



*City of Dixon, CA*

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*Development Impact  
Fee Study Report*

*Final Draft – June 26, 2007*



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## EXECUTIVE SUMMARY

The City of Dixon has retained Colgan Consulting Corporation to prepare this study to analyze the impact of development on certain capital facilities and to calculate impact fees based on that analysis. The methods used to calculate impact fees in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

### ORGANIZATION OF THE REPORT

Chapter 1 of this report provides an overview of impact fees. It discusses legal requirements for establishing and imposing such fees, as well as methods used in this study to calculate the fees. Chapter 2 contains information on existing and future development in the study area used for this analysis, and organizes that data in a form that can be used in the impact fee analysis.

Chapters 3 through 10 analyze the impacts of development and calculate impact or in-lieu fees for specific facility types, as follows:

- |   |  |
|---|--|
| Ch. 3. Park Improvements                  | Ch. 7. Administrative Facilities       |
| Ch. 4. Community & Recreation Centers     | Ch. 8. Public Works Facilities/Equip't |
| Ch. 5. Police Facilities and Equipment    | Ch. 9. Transportation Improvements     |
| Ch. 6. Fire Protection Facilities/Equip't | Ch. 10. Agricultural Land Mitigation   |

Chapter 11 discusses implementation of the impact fee program including legal requirements and procedures for implementing the impact fee program under California law.

### FUTURE DEVELOPMENT

Forecasts of future development for this study are intended to represent all additional development potential for undeveloped land in the City Limits under the current General Plan. Data presented in Chapter 2 of this report indicate that the land available for future development in the City represents the potential for a population increase of 42% to 25,000 and an employment increase of 282%.

### IMPACT FEE ANALYSIS

Each type of facility addressed in this report is analyzed individually. In each case, the relationship between development and the need for facilities is quantified in a way that allows impact of development on facility needs to be measured. Impact

fees calculated in this report are based on the cost of facilities needed to mitigate those impacts. Impact fees calculated in this study are summarized at the end of this Executive Summary. The following paragraphs briefly discuss factors considered in the analysis of each facility type. Impact fees calculated in this study are intended to apply to all development within the City Limits.

**Park Improvements.** Chapter 3 updates the City's park improvement impact fee. The fee is based on the City's adopted standard of 5 acres of developed parks per thousand residents and the current estimated cost per acre for park improvements. As noted below, a separate impact fee for community and recreation centers is proposed in this study. Previously, the park impact fees covered both parks improvements and recreation facilities. This study assumes that parks will be funded on a pay-as-you-go basis, so no financing costs are included in the impact fees. The impact of additional development is measured by population growth, so this fee will apply only to residential development.

**Community and Recreation Centers.** This study proposes a new impact fee for Community and Recreation Centers, which is addressed in Chapter 4. Those facilities are currently funded from the City's park impact fee. The fee is based on new development's proportionate share of the cost of all existing and planned Community and Recreation Centers in the City, and this study assumes that future facilities will be funded on a pay-as-you-go basis, so no financing costs are included in the impact fees. As with the park impact fee, the impact of additional development is measured by population growth, and this fee will apply only to residential development.

**Police Facilities.** Chapter 5 addresses impact fees for police facilities. Those fees are based on new development's proportionate share of the cost of the City's Police building, including the planned second floor expansion and first floor remodel. Costs for additional police vehicles needed to serve future development are also included in the fee analysis. Project costs used in the impact fee calculations include some financing costs as discussed in Chapter 5. The impact of new development on the need for Police Department facilities and vehicles is measured in terms of "functional population," which includes both residents and employees. Residents are used to represent residential development, while employees are used to represent non-residential development. The police impact fees are intended to apply to all types of development in the City.

**Fire Protection Facilities.** Chapter 6 addresses impact fees for fire protection facilities. Those fees are based on new development's proportionate share of the

cost of existing and planned facilities, including existing Fire Station No. 1, planned Fire Station No. 2, and planned expansions of the Fire Station No. 1 office and training center. A proportionate share of the depreciated replacement cost of the Fire Department's existing firefighting apparatus and vehicles is also included in the impact fees. Project costs used in the impact fee calculations include some financing costs as discussed in Chapter 6. The impact of new development on the need for Fire Department facilities, apparatus, and vehicles is measured in terms of "functional population," which includes both residents and employees, as discussed in the previous section. The fire impact fees are intended to apply to all types of development in the City.

**Administrative Facilities.** Chapter 7 addresses impact fees for administrative facilities. Those fees are based on new development's proportionate share of the cost of the existing City Hall and Council Chambers, and the planned City Hall expansion. Project costs used in the impact fee calculations include some financing costs as discussed in Chapter 7. The impact of new development on the need for administrative facilities and vehicles is measured in terms of "functional population," which includes both residents and employees, as discussed above. The impact fees for administrative facilities are intended to apply to all types of development in the City.

**Public Works Facilities, Equipment, and Vehicles.** Chapter 8 addresses impact fees for Public Works facilities, equipment, and vehicles. Those fees are based on new development's proportionate share of the cost of expanding the Municipal Services Center and acquiring additional vehicles and equipment needed to maintain facilities serving new development. The share of Public Works facility and equipment costs attributable to the impact of new development was estimated by the Department. Those costs are allocated to new development in proportion to the additional "functional population" related to various types of development. The impact fees for Public Works facilities are intended to apply to all types of development in the City.

**Transportation Improvements.** Chapter 9 addresses impact fees for three categories of transportation improvements: regional, local, and alternative. A separate fee component is calculated for each of the three categories. Costs for planned transportation projects, including street and interchange improvements and traffic signals were estimated by the City's Engineering Department. The share of cost attributable to new development for each project was also estimated by the Engineering Department. New development's share of the cost of regional and local transportation projects was allocated on the basis of peak hour vehicle trips gener-

ated by each type of new development. Those fees will apply to all new development in the City. New development's share of the cost of alternative transportation projects was allocated on the basis of population, and will apply only to residential development. All transportation projects are assumed to be funded on a pay-as-you-go basis, so no financing costs are included in the impact fees.

