to address situations where developers privately fund public facilities that would normally be funded by the fee program. To address this issue, the EGCSD will allow fee credits and reimbursements to provide the necessary link between collection of the proposed park fee and the private construction and dedication of eligible park improvements. Fee credits and reimbursements for fire facilities are not applicable given all fire protection facilities have been completed.

Developers/Landowners who fund construction of park facilities included in this Nexus Study will be eligible for fee credits/reimbursements against the appropriate fee or fees. Fee credits/reimbursements will be available for the facility construction cost as shown in this Nexus Study or actual costs if the Fee Program is updated to include actual costs. Fee credits/reimbursements will be adjusted each January 1 by the inflation factor used to adjust the Fee Program. Once fee credits have been determined, they will be used at the time the respective fees would be due.

FEE CREDIT/REIMBURSEMENT TO DEVELOPERS

Fee Credit/Reimbursements for constructing park facilities in the Fee Program boundaries will be provided under the following conditions.

1. Developer-installed/acquired improvements shall be considered for reimbursement from the Fee Program. Fee credits and reimbursements will be made from the appropriate Fee Program that otherwise would have funded the facility (e.g., park fee credits out of park fee program).
2. The value of any developer-installed/acquired improvements for reimbursement/fee credit purposes shall not exceed the total cost estimate (as adjusted for inflation) used to establish the amount of the fees in this Nexus Study or actual costs if the Fee Program is updated to include actual costs.
3. The use of accumulated fee revenues shall be used in the following priority order: (1) EGCSD critical projects, and (2) repayment of accrued reimbursement to private developers. A project is deemed to be a "critical project" when failure to complete the project prohibits further development from occurring.

Once all criteria are met, fee credits may be taken against fees when payable at building permit issuance. To obtain fee credits, the park improvement projects must meet all

EGCSD standards and criteria, and developers must apply to EGCSD before payment of fees on the first unit associated with a final subdivision map. EGCSD maintains the flexibility to allocate fee credits in a manner it chooses. Fee credits granted shall be on a per-unit basis for residential development and a per-square foot basis for nonresidential development projects.

Reimbursements will be due to developers who have advance funded a facility (or facilities) in excess of their fair share of that (those) park facility cost (or facilities costs). In this instance, developers would first obtain fee credits, up to their fair share requirement for a facility, and then await reimbursement from fee revenue collections from other fee payers.

Reimbursement priority will be determined on a first in and first out basis. For each park improvement type, EGCSD anticipates prioritizing EGCSD accepted public facilities on a month-by-month basis. For example, if one parks capital improvement project receives EGCSD approval on the second of the month while another receives EGCSD approval on the twentieth of the same month, each of the projects have equal weighting in terms of priority for reimbursement.

When funds are available, reimbursements will be paid to the first developer or group of developers awaiting reimbursement until that developer is paid in full. Then reimbursements accrue to the next developer or group of developers awaiting reimbursement until paid in full.

To obtain reimbursements, developers must enter into a reimbursement agreement with the EGCSD. When funds are available, reimbursements will be paid quarterly, semi-annually, or as otherwise determined by the City and EGCSD. As noted, reimbursements will be paid only after EGCSD acceptance of park improvements. It is important to note that reimbursements are an obligation of the Fee Program and not an obligation of the EGCSD, City General Fund or other operating funds.

In each fee component, excluding administration, developers will be eligible for fee credits/reimbursements up to 100 percent of the fee. Eligible public facility costs, which are used to determine fee credits/reimbursements, will be based on cost schedules in this Nexus Study or actual construction costs if the fees are updated to include the actual costs.

Cost schedules in the Nexus Study will be automatically adjusted annually by the inflation factor described in this chapter.

ANNUAL INFLATION ADJUSTMENT AND PERIODIC FEE REVIEW

The proposed fee will be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in demographics or land use.

In addition to such adjustments, in January of each calendar year, the cost estimates and fees should automatically be adjusted by the average of the change in the San Francisco Construction Cost Index (CCI) and the change in the 20-city CCI as reported in the *Engineering News Record* (ENR) for the twelve-month period ending October of the prior year. For example, the adjustment for January 2005 will be determined by calculating the change from October 2003 to October 2004 in the San Francisco CCI and the change for October 2003 to October 2004 in the 20-city CCI. These two rates of change will be averaged and the resulting value will be the adjustment factor for 2005.

The proposed fee is subject to periodic update based on changes in developable land, cost estimates, or outside funding sources. The EGCSD will periodically review the costs and fee to determine if any updates to the fee are warranted. During the periodic reviews, the EGCSD will analyze these items:

- Changes to the required facilities listed in the Nexus Study;
- Changes in the cost to update and/or administer the fee;
- Changes in costs greater than inflation;
- Changes in assumed land uses; and
- Changes in other funding sources.

Any changes to the fee based on the periodic update will be presented to the City for approval prior to an increase or decrease in the fee.

FEE ADMINISTRATION

The proposed fee will be collected by the City at the time of building permit issuance. EGCSD may use the fees when collected by the City and transferred to EGCSD or may wait until a sufficient fund balance can be accrued. Per Government Code Section 66006, EGCSD is required to deposit, invest, account for, and expend the fees in the prescribed manner.