**Agricultural Land Mitigation.** Chapter 10 updates the per-acre cost for agricultural land mitigation in-lieu fees. That fee is used to determine the amount of the in-lieu fee for developers who do not meet the City's agricultural land mitigation policies through outright purchase or acquisition of development easements. The agricultural land mitigation in-lieu fee is not shown in the tables below.

**FEE SUMMARY**

Table ES.1 summarizes the impact fees per unit of development by development type, as calculated in this report. Residential fees are for one dwelling unit. Non-residential fees are for 1,000 square feet (KSF) of building area.

Table ES.1  
Impact Fees per Unit of Development Calculated in This Report

Development Type	Dev Units <sup>1</sup>	Park Imprvmts	Commtly/ Rec Ctrs	Police	Fire	Admin Facilities	Public Works	Reg Transp	Local Transp	Alt Transp	Fee Total
Residential, Single-Family	DU	\$ 6,480	\$ 2,042	\$ 491	\$1,129	\$ 719	\$ 189	\$ 1,743	\$ 596	\$ 1,006	\$ 14,395
Residential, Multi-Family	DU	\$ 5,873	\$ 1,114	\$ 445	\$1,023	\$ 652	\$ 171	\$ 1,220	\$ 417	\$ 912	\$ 11,827
Residential, Second Units	DU	\$ 2,025	\$ 638	\$ 154	\$ 353	\$ 225	\$ 59	\$ 453	\$ 155	\$ 314	\$ 4,376
Highway Commercial	KSF	No Fee	No Fee	\$ 307	\$ 705	\$ 449	\$ 118	\$43,575	\$14,908	No Fee	\$ 60,062
Commercial	KSF	No Fee	No Fee	\$ 307	\$ 705	\$ 449	\$ 118	\$12,079	\$ 4,133	No Fee	\$ 17,791
Office	KSF	No Fee	No Fee	\$ 461	\$1,058	\$ 674	\$ 177	\$ 3,974	\$ 1,360	No Fee	\$ 7,704
Industrial	KSF	No Fee	No Fee	\$ 384	\$ 882	\$ 562	\$ 148	\$ 1,743	\$ 596	No Fee	\$ 4,315

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

This report recommends that the City consider adding a 2.5% administrative fee to the impact fees shown in Table ES.1. Table ES.2 shows the proposed impact fees with the 2.5% administrative fee included.

Table ES.2  
Impact Fees per Unit of Development Calculated in This Report with 2.5% Administrative Fee Added

Development Type	Dev Units	Park Imprvmts	Commtly/ Rec Ctrs	Police	Fire	Admin Facilities	Public Works	Reg Transp	Local Transp	Alt Transp	Fee Total
Residential, Single-Family	DU	\$ 6,642	\$ 2,093	\$ 503	\$1,157	\$ 737	\$ 194	\$ 1,787	\$ 611	\$ 1,031	\$ 14,755
Residential, Multi-Family	DU	\$ 6,020	\$ 1,142	\$ 456	\$1,049	\$ 668	\$ 175	\$ 1,251	\$ 427	\$ 935	\$ 12,123
Residential, Second Units	DU	\$ 2,076	\$ 654	\$ 158	\$ 362	\$ 231	\$ 60	\$ 464	\$ 159	\$ 322	\$ 4,485
Highway Commercial	KSF	No Fee	No Fee	\$ 315	\$ 723	\$ 460	\$ 121	\$44,664	\$15,281	No Fee	\$ 61,564
Commercial	KSF	No Fee	No Fee	\$ 315	\$ 723	\$ 460	\$ 121	\$12,381	\$ 4,236	No Fee	\$ 18,236
Office	KSF	No Fee	No Fee	\$ 473	\$1,084	\$ 691	\$ 181	\$ 4,073	\$ 1,394	No Fee	\$ 7,897
Industrial	KSF	No Fee	No Fee	\$ 394	\$ 904	\$ 576	\$ 152	\$ 1,787	\$ 611	No Fee	\$ 4,423

Note: All impact fees shown in this table are equal to the impact fees in Table ES.1 + 2.5%



Table ES.3 shows the City’s existing impact fees. Titles used for commercial development types are not identical for existing and proposed fees. The “Highway Commercial” development type in the proposed fee schedule is comparable to “Commercial (CH/N)” in the existing fee schedule. “Commercial” in the proposed fee schedule is comparable to “Commercial (CS)” in the existing fee schedule, and “Office” in the proposed fee schedule is comparable to “Commercial (CO)” in the existing fee schedule.

Also note that the proposed fee schedule includes a development type titled “Residential, Second Units.” That development types has no equivalent in the existing fee schedule.

Table ES.3  
Existing Impact Fees per Unit of Development

Development Type	Units	Park Imprvmts	Commy/ Rec Ctrs	Police	Fire	Admin Facilities	Public Works	Reg Transp	Local Transp	Alt Transp	Fee Total
Residential, Single-Family	DU	\$ 8,245	No Fee	\$ 514	\$ 505	\$ 246	\$ 267	No Fee	\$ 458	No Fee	\$ 10,235
Residential, Multi-Family	DU	\$ 7,215	No Fee	\$ 222	\$ 526	\$ 103	\$ 111	No Fee	\$ 366	No Fee	\$ 8,543
Commercial (CH/N)	KSF	No Fee	No Fee	\$ 180	\$ 830	\$ 100	\$ 110	No Fee	\$ 3,850	No Fee	\$ 5,070
Commercial (CS)	KSF	No Fee	No Fee	\$ 180	\$ 830	\$ 100	\$ 110	No Fee	\$ 1,050	No Fee	\$ 2,270
Commercial (CO)	KSF	No Fee	No Fee	\$ 180	\$ 830	\$ 100	\$ 110	No Fee	\$ 920	No Fee	\$ 2,140
Industrial	KSF	No Fee	No Fee	\$ 180	\$ 830	\$ 100	\$ 110	No Fee	\$ 240	No Fee	\$ 1,460

Note: Development types for existing fees differ from those used for proposed fees in the previous tables; Commercial (CH/N) in this table; equates to Highway Commercial in the previous tables; Commercial (CS) in this table equates to Commercial in the previous table; Commercial (CO) equates to Office in the previous tables; existing square foot fees are converted to fees per 1,000 square feet (KSF) for comparison with proposed fees

Finally, Table ES.4 shows the difference in the dollar amount between the existing fees and the proposed fees (including the administrative fee) in Table ES.2. Amounts in parentheses indicate a reduction from the existing fee schedule to the proposed fee schedule.

Table ES.4  
Difference Between Fees Shown in Table ES.2 and Existing Impact Fees

Development Type	Units	Park Imprvmts	Commy/ Rec Ctrs	Police	Fire	Admin Facilities	Public Works	Reg Transp	Local Transp	Alt Transp	Fee Total
Residential, Single-Family	DU	\$(1,603)	\$ 2,093	\$ (11)	\$ 652	\$ 491	\$( 73)	\$ 1,787	\$ 153	\$ 1,031	\$ 4,520
Residential, Multi-Family	DU	\$(1,195)	\$ 1,142	\$ 234	\$ 523	\$ 565	\$ 64	\$ 1,251	\$ 61	\$ 935	\$ 3,580
Commercial (CH/N)	KSF	No Fee	No Fee	\$ 135	\$( 107)	\$ 360	\$ 11	\$ 44,664	\$ 11,431	No Fee	\$ 56,494
Commercial (CS)	KSF	No Fee	No Fee	\$ 135	\$( 107)	\$ 360	\$ 11	\$ 12,381	\$ 3,186	No Fee	\$ 15,966
Commercial (CO)	KSF	No Fee	No Fee	\$ 293	\$ 254	\$ 591	\$ 71	\$ 4,073	\$ 474	No Fee	\$ 5,757
Industrial	KSF	No Fee	No Fee	\$ 214	\$ 74	\$ 476	\$ 42	\$ 1,787	\$ 371	No Fee	\$ 2,963

Some of the changes between existing and proposed fees deserve explanation. The reduction in the impact fee for park improvements is offset by the new fee for Community and Receptions Centers, which were previously funded by the park impact fee.

In some cases, proposed fees are slightly lower than existing fees, which is explained by the fact that some existing fees are identical for all commercial and industrial categories while this study measures the impact of various development types individually.

The most significant change between existing and proposed fees is in the area of transportation impact fees. New fees have been added for regional transportation improvements, i.e., interchanges, and for alternative transportation. Alternative transportation facilities include the Transportation Center and transit vehicles. Costs for regional transportation facilities are high, and the resulting fees are substantial. In addition, costs for both regional and local transportation facilities are allocated using different vehicle trip generation rates than were used for the existing fees. The effect is to place more of the cost burden on highway commercial development, which generates the highest volumes of traffic—especially on the interchanges.

## CHAPTER 1 INTRODUCTION

The City of Dixon has retained Colgan Consulting Corporation to prepare this study to analyze the impacts of development on the City's capital facilities needs and to calculate development impact fees based on that analysis. The methods used to calculate impact fees in this study are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution, the Mitigation Fee Act (Govt. Code §§ 66000 *et seq.*), and the Quimby Act (Govt. Code § 66477).

### LEGAL FRAMEWORK

**U. S. Constitution.** Like all land use regulations, development exactions, including impact fees, are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against "regulatory takings." A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest, and must not deprive the owner of all economically viable use of the property. In the case of impact fees, the government's interest is in protecting public health, safety, and welfare by ensuring that development is not detrimental to the quality and availability of essential public services provided to the community at large. Legislatively enacted impact fees are not subject to the same level of judicial scrutiny as exactions involving the dedication of land or an interest in land or fees imposed as a condition of approval on a single development project. In those cases, heightened scrutiny applies, and a higher standard must be met. The U. S. Supreme Court has found that a government agency must demonstrate an "essential nexus" between such exactions and the interest being protected (See *Nollan v. California Coastal Commission*, 1987). The agency must also demonstrate that the exaction imposed is "roughly proportional" to the burden created by development. (See *Dolan v. City of Tigard*, 1994).

Local legislative bodies are accorded considerable discretion by the courts when enacting impact fees that apply to all development projects in a jurisdiction. However, even where heightened scrutiny does not apply, an agency enacting impact

fees should take care to demonstrate a nexus and ensure proportionality in the calculation of its fees.

**California Constitution.** Article I, Section 19 of the California Constitution contains language similar to the Fifth Amendment “taking” clause. However, the California Constitution also grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for imposing impact fees on development to pay for infrastructure and capital facilities. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIII A. However, that objection is valid only if the fees exceed the cost of providing capital facilities needed to serve new development. If that were the case, then the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act. Articles XIII C and XIII D, added by Proposition 218 in 1996, require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges as a condition of property development.”

**The Mitigation Fee Act.** California’s impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature, and took effect in January, 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time the impact fee statute has been amended from time to time, and in 1997 was officially titled the “Mitigation Fee Act.” Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include “public improvements, public services and community amenities.” Although the issue is not specifically addressed in the Mitigation Fee Act, other provisions of the Government Code (see Section 65913.8) prohibit the use of impact fees for maintenance or operating costs. Consequently, the fees calculated in this report are based on capital costs only.