FIVE-YEAR REVIEW

The fifth fiscal year following the first deposit into the fee account or fund, and every 5 years thereafter, EGCSD and the City are required to make all of the following findings with respect to that portion of the accounts or funds remaining unexpended:

- Identify the purpose for which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete plan area improvements; and
- Designate the approximate dates that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

EGCSD must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings, unless the administrative costs exceed the amount of the refund.

ADDITIONAL LAND USES

The Fee Program establishes fees for general land use categories including single-family and multifamily units, and commercial and industrial development. The projected land uses in Elk Grove upon which these fees are based, do not include age-restricted or office development. Should these types of projects occur within the Fee Program boundaries in the future, fees for both land use types are shown in **Table 1** (See **Chapter I**).

In addition, when implementing the fee, the City will encounter a variety of building permit applications for nonresidential development. **Table 14** includes a list of specific nonresidential land uses and identifies an associated general nonresidential land use category that should be used for applying the fee.

PARK AND FIRE FEE COMPARISONS

This Nexus Study compares single-family park and fire fees proposed for the EGCSD with those charged by other jurisdictions in the Sacramento Region.

The proposed EGCSD single-family park fee was compared to 15 different areas including eight different cities (Davis, Folsom, Dixon, Rocklin, Lincoln, Fairfield, Galt, and Vacaville) and several specific plan areas. The proposed EGCSD single-family fire

Table 14
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
General and Specific Land Use Categories [1]

| Item | Residential | | | Nonresidential | | |
|---------------------------------|--|--|--|---|--|---|
| | Single-Family | Multifamily | Age-Restricted | Commercial | Office | Industrial |
| Primary General Uses | All single-family residential development categories including duplex units. | All multifamily residential development categories including residential buildings with three or more units. | Retirement communities restricted to adults or seniors only. | Commercial Development | Office Development | Industrial Development |
| Additional Specific Uses | | | | Retail Stores Clothing Stores Book Stores Video Rental Stores Drug Stores Professional Services Barber Shops Dry Cleaners Hospitals Movie Theatres Appliance Stores Electronic Stores Home Supply Stores Tire Stores Auto Parts Stores Auto Service Centers Oil Change Service Centers Other Auto-Related Services Restaurants Car Sales Supermarket Gas Station Day/Child Care Private School Hotel/Motel Congregate Care Facility Health Club | Banking Services Insurance Services Real Estate Services Administrative Services In-Office Medical Services In-Office Dental Services | Manufacturing Light Industrial Uses Heavy Industrial Uses Processing Fabricating Assembly Refining Repairing Goods Packaging Goods Treatment Material Treatment Produce Treatment Sheet Metal Treatment Welding Shops Wholesale Lumber Yards Contractor Yards Warehouse Facilities Mini-storage Facilities |

"land_use_def2"

[1] Land use categories are based on *City of Elk Grove Roadway Fee Program Nexus Study*, November 18, 2003.

45

00063

fee also was compared to 15 different areas. Some areas included in the fire fee comparison that were not in the park fee comparison are West Sacramento, South Placer, Loomis, and Sacramento.

Because park fees vary in different areas in Roseville, the fee comparisons include the North and Northwest areas in Roseville which have the lowest and highest fees, respectively, of the areas surveyed in Roseville.

Table C-1 and corresponding **Figure C-1** in **Appendix C** present the single-family fee comparison of park development impact fees for the various communities. The proposed EGCSD Park Development impact fee of \$4,213 per single-family unit falls in the middle range in comparison to the other areas in the Sacramento region. All the fees presented are net of any land acquisition fee, in-lieu fee, or Quimby program, thus the fees shown only include the planning, design, and construction costs for the facilities.

Table C-2 and corresponding **Figure C-2** in **Appendix C** present the single-family fee comparison of fire development impact fees for the various communities. The proposed EGCSD Fire Facility impact fee of \$462 per single-family unit is on the lower end in comparison to the other areas in the Sacramento region.



Economic &
Planning Systems

*Public Finance
Real Estate Finance
Regional Economics
Local Government*

APPENDICES

- APPENDIX A: PARK FACILITIES
CAPITAL IMPROVEMENT PLAN
- APPENDIX B: FIRE FACILITIES
CAPITAL IMPROVEMENT PLAN
- APPENDIX C: SINGLE-FAMILY PARK AND FIRE
FEE COMPARISONS



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDIX A

PARK FACILITIES CAPITAL IMPROVEMENT PLAN

| | |
|-----------|--|
| Table A-1 | Summary of Total Park Improvement Costs |
| Table A-2 | Park Development Unit Costs |
| Table A-3 | Phase II Park Construction |
| Table A-4 | Community Center/Gymnasium Costs |
| Table A-5 | Cost Share Detail For Remaining Development (Phase I, Phase II, and Street Frontage Costs) |
| Table A-6 | Calculation of Park DUEs Remaining in 2003 |
| Table A-7 | Park Facility Cost Allocation and Fee Calculation |