The Mitigation Fee Act does not use the term “mitigation fee” except in its official title. Nor does it use the more common term “impact fee.” The Act simply uses the word “fee,” which is defined as “a monetary exaction, other than a tax or special assessment,...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project ....” To avoid confusion with other types of fees, this report uses the widely-accepted term

“impact fee,” which should be understood to mean “fee” as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and require annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the Implementation Chapter of this report.

**Required Findings.** Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:
  - a. The use of the fee and the development type on which it is imposed;
  - b. The need for the facility and the type of development on which the fee is imposed; and
  - c. The amount of the fee and the facility cost attributable to the development project. (Applies only when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

**Identifying the Purpose of the Fees.** The broad purpose of impact fees is to protect the public health, safety and general welfare by providing for adequate public facilities and equipment. The specific purpose of the fees calculated in this study is to fund the construction of certain capital improvements identified in this report. Those improvements will be needed to mitigate the impacts of anticipated development on City facilities, and thereby prevent the degradation of public services as the City grows. Findings with respect to the purpose of a fee should state the purpose as providing funding for public facilities needed to serve additional development.

**Identifying the Use of the Fees.** According to Section 66001, if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose, but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case,

we recommend that this report be used as the document that identifies the facilities to be funded by the fees.

***Reasonable Relationship Requirement.*** As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

These three reasonable relationship requirements as defined in the statute mirror the nexus and proportionality requirements widely considered the standard for defensible impact fees. The term "dual rational nexus" is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The "duality" of the nexus refers to (1) an *impact* or need created by a development project subject to impact fees, and (2) a *benefit* to the project from the expenditure of the fees. Although proportionality is reasonably implied in the dual rational nexus formulation it was explicitly required by the Supreme Court in the *Dolan* case, and we prefer to list it as the third element of a complete nexus.

***Demonstrating an Impact.*** All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is occasioned by the development project subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities, based on applicable level-of-service standards. This report contains all of the information needed to demonstrate this element of the nexus.

***Demonstrating a Benefit.*** A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be expended in a timely manner and

the facilities funded by the fees must be available to serve the development projects paying the fees. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available *exclusively* to developments paying the fees. Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are expended expeditiously or refunded. All of those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

***Demonstrating Proportionality.*** Proportionality in impact fees depends on properly identifying development-related facility costs and the calculating the fees in such a way that the impact of development is reflected in the fees. In calculating impact fees, costs for development-related facilities must be allocated in proportion to the facility needs created by different types and quantities of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

***Impact Fees for Existing Facilities.*** It is important to note that impact fees may be used to pay for existing facilities, provided that those facilities are needed to serve additional development and have the capacity to do so, given relevant level-of-service standards. In other words, it must be possible to show that the fees meet the need and benefit elements of the nexus.

***Fees Collected under Development Agreements or Reimbursement Agreements.*** The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code § 66000) or reimbursement agreements (see Govt. Code § 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code § 66477).

## ***IMPACT FEE CALCULATION METHODOLOGY***

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed. Each method has advantages and disadvantages in a particular situation, and to some extent they are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Reduced to its simplest terms, the process of calculating impact fees involves only two steps: determining the cost of development-related capital improvements, and allocating those costs equitably to various types of development. In practice,

though, the calculation of impact fees can become quite complicated because of the many factors involved in defining the relationship between development and the need for facilities.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is measured by a “demand variable,” which is an attribute of development that represents the service demand created by different types and amounts of development. Different variables are used in analyzing different types of facilities. Specific demand variables used in this study are discussed in more detail in subsequent chapters.

The following paragraphs discuss two general approaches to calculating impact fees and how they can be applied.

***Closed-Ended or Plan-Based Approach.*** Closed-ended impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified by a facility plan, while the development is identified by a land use plan that identifies potential development by type and quantity. Facility costs are allocated to various categories of development in proportion to the amount of development and the relative intensity of demand created by each category. To calculate impact fees using this approach, it is necessary to define an end point or “buildout” condition for development, and to determine what facilities will be needed to serve the additional development that occurs from the time of the analysis to buildout. Buildout is a hypothetical condition in which all undeveloped land within the study area has been developed to its expected intensity.

Under this approach, the total cost of eligible facilities is divided by the total units of additional demand (based on the demand variable) to calculate a cost per unit of demand. Then, the cost per unit of demand is multiplied by the units of demand per unit of development (e.g. dwelling units or square feet of building area) in each category to arrive at a cost per unit of development. This method is inflexible in that it is based on the relationship between a particular facility plan and a particular land use plan. If either plan changes significantly, the fees may have to be recalculated.

***Open-Ended Approach.*** This approach can be used where the relationship between facility needs and development can be defined without reference to a particular land use plan or defined buildout condition. This general approach covers



two methods of impact fee calculation. Capacity-based fees are based on the unit cost of system capacity needed by development. Standard-based fees are based on a level of service standard, where the unit cost of maintaining that standard can be determined. Those two methods are discussed in more detail below.

Capacity-based Method. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity demand for each increment of development can be estimated and the facility has adequate capacity available to serve the development. Since the fee calculation does not depend on the type or quantity of development to be served, this method is flexible with respect to changing development plans. Under this method, the cost of unused capacity is not allocated to development, so unused capacity would not be covered by impact fees if it is not absorbed by development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. To produce a schedule of impact fees based on standardized units of development (e.g. dwelling units or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

Standard-based Method. Standard-based fees are calculated using a specified relationship or standard that determines the number of demand units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area.

Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the amount of service or capacity to be provided for each unit of development. The standard-based method is useful where facility needs are defined directly by a service standard, and where unit costs can be determined without reference to the total size or capacity of a facility or system. Parks fit that description. It is common for cities or counties to establish a service standard for parks in terms of acres per thousand residents. In addition, the cost per acre for, say, neighborhood parks can usually be estimated without knowing the size of a particular park or the total acreage of parks in the system.

This approach is also useful for facilities such as libraries, where it is possible to estimate a generic cost per square foot before a building is actually designed. One advantage of the standard-based method is that a fee can be established without

committing to a particular size of facility, and facility size can be adjusted based on the amount of development that actually occurs.

## ***FEES ADDRESSED IN THIS STUDY***

The following types of impact fees are calculated in this report:

- Police
- Fire
- Park Improvements
- Community and Recreation Centers
- Administrative Facilities
- Public Works
- Local Transportation
- Regional Transportation
- Transit
- Agricultural Mitigation

Note: Fees for water, wastewater, and storm drainage were analyzed in previous studies and are not part of the scope of this study.

The impact fee analysis and calculations for each type of facility addressed in this report are presented in separate chapters, beginning with Chapter 3. Chapter 2 discusses development and service demand in the study area.

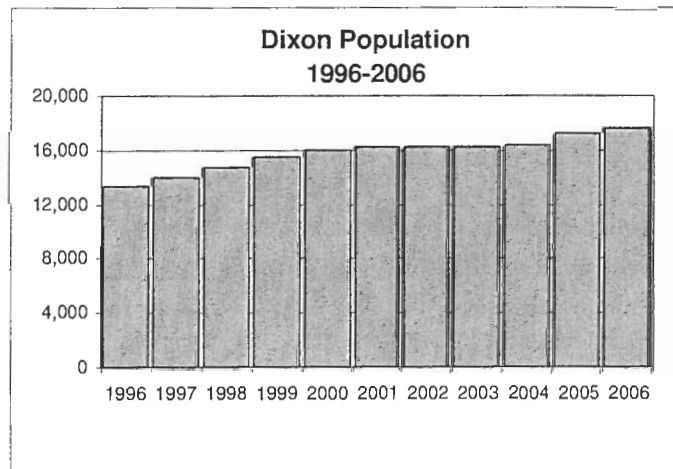
## CHAPTER 2 DEVELOPMENT AND DEMAND DATA

This chapter of the report organizes and correlates information on existing and planned development to provide a framework for the impact fee analysis contained in subsequent chapters of the report. The information in this chapter forms a basis for establishing levels of service, analyzing facility needs, and allocating the cost of capital facilities between existing and future development and among various types of new development.

### POPULATION GROWTH IN DIXON

The chart at right depicts Dixon's estimated January 1 population year-by-year from 1996 through 2006, as estimated by the California Department of Finance (DOF). The 2005 estimate is 17,574. Dixon's "Measure B" residential growth management program, approved by voter initiative in 1985 and formally adopted by ordinance in 2002, limits the number of new dwelling units approved each year to 3% of the dwelling units in the City at the end of the previous year.<sup>1</sup>

As indicated on the chart, official DOF population estimates show rapid increases in the late 1990s followed by several years of flat growth and then faster rates over the last two years of this period.



Current estimates indicate that the planned residential development in the City will accommodate a buildout population of approximately 25,000.

### STUDY AREA AND TIME FRAME

The study area for the impact fee analysis is the area currently within the City Limits. All fees calculated in this report are intended to apply to all construction within the City Limits.

<sup>1</sup> The program contains some exceptions for affordable housing, senior housing and redevelopment.

The timeframe for this study extends from the present to buildout of all land designated for development within the City Limits. The term “buildout” is used to describe a hypothetical condition in which all currently undeveloped land in the City Limits has been developed for the uses designated in the Land Use Element of the General Plan. The time required for buildout depends on the rate at which development occurs. See the previous page for a discussion of population growth and projected buildout.

**DEVELOPMENT TYPES**

Fees are calculated in this study for several broad land use categories, referred to as “development types” in the report. Exhibit 2A lists those development types and their correlation to the land use designations as provided by Figure 1 and page 7 of the General Plan, with the exception of “Residential, Second Unit”. The General Plan land use designations of Exhibit 2A are defined on pages 41-43 and 49-51 of the General Plan, with the exception of “Residential, Second Unit”. The development type “Residential, Second Unit” is defined in section 12.02.01 (D)(42.5) of Chapter 12 of Article II of the Dixon City Code.

With respect to residential development, single-family residential development generally refers to detached dwelling units, while multi-family residential generally refers to attached dwelling units. Mobile homes are treated as multi-family residential units in this study because their impact tends to be lower than for single-family units

**UNITS OF DEVELOPMENT AND CONVERSION FACTORS**

In this study, quantities of existing and planned development are measured in terms of certain units of development. Units that may be used in this study are discussed below.

Exhibit 2A  
Correlation of Development Types to Land Use Designations

Development Type	General Plan Land Use Designations
Residential, Single-Family	Very Low Density Low Density
Residential, Multi-Family	Medium Density - Low Medium Density - High High Density - Seniors
Residential, Second Unit	
Highway Commercial	Highway Commercial Community Commercial
Commercial	Neighborhood Commercial Commercial Services Downtown Core Area Mixed Use
Office	Professional/Administrative Offices
Industrial	General Industrial Planned Business/Industrial Employment Center
Public Facilities	Public Facilities
Parks/Open Space	Parks Open Space
Not Included	Public Utility Corridors Freeways

**Acreage.** Land area is a fundamental attribute of all types of development. Gross acreage, representing the acreage of a development site before street right-of-way is dedicated, is used in this study as the standard unit of development for certain development types.