Table A-1
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Summary of Total Park Improvement Costs (2004\$)

| Improvement Type | Source | Cost Per Acre/Unit | <u>East Elk Grove</u> | | <u>Remainder Of Plan Area</u> | | <u>Total</u> | |
|--|---------------------|-----------------------|-----------------------|---------------------|-------------------------------|---------------------|--------------|---------------------|
| | | | Quantity | Total Cost | Quantity | Total Cost | Quantity | Total Cost |
| Phase I - Basic Park Improvements | | | | | | | | |
| Acres (1-3 Acre Sites) | Table A-2 | \$165,200 | 5.9 | \$974,680 | 2.0 | \$330,400 | 7.9 | \$1,305,080 |
| Acres (3-6 Acre Sites) | Table A-2 | \$107,300 | 3.2 | \$343,360 | 9.0 | \$965,700 | 12.2 | \$1,309,060 |
| Acres (6-11 Acre Sites) | Table A-2 | \$88,300 | 8.0 | \$706,400 | 28.6 | \$2,525,380 | 36.6 | \$3,231,780 |
| Acres (11+ Acre Sites) | Table A-2 | \$74,400 | 38.0 | \$2,827,200 | 33.0 | \$2,455,200 | 71.0 | \$5,282,400 |
| Subtotal Basic Park Improvements | | | 55.1 | \$4,851,640 | 72.6 | \$6,276,680 | 127.7 | \$11,128,320 |
| Phase II Park Improvements | | | | | | | | |
| Phase II Construction Costs | Table A-3 | | | \$2,505,000 | | \$2,582,250 | | \$5,087,250 |
| Tot Lots | | \$100,000 | 7.0 | \$700,000 | 8.0 | \$800,000 | 15.0 | \$1,500,000 |
| Subtotal Phase II Costs | | | | \$3,205,000 | | \$3,382,250 | | \$6,587,250 |
| Street Frontage | | | | | | | | |
| Internal Park and Open Space Frontage Roadway Improvements | | | | \$1,483,310 | | \$1,130,393 | | \$2,613,703 |
| Subtotal Street Frontage | | | | \$1,483,310 | | \$1,130,393 | | \$2,613,703 |
| Other Facilities | | | | | | | | |
| Community Center/Gym | Table A-4 | \$10,500,000 | 28% | \$7,560,000 | 72% | \$2,940,000 | 100% | \$10,500,000 |
| Swimming Pool [1] | | \$3,645,833 | 31% | \$1,130,208 | 65% | \$2,369,791 | 96% | \$3,500,000 |
| Fee Nexus Study Update | | | | \$13,750 | 50% | \$13,750 | 50% | \$27,500 |
| Subtotal Other Facilities | | | | \$8,703,958 | | \$5,323,541 | | \$14,027,500 |
| Sports Park | | | | | | | | |
| Bartholomew Sports Park [2] | | \$9,847,000 | 6% | \$590,820 | 13% | \$1,230,875 | 19% | \$1,821,695 |
| Sports Park Debt Financing [3] | | \$7,888,615 | 6% | \$473,317 | 13% | \$986,077 | 19% | \$1,459,394 |
| Subtotal Sports Park | | \$17,735,615 | | \$1,064,137 | | \$2,216,952 | | \$3,281,089 |
| Trail Facilities | | | | | | | | |
| Laguna Creek Trail Crossing at Hwy 99 [4] | | | | - | | \$462,842 | | \$462,842 |
| Power Line Open Space - Trail System | | | | \$441,242 | | - | | \$441,242 |
| Drainage Corridor - Trail System | | | | \$334,789 | | - | | \$334,789 |
| Power Line Open Space - Landscaping | | | | \$350,637 | | - | | \$350,637 |
| Open Space Management Plan | | | | \$28,051 | | - | | \$28,051 |
| Rural Trail System | | | | - | | \$540,000 | | \$540,000 |
| Subtotal Trail Facilities | | | | \$1,154,719 | | \$1,002,842 | | \$2,157,561 |
| TOTAL PARK FACILITY COSTS | | | | \$20,462,764 | | \$19,332,658 | | \$39,795,422 |
| Less Park Fee Account Balance | As of Nov. 30, 2003 | | | (\$2,578,946) | | (\$2,222,608) | | (\$4,801,554) |
| NET PARK FACILITY COSTS | | | | \$17,883,818 | | \$17,110,051 | | \$34,993,869 |

park_cost_sum2

Source: Elk Grove Community Services District

- [1] Swimming pool costs are allocated to Camden, EGWV, and EEG, based on projected buildout population of each area
- [2] Bartholomew Sports Park costs are allocated districtwide, based on projected buildout dwelling units.
- [3] The sports park is assumed to be debt-financed with a loan term of 20 years and an interest rate of 6.5 percent. This is the total amount of interest that will be accrued through the debt financing
- [4] Includes associated crossing trail approach construction through the adjacent church property