**Dwelling Units.** The dwelling unit (DU) is the most commonly used measure of residential development, and is the standard unit for residential development in this study.

**Building Area.** For private non-residential development and public facilities, gross building area in thousands of square feet (KSF) is used as the standard unit of development. In some instances, impact fees for non-residential development are converted from fees per KSF to fees per square foot. Building area is used as a demand variable for both residential and non-residential development in the calculation of certain impact fees.

In some cases, it is useful to convert one type of development unit to another. Some types of factors used in those conversions are discussed below.

**Residential Density.** The relationship between dwelling units and acreage is referred to as “density,” and is defined by the average number of dwelling units per acre for a particular type of residential development. The inverse of density is acres per dwelling unit. For example, single family residential development might have a density of 4.0 dwelling units per acre, which equates to 0.25 acres per dwelling unit.

**Floor Area Ratio.** Floor area ratio (FAR) is a factor that represents the relationship between building area and site area for non-residential development. For example, a FAR of 0.25 : 1 (or more commonly just 0.25) indicates that building floor area equals 25% of site area. Translated into square feet, for a floor area ratio of 0.25, each acre (43,560 square feet) of site area would convert to 10,890 (43,560 x 0.25) square feet or 10.89 KSF of building floor area.

## DEMAND VARIABLES

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Certain measurable attributes of development (e.g., population, vehicle trip generation) are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services. Those attributes are referred to in this study as “demand variables.” Demand variables are

selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

For example, the service standard for parks in a community is typically defined as a ratio of park acreage to population. As population grows, more park acreage is needed to maintain the desired standard. Logically, then, population is an appropriate yardstick or demand variable for measuring the impacts of development on a City's park system. Similarly, the need for capacity in a street system depends on the volume of traffic the system must handle. Thus the number of vehicle trips generated by development is an appropriate demand variable to represent the impact of development on the street system.

Each demand variable has a specific value per unit of development for each type of development. Those values may be referred to as *demand factors*. For example, on average, one single-family detached dwelling unit generates about 10 vehicle trip ends per day during the week (see discussion of trip ends below). Consequently, the traffic impact factor for single-family residential development would be 10 trip ends per day per dwelling unit. Other land use categories would have different impact factors. Some of the impact factors used in this study are based on widely-accepted standards (e.g., the trip generation rates), while others are based on local conditions (e.g., population per dwelling unit).

Specific demand variables used in this study are discussed below. The values of demand factors for each land use category are shown in Table 2.1 later in this chapter. In addition to the variables discussed below, building floor area, which is discussed in the previous section, is used as a demand variable in this study.

**Resident Population.** Resident population is used as a demand variable to calculate impact fees for certain types of facilities in this study. Because resident population is tied to residential development only, the value of this variable is zero for all non-residential development types. Persons-per-dwelling unit factors used in this study are based on an analysis of data from the 2000 Census.

**Functional Population.** Functional population (sometimes called "service population") is a composite variable consisting of residents and employees. Unlike resident population, functional population represents demand from both residential and non-residential development, with residents used to represent residential development and employees used to represent commercial, industrial, and other types of non-residential development. If necessary, various components of the functional population can be weighted to reflect differences in the intensity of demand

for the particular types of development they represent. It should be noted that in the formulation of a functional population, the number of employees is used as a proxy for all demand created by businesses, not just the demand created directly by the employees.

**Peak Hour Trips.** Vehicle trip generation in terms of peak hour trips per day is used in this study to measure the impact of development on the City's street system. Peak hour traffic determines the amount of capacity needed to maintain the desired level of service on the street system. Peak hour trip generation rates used to calculate transportation impact fees in this study are based on the City of Dixon traffic model.

Table 2.1 presents demand factors and conversion factors used in this study.

Table 2.1  
Demand Factors

Development Type	Units <sup>1</sup>	Units per Acre <sup>2</sup>	Pop per Unit <sup>3</sup>	Empl per Unit <sup>4</sup>	Pk Hr Trips per Unit <sup>5</sup>
Residential, Single-Family	DU	4.00	3.20		1.00
Residential, Multi-Family	DU	10.00	2.90		0.70
Residential, Second Unit	DU	N/A	1.00		0.26
Highway Commercial	KSF	9.58		2.00	25.00
Commercial	KSF	9.58		2.00	6.93
Office	KSF	9.58		3.00	2.28
Industrial	KSF	10.89		2.50	1.00
Public Facilities	Acres	1.00		40.00	6.00

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Units per acre based on estimated residential densities and non-residential floor area ratios by development type

<sup>3</sup> Population per unit based on data from the 2000 Census, except population per unit for second units which is estimated by the Dixon Community Development Dept.

<sup>4</sup> Employees per unit factors are based on studies by the Southern California Association of Governments (SCAG) and the Sacramento Area Council of Governments (SACOG)

<sup>5</sup> Average daily trips per unit of development based on the Dixon Traffic Model, except the rate for residential second units, which is based on the Institute of Transportation Engineers (ITE) rate for detached elderly housing

## DEVELOPMENT DATA

Table 2.2 shows projections of planned future development in Dixon. The projections in Table 2.2 are based on analysis of the 1993 Dixon General Plan, the Southwest Dixon Specific Plan, the Northeast Quadrant Specific Plan, and addi-

tional information from the Dixon Community Development Department. Projected future development shown in Table 2.2 is intended to represent the expected development potential of currently undeveloped land in the City of Dixon. No projection is available for the number of residential second units. Those units are constructed as accessory uses to a relatively small number of single family dwelling units, and are not expected to change the total amount of future development substantially.