Table A-2
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Park Development Unit Costs (2004\$) [1]

| Improvement | Park Size | | | |
|---------------------------------------|------------------|------------------|-----------------|-----------------|
| | 1-3 acres | 3-6 acres | 6-11 acres | 11+ acres |
| Site Improvements | | | | |
| Rough Grading | n/a | n/a | n/a | n/a |
| Grading and Cleaning | \$11,441 | \$10,313 | \$9,539 | \$6,996 |
| Drainage | \$10,567 | \$9,281 | \$7,631 | \$6,286 |
| Turf and Irrigation | \$67,071 | \$43,313 | \$40,132 | \$36,630 |
| Walkways | \$20,173 | \$10,313 | \$4,770 | \$3,465 |
| Trees | \$7,030 | \$3,094 | \$2,862 | \$1,749 |
| Lighting/Signage/Other | \$12,969 | \$6,188 | \$3,816 | \$2,623 |
| Subtotal Site Improvements [2] | \$129,250 | \$82,500 | \$68,750 | \$57,750 |
| Engineering | | | | |
| Survey | \$1,955 | \$1,649 | \$829 | \$673 |
| Engineering and Design | \$16,229 | \$9,530 | \$8,807 | \$6,210 |
| Contract Administration | \$2,089 | \$1,691 | \$1,007 | \$757 |
| Inspection | \$4,179 | \$3,381 | \$1,505 | \$1,271 |
| Drainage Fee - Impervious | \$0 | \$0 | \$1,425 | \$2,486 |
| Drainage Fee - Pervious | \$0 | \$0 | \$0 | \$0 |
| Zone 40 - Open Space Fee Per Acre | \$803 | \$735 | \$971 | \$1,042 |
| Zone 40 - Open Space Fee - pipe dia. | \$10,584 | \$7,751 | \$5,008 | \$4,165 |
| Subtotal Engineering [2] | \$35,948 | \$24,773 | \$19,575 | \$16,620 |
| TOTAL COST PER ACRE [2] | \$165,198 | \$107,273 | \$88,325 | \$74,370 |
| TOTAL COST PER ACRE (ROUNDED) | \$165,200 | \$107,300 | \$88,300 | \$74,400 |

"park unit cost"

Source: Elk Grove Community Services District

[1] Based on bid documents received by EGCSD in January 2004.

[2] Totals may not add because of rounding.

Table A-3
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Phase II Park Construction (2004\$)

| Facility | Cost Per Unit | <u>East Elk Grove</u> | | <u>Remainder Of Plan Area</u> | | <u>Total</u> | |
|----------------------------------|---------------|-----------------------|--------------------|-------------------------------|--------------------|--------------|--------------------|
| | | Quantity | Total | Quantity | Total | Quantity | Total |
| Soccer Fields | \$4,000 | 7 | \$28,000 | 5 | \$20,000 | 12 | \$48,000 |
| Softball Fields | \$35,000 | 2 | \$70,000 | 4 | \$140,000 | 6 | \$210,000 |
| Youth Baseball Fields | \$30,000 | 2 | \$60,000 | 4 | \$120,000 | 6 | \$180,000 |
| Volleyball Courts | \$3,000 | 1 | \$3,000 | 2 | \$6,000 | 3 | \$9,000 |
| Basketball Courts (1/2 Court) | \$30,000 | 0 | \$0 | 3 | \$90,000 | 3 | \$90,000 |
| Shade Shelters | | | | | | | |
| Small | \$21,000 | 6 | \$126,000 | 4 | \$84,000 | 10 | \$210,000 |
| Large | \$28,000 | 3 | \$84,000 | 4 | \$112,000 | 7 | \$196,000 |
| Restrooms | \$105,000 | 3 | \$315,000 | 6 | \$630,000 | 9 | \$945,000 |
| Tennis Courts | \$77,500 | 6 | \$465,000 | 5.5 | \$426,250 | 11.5 | \$891,250 |
| Parking Lot (Stalls) | \$1,500 | 536 | \$804,000 | 636 | \$954,000 | 1,172 | \$1,758,000 |
| Sport Lights | \$550,000 | 1 | \$550,000 | 0 | \$0 | 1 | \$550,000 |
| Total Phase II Park Costs | | | \$2,505,000 | | \$2,582,250 | | \$5,087,250 |

"park Ph2"

Source: Elk Grove Community Services District

A-3

00069

Table A-4
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Community Center/Gymnasium Costs (2004\$)

| Facility/Improvement | Cost Per Unit | Quantity | Total Cost |
|---|---------------|-------------|---------------------|
| Community Center Building | \$350 sqft | 24,000 sqft | \$8,400,000 |
| Gymnasium | \$350 sqft | 6,000 sqft | \$2,100,000 |
| Total Community Center/Gym Cost | | | \$10,500,000 |
| East Elk Grove Share | | 28.0% | \$2,940,000 |
| Remainder Area | | 72.0% | \$7,560,000 |
| Source: Elk Grove Community Services District | | | "comm center" |

**Table A-5
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Cost Share Detail for Remaining Development (Phase I, Phase II,
and Street Frontage Costs - 2004\$)**

| Item | Community Park | Sheldon Lakes Park | Total |
|--|---------------------------|-------------------------------|----------------------|
| Total Costs for Phase I, Phase II and Street Frontage | | | \$20,329,273 |
| Park Acreage | 20.0 | 3.5 | 23.5 |
| <u>Costs for Existing Development</u> | | | |
| Phase I | (\$1,352,000) | (\$375,550) | (\$1,727,550) |
| Phase II | | | |
| Tot Lot | (\$100,000) | (\$100,000) | (\$200,000) |
| Shade Shelters | (\$49,000) | (\$21,000) | (\$70,000) |
| Restroom | (\$105,000) | \$0 | (\$105,000) |
| Tennis Courts | (\$155,000) | \$0 | (\$155,000) |
| Soccer Fields | (\$8,000) | \$0 | (\$8,000) |
| Parking Lot (Stalls) | (\$300,000) | \$0 | (\$300,000) |
| Softball Fields | (\$70,000) | \$0 | (\$70,000) |
| Half-court Basketball | \$0 | (\$30,000) | (\$30,000) |
| Subtotal Phase II | (\$787,000) | (\$151,000) | (\$938,000) |
| Street Frontage | see total | see total | (\$181,940) |
| Total Cost Share for Existing Development | | | (\$2,847,490) |
| Total Cost Share for Remaining Development | | | \$17,481,783 |

"detail_ph1-sf"

Source: EGCSD and EPS

Table A-6
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Calculation of Park DUEs Remaining in 2003

| Land Use Type | New Units/Sqft | Persons per Household | Sqft per Employee | DUE Factor | Total DUEs | Percent of Total DUEs |
|-----------------------------|------------------|-----------------------|-------------------|---------------------------|--------------|-----------------------|
| Residential | | [1] | [2] | <i>per unit</i> | | |
| Single-Family | 5,545 | 3.15 | - | 1.00 | 5,545 | 77.04% |
| Multifamily | 1,606 | 2.10 | - | 0.67 | 1,071 | 14.88% |
| Total Residential | 7,151 | | | | 6,616 | 91.92% |
| Nonresidential [3] | | | | <i>per 1,000 sqft [3]</i> | | |
| Commercial | 1,730,569 | - | 500 | 0.15873 | 275 | 3.82% |
| Industrial | 3,866,204 | - | 1,000 | 0.07937 | 307 | 4.26% |
| Total Nonresidential | 5,596,772 | | | | 582 | 8.08% |
| TOTAL PARK DUEs | | | | | 7,197 | 100.00% |

"park_dues"

[1] Based on value for Elk Grove CDP from 2000 Census.

[2] Source: EPS

[3] Calculation of Nonresidential DUEs:

| Item | Factor | Commercial | Industrial | Formula |
|--------------------------------|--------|------------|------------|---------------------|
| Employees/1,000 sqft. | | 2.0 | 1.0 | <i>a</i> |
| Park User Equivalent | 0.25 | 0.5 | 0.25 | <i>b = 0.25 x a</i> |
| Persons per Single Family Unit | | 3.15 | 3.15 | <i>c</i> |
| DUE Factor per 1,000 sqft. | | 0.1587 | 0.0794 | <i>d = b/c</i> |

Table A-7
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Park Facility Cost Allocation and Fee Calculation (2004\$)

| Land Use Type | Percent of Total DUEs | Park Facility Cost Allocation | Residential Units/ Non-Res Sqft | Park Cost per Unit/ Sqft | Administration Cost | | Total Park Fee |
|-----------------------------|-----------------------|-------------------------------|---------------------------------|--------------------------|---------------------|------------------------|----------------|
| | | | | | EGCSD 1.5% | City of Elk Grove 1.5% | |
| Residential | | | | | | | |
| Single-Family | 77.04% | \$22,681,470 | 5,545 | \$4,090 | \$61 | \$61 | \$4,213 |
| Multifamily | 14.88% | \$4,379,494 | 1,606 | \$2,727 | \$41 | \$41 | \$2,809 |
| Total New Residents | 91.92% | \$27,060,964 | 7,151 | | | | |
| Nonresidential [3] | | | | | | | |
| Commercial | 3.82% | \$1,123,616 | 1,730,569 | \$0.65 | \$0.010 | \$0.010 | \$0.67 |
| Industrial | 4.26% | \$1,255,116 | 3,866,204 | \$0.32 | \$0.005 | \$0.005 | \$0.33 |
| Total Nonresidential | 8.08% | \$2,378,732 | 5,596,772 | | | | |
| TOTAL | | \$29,439,696 | | | | | |

"park_cost_alloc"

A-7

00073



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APPENDIX B

FIRE FACILITIES CAPITAL IMPROVEMENT PLAN

| | |
|-----------|---|
| Table B-1 | Fire Facility Financing |
| Table B-2 | Calculation of Fire DUEs |
| Table B-3 | Fire Facility Cost Allocation and Fee Calculation |

**Table B-1
Elk Grove CSD Park and Fire Fee Nexus Study
Fire Facility Financing (2004\$)**

| Loan | Term | Total Base Costs [1] | Down Payment | Principal Amount | Annual Payment | Total Cost | Remaining Payments |
|---------------------------------|------|----------------------|------------------|--------------------|----------------|--------------------|--------------------|
| Station 73 Construction [2] | 20 | \$2,091,206 | \$292,710 | \$1,798,496 | \$141,612 | \$2,832,240 | \$2,223,870 |
| Station 76 Construction | 20 | \$2,201,819 | \$105,712 | \$2,096,107 | \$187,748 | \$3,754,960 | \$3,285,586 |
| Station 76 Apparatus | 7 | \$510,000 | \$0 | \$510,000 | \$83,519 | \$584,633 | \$501,109 |
| Station 76 Land Cost [3] | n/a | \$198,211 | \$198,211 | \$0 | \$0 | \$198,211 | \$0 |
| Total Financing Required | | \$5,001,236 | \$596,633 | \$4,404,603 | n/a | \$7,370,044 | \$6,010,565 |

| | |
|--|--------------------|
| <i>Total Financing Required</i> | \$7,370,044 |
| <i>Less Amounts Paid to Date</i> | \$1,359,479 |
| <i>Remaining Payments</i> | \$6,010,565 |
| <i>Less Fire Fee Account Balance as of 11/30/03 (i.e., Cash on Hand)</i> | (\$1,623,601) |
| Remaining Cost to be Funded by Fee Revenue | \$4,386,964 |

"net fire cost"

Source: Elk Grove Community Services District

- [1] Both fire stations have already been constructed; total cost was advance funded by the EGCSO.
 [2] Site acquisition for Station 73 is funded by monies received from the County of Sacramento for the acquisition of the Sheriff's substation site from the EGCSO. The district paid for the fire apparatus with general fund revenues.
 [3] Land acquisition was 100% funded by cash.