Table 2.2  
Projected Development 2006 to City Limit Buildout

Development Type	Units <sup>1</sup>	Available Acres <sup>2</sup>	Projected Units <sup>3</sup>	Projected Pop <sup>4</sup>	Projected Empl <sup>5</sup>	Projected Pk Hr Trips <sup>6</sup>
Residential, Single-Family	DU	N/A	2,124.00	6,797		2,124
Residential, Multi-Family	DU	N/A	217.00	629		152
Residential, Second Units	DU	N/A	N/A	N/A		N/A
Highway Commercial	KSF	163.78	1,569.01		3,138	39,225
Commercial	KSF	143.10	1,370.90		2,742	9,500
Office	KSF	181.20	1,735.90		5,208	3,958
Industrial	KSF	292.52	3,185.54		7,964	3,186
Public Facilities	Acres	1.28	1.28		51	8
Totals		781.88		7,426	19,103	58,153

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Acres available for future development, provided by the Dixon Community Development Dept.

<sup>3</sup> Projected future units of development: residential units projected by the Dixon Community Development Department; non-residential units = available acres X units per acre from Table 2.1

<sup>4</sup> Projected population growth = number of dwelling units X persons per dwelling unit from Table 2.1

<sup>5</sup> Projected employment growth = non-residential units X employees per unit from Table 2.1

<sup>6</sup> Projected peak hour trip increase = projected units X peak hour trips per unit from Table 2.1

Table 2.3 shows population and employment estimates for January 2006, as well as expected increases related to future development and projected totals at buildout. Table 2.3 also shows the percentage increases in population and employment from 2006 to buildout. As discussed earlier in this chapter, functional population, as shown in the table, is a combination of population and employment.



Table 2.3  
Population and Employment - January 2006 and City Limit Buildout

	2006 Estimate <sup>1</sup>	New Dev Increase <sup>2</sup>	Buildout Forecast <sup>3</sup>	% Increase <sup>4</sup>
Resident Population	17,574	7,426	25,000	42.3%
Dwelling Units	5,561	2,341	7,902	42.1%
Employment	5,680	19,103	24,783	336.3%
Functional Population <sup>5</sup>	23,254	26,529	49,783	114.1%

<sup>1</sup> January 2006 population and dwelling unit estimates from California Dept. of Finance, Demographic Research Unit. Employment estimate from 2005 Dixon Municipal Services Review, adjusted to 2006 by interpolation.

<sup>2</sup> Forecast of added population and employment related to new development; see Table 2.2

<sup>3</sup> Buildout forecast = 2006 estimate + increase related to new development

<sup>4</sup> Percentage increase = new development increase / 2006 estimate

<sup>5</sup> Functional population = resident population + employment

## CHAPTER 3 PARK IMPROVEMENT IMPACT FEES

This chapter identifies park improvements needed to serve additional development in Dixon and calculates impact fees to pay for those improvements. Impact fees for park improvements, like other impact fees calculated in this report are governed by the Mitigation Fee Act (Govt. Code §§66000 et seq.) The fees calculated in this chapter do not include the cost of acquiring park land. They are intended to complement the City’s fees in lieu of park land dedication, which are calculated separately. Those fees are governed by the Quimby Act (Gov’t Code Section 66477) and are based on a formula contained in the City’s Subdivision Ordinance. Community and Recreation Centers are covered in a Chapter 4 of this report.

### SERVICE AREA

Fees calculated in this chapter are intended to apply to all future residential development in the City Limits.

### DEMAND VARIABLE

Level-of-service standards for parks are almost universally based on population. Most park master plans, as well as the Quimby Act, set standards based on the relationship between park acreage and population. Consequently, population is used as the demand variable in calculating park improvement impact fees in this report.

### LEVEL OF SERVICE

The Dixon General Plan policy regarding the level of service for park land in the City specifies a minimum ratio of 5 acres per 1,000 residents. Table 3.1 lists the City’s existing parks and their acreage. Table 3.2 on the next page shows the existing ratio of park acreage to population.

Table 3.1  
Existing and Planned Parks

Park Name	Acres
<b>Existing Parks</b>	
<i>Community Parks</i>	
Hall Memorial Park	42.30
Northwest Park	22.53
<i>Neighborhood Parks</i>	
Patwin Park	4.93
Conejo Park	3.61
Veteran's Park	5.00
<i>Other Parks</i>	
Women's Improvement Club	0.65
Linear Park	1.75
<b>Subtotal Existing Parks</b>	<b>80.77</b>
<b>Planned Parks</b>	
<i>Community Parks</i>	
Southwest Community Park	16.50
Hall Memorial Park (Phase III)	10.00
<i>Neighborhood Parks</i>	
Southwest Neighborhood	3.00
Southwest Community	4.60
<b>Subtotal Planned Parks</b>	<b>34.10</b>
<b>Total Existing/Planned Parks</b>	<b>114.87</b>

Source: City of Dixon Park and Recreation Master Plan

Table 3.2  
Existing Ratio of Park Acreage to Population

Existing Acres <sup>1</sup>	Funded Acres <sup>2</sup>	Base Acres <sup>3</sup>	Existing Population <sup>4</sup>	Acres per Capita <sup>5</sup>	Acres per 1,000 <sup>6</sup>
80.77	4.59	85.36	17,574	0.0049	4.9

<sup>1</sup> See Table 3.1

<sup>2</sup> Additional acres to be improved with \$1.86 million of impact fee revenue on hand

<sup>3</sup> Sum of existing acres and funded acres, used to calculate acres per capita

<sup>4</sup> Existing population as of January 1, 2006 (See Table 2.3)

<sup>5</sup> Acres per capita = base acres / existing population

<sup>6</sup> Acres per thousand population = acres per capita X 1,000

The City's existing ratio of park acreage to population, as indicated in Table 3.2, is 4.9 acres per 1,000 residents. That ratio is close to the 5 acres per 1,000 standard adopted by General Plan policy, which will be used to calculate park improvement impact fees below.