B-1

00075

Table B-2
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Calculation of Fire DUEs

| Land Use Type | New Units/Sqft | DUE Factor Per Unit/Sqft | Total DUEs Per Unit / 1,000 Sqft | Percent of Total DUEs |
|----------------------------------|------------------|--------------------------|----------------------------------|-----------------------|
| Residential | <i>Units</i> | <i>Per Unit</i> | | |
| Single-Family | 5,545 | 1.00 | 5,545 | 56.59% |
| Multifamily | 1,606 | 0.67 | 1,071 | 10.93% |
| Total Residential DUEs | 7,151 | | 6,616 | 67.52% |
| Nonresidential | <i>Sqft.</i> | <i>Per Bldg Sqft [1]</i> | | |
| Commercial | 1,730,569 | 0.00065 | 1,128 | 11.52% |
| Industrial | 3,866,204 | 0.00053 | 2,054 | 20.96% |
| Total Nonresidential DUEs | 5,596,772 | | 3,182 | 32.48% |
| Total Fire DUEs | | | 9,798 | 100.00% |

"Fire DUEs"

Source: Elk Grove/West Vineyard Public Facilities Financing Plan, 1999.

[1] Calculation of DUE per 1,000 sqft:

| Nonresidential Land Use Type | Total DUEs | Floor Space (Sqft Per Acre) | DUEs Per Bldg Sqft |
|------------------------------|------------|-----------------------------|--------------------|
| Commercial | 7.1 | 10,890 | 0.00065 |
| Industrial | 8.1 | 15,246 | 0.00053 |

**Table B-3
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Fire Facility Cost Allocation and Fee Calculation (2004\$)**

| Land Use Type | Percent of Total DUEs | Fire Facility Cost Allocation | Residential Units/ Non-Res Sqft | Fire Cost Per Unit/ Sqft | Administration Cost | | Total Fire Fee |
|-----------------------------|-----------------------|-------------------------------|---------------------------------|--------------------------|-------------------------------------|-------------------|----------------|
| | | | | | EGCSD | City of Elk Grove | |
| | | | | | 1.5% | 1.5% | |
| Residential | | | | <i>Per Unit</i> | <i>Rounded up to nearest dollar</i> | | |
| Single-Family | 56.59% | \$2,482,718 | 5,545 | \$448 | \$7 | \$7 | \$462 |
| Multifamily | 10.93% | \$479,380 | 1,606 | \$298 | \$4 | \$4 | \$306 |
| Total New Residents | 67.52% | \$2,962,099 | 7,151 | | | | |
| Nonresidential | | | | <i>Per Sqft</i> | | | |
| Commercial | 11.52% | \$505,179 | 1,730,569 | \$0.29 | \$0.004 | \$0.004 | \$0.30 |
| Industrial | 20.96% | \$919,686 | 3,866,204 | \$0.24 | \$0.004 | \$0.004 | \$0.25 |
| Total Nonresidential | 32.48% | \$1,424,865 | 5,596,772 | | | | |
| TOTAL | 100.00% | \$4,386,964 | | | | | |

"fire cost alloc"

[1] Calculated using residential and nonresidential fire DUEs from the *Elk Grove/West Vineyard Public Facilities Financing Plan Development Fee Program, 1998/99 Update.*

B-3

00077



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APPENDIX C

SINGLE-FAMILY PARK AND FIRE FEE COMPARISONS

- Table C-1 Comparison of Park Development Fees
Figure C-1 Comparison of Single-Family Park Development Fees
- Table C-2 Comparison of Fire Development Fees
Figure C-2 Comparison of Single-Family Fire Development Fees

January 2004

Table C-1
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Comparison of Park Development Fees

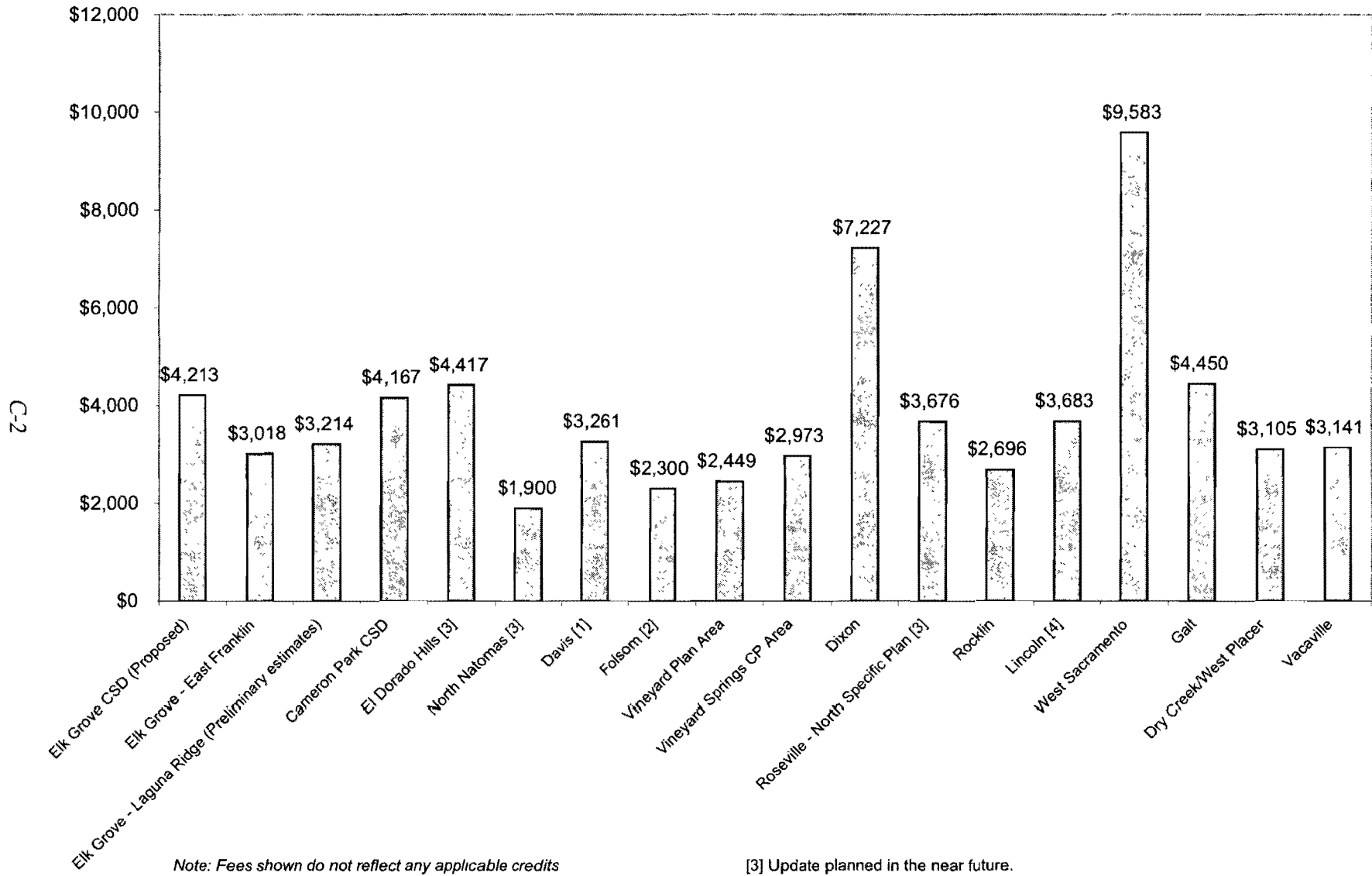
| Jurisdiction/Plan Area | Rate Per Single Family Unit |
|--|--|
| Elk Grove CSD (Proposed) | \$4,213 |
| Elk Grove - East Franklin | \$3,018 |
| Elk Grove - Laguna Ridge (Preliminary estimates) | \$3,214 |
| Cameron Park CSD | \$4,167 |
| El Dorado Hills [3] | \$4,417 |
| North Natomas [3] | \$1,900 |
| Davis [1] | \$3,261 |
| Folsom [2] | \$2,300 |
| Vineyard Plan Area | \$2,449 |
| Vineyard Springs CP Area | \$2,973 |
| Dixon | \$7,227 |
| Roseville - North Specific Plan [3] | \$3,676 |
| Rocklin | \$2,696 |
| Lincoln [4] | \$3,683 |
| West Sacramento | \$9,583 |
| Galt | \$4,450 |
| Dry Creek/West Placer | \$3,105 |
| Vacaville | \$3,141 |

"park fees"

Note: Fees shown do not reflect any applicable credits.

- [1] Excludes open space component.
- [2] Excludes a community center component, includes \$82 park equipment fee.
- [3] Update planned in the near future.
- [4] Includes parks portion of the Community Services Fee, park tax, and minimum park in-lieu fee.

**Figure C-1
Comparison of Single-Family Park Development Fees**



Note: Fees shown do not reflect any applicable credits

[1] Excludes open space component.

[2] Excludes a community center component, includes \$82 park equipment fee.

[3] Update planned in the near future.

[4] Includes parks portion of the Community Services Fee, park tax, and minimum park in-lieu fee.

January 2004

**Table C-2
EGCSD Eastern Elk Grove Park and Fire Facilities Fee Nexus Study
Comparison of Fire Development Fees**

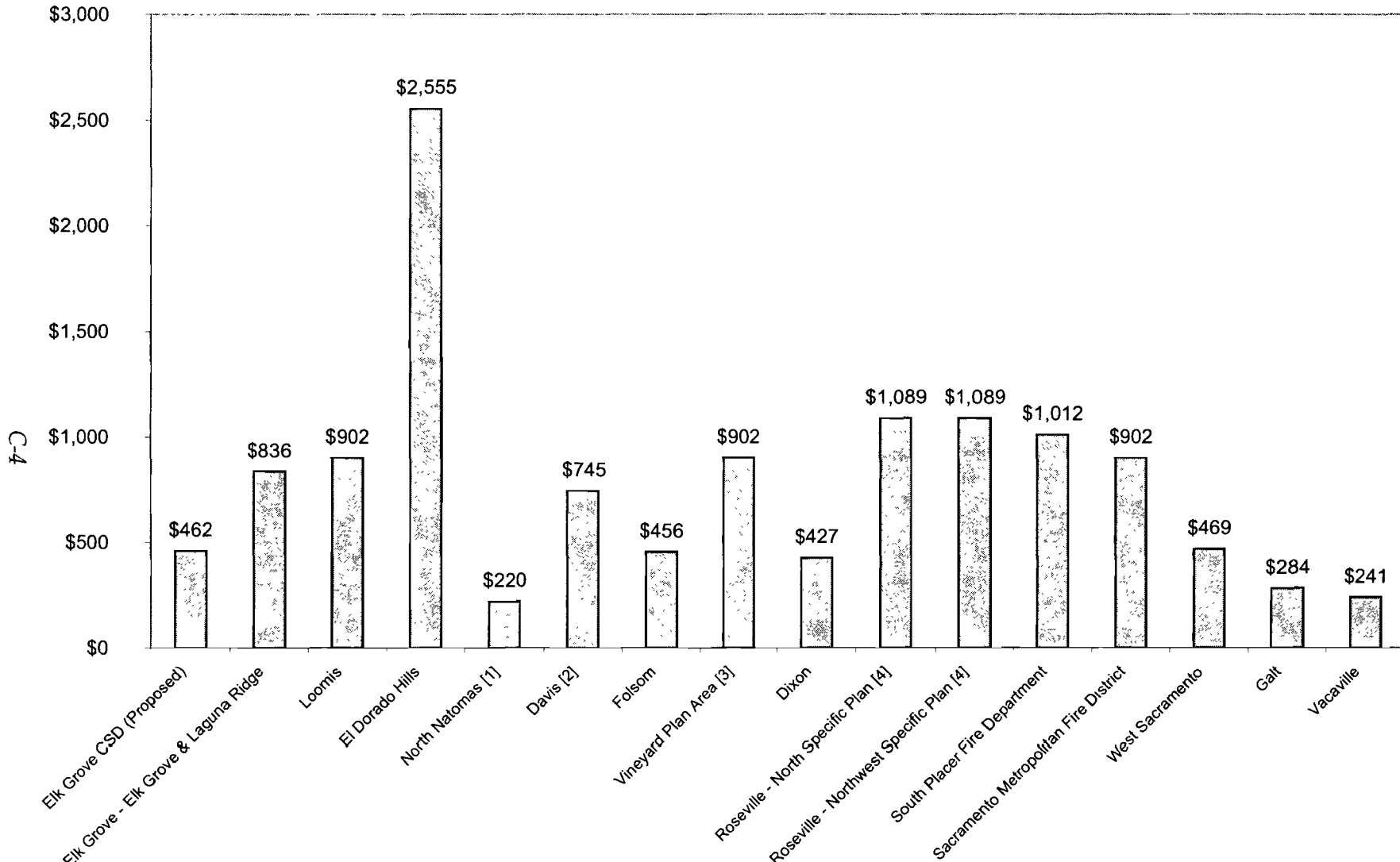
| Jurisdiction/Plan Area | Rate for a 2,200 Sqft Single Family Unit |
|---|---|
| Elk Grove CSD (Proposed) | \$462 |
| Elk Grove - Elk Grove & Laguna Ridge | \$836 |
| Loomis | \$902 |
| El Dorado Hills | \$2,555 |
| North Natomas [1] | \$220 |
| Davis [2] | \$745 |
| Folsom | \$456 |
| Vineyard Plan Area [3] | \$902 |
| Dixon | \$427 |
| Roseville - North Specific Plan [4] | \$1,089 |
| Roseville - Northwest Specific Plan [4] | \$1,089 |
| South Placer Fire Department | \$1,012 |
| Sacramento Metropolitan Fire District | \$902 |
| West Sacramento | \$469 |
| Galt | \$284 |
| Vacaville | \$241 |

"fire fees"

Note: Fees shown do not reflect any applicable credits.

- [1] Fire facility portion of the Public Facilities Fee escalated based on the City's 2003 inflation adjustment.
- [2] A portion of the fire facilities may be funded through a Mello-Roos CFD, amount shown does not include any applicable CFD credits.
- [3] Served by the Sacramento Metropolitan Fire District.
- [4] Fee is 0.50% of building valuation. Valuation is assumed to be \$218,000 for a 2,200 square foot home with a 600 square foot garage, which is based on City schedules.

**Figure C-2
Comparison of Single-Family Fire Development Fees**



Note: Fees shown do not reflect any applicable credits

- [1] Fire facility portion of the Fee escalated based on the City's 2003 inflation adjustment.
- [2] A portion of the fire facilities may be funded through a Mello-Roos CFD; amount shown does not include any applicable CFD credits.

[3] These areas are served by the Sacramento Metropolitan Fire District.

[4] Fee is 0.50% of building valuation. Valuation is assumed to be \$218,000 for a 2,200-square-foot home with a 600-square-foot garage, which is based on City schedules.