### *METHODOLOGY*

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of demand units to be provided for each unit of development. Impact fees calculated in this chapter are based on the relationship between park acreage and population, as discussed in the previous section on level-of-service standards. Because population is used as the basis for the fee calculations, and population is related to residential development, the fees calculated in this chapter apply only to residential development.

### *FACILITY NEEDS*

The Dixon Park and Recreation Master Plan identifies several future neighborhood and community parks planned for the City. Those parks, which are listed in Table 3.1 on the previous page, would provide enough additional park acreage to serve a buildout population of 22,974 at a ratio of 5 acres per 1,000 residents. If a buildout population of 25,000 is realized, the City would have to acquire and develop another 10.13 acres of park land to maintain the adopted standard.

**PER-CAPITA COST**

Table 3.3 shows the per-capita cost for park improvements, based on estimated per-acre costs and the five-acre standard discussed above. The cost per acre is a weighted average of cost for community parks at \$425,000 per acre and neighborhood parks at \$325,000 per acre. Community parks are more expensive because they include facilities such as ball fields and tennis courts. The weighted average is based on the ratio of neighborhood and community parks in Table 3.1. The per-capita cost will serve as the basis for the subsequent impact fee calculations.

Table 3.3  
Per Capita Cost - Park Improvements

Cost per Acre <sup>1</sup>	Acres per Capita <sup>2</sup>	Cost per Capita <sup>3</sup>
\$405,000	0.005	\$2,025.00

<sup>1</sup> Weighted average cost per acre for neighborhood and community parks improvements by the Dixon Recreation and Community Services Department

<sup>2</sup> Acres per capita at a standard of 5 acres per 1,000 residents

<sup>3</sup> Cost per capita = cost per acre X acres per capita

In the next section, the per-capita costs from Table 3.3 are used to calculate impact fees per unit of development by development type.

**IMPACT FEES PER UNIT OF DEVELOPMENT**

Table 3.4 shows the calculation of park improvement impact fees per unit of development by development type. Those fees are calculated using the per-capita costs from Table 3.3 and the persons per dwelling unit data from Table 2.1.

Table 3.4  
Fees per Unit of Development - Park Improvement Impact Fee

Development Type	Dev Units <sup>1</sup>	Pop per Unit <sup>2</sup>	Cost per Capita <sup>3</sup>	Fee per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$2,025.00	\$ 6,480.00
Residential, Multi-Family	DU	2.90	\$2,025.00	\$ 5,872.50
Residential, Second Unit	DU	1.00	\$2,025.00	\$ 2,025.00

<sup>1</sup> Units of development. DU = dwelling unit

<sup>2</sup> Population per unit of development; see Table 2.1

<sup>3</sup> Cost per capita; see Table 3.3

<sup>4</sup> Fee per unit of development = population per unit X cost per capita

## PROJECTED REVENUE

Potential revenue from the park improvement impact fees calculated in this chapter can be projected by applying the fees per unit from Table 3.4 to forecasted future residential units, as shown in Table 3.5.

Table 3.5  
Projected Revenue - Park Improvement Impact Fees

Development Type	Dev Units <sup>1</sup>	Added Units <sup>2</sup>	Cost per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124	\$ 6,480.00	\$13,763,520
Residential, Multi-Family	DU	217	\$ 5,872.50	\$ 1,274,333
Residential, Second Unit	DU	N/A	\$ 2,025.00	N/A
Total				\$15,037,853

<sup>1</sup> Units of development. DU = dwelling unit

<sup>2</sup> Added units; see Table 2.2; data not available for second units

<sup>3</sup> Fee per Unit; see Table 3.4

<sup>4</sup> Projected revenue = added units X cost per capita

This chapter assumes that park improvements will be funded on a pay-as-you-go basis. The costs used in this chapter are given in current dollars, and the fees calculated above should be indexed, or adjusted annually, to keep pace with changes in price levels. See the Implementation Chapter for more on indexing of fees.

## *CHAPTER 4*

### *COMMUNITY/RECREATION CENTER IMPACT FEES*

This chapter identifies community and recreation center facilities needed to serve additional development in Dixon and calculates impact fees to pay for those facilities. Impact fees for those facilities, like other impact fees calculated in this report are governed by the Mitigation Fee Act (Govt. Code §§66000 et seq.) Park improvements are covered in Chapter 3 of this report.

#### *SERVICE AREA*

Fees calculated in this chapter are intended to apply to all future residential development in the City Limits.

#### *DEMAND VARIABLE*

Dixon's plans for future community and recreation centers are based on the size of the population to be served. Consequently, population is used as the demand variable in calculating impact fees for community and recreation center facilities in this chapter.

#### *LEVEL OF SERVICE*

The City has an existing Senior/Multi-Use Center, an existing Aquatic Center, and an existing Sports Arena. A new Community Center/Aquatic Center will be constructed at the planned Southwest Community Park. The City has also contributed to the cost of a Performing Arts Center being jointly developed by the City and the school district. The City's funds set aside for that facility are treated as a City asset in Table 4.1.

Because various existing and planned facilities have different functions, it is not useful to discuss level of service standards for this analysis in terms of building area. Instead, level of service is defined here in terms of the ratio of facility cost to population. Table 4.1 on the next page shows the average cost per capita for community and recreation center facilities, based on estimated current costs and the City's projected population at buildout. The approach used here is to allocate the costs of all existing and future facilities to all existing and future population, so that the impact fees cover only the proportionate share of cost related to new development

Table 4.1  
Cost per Capita - Community and Recreation Center Facilities

Facility	Estimated Cost <sup>1</sup>	Buildout Population <sup>2</sup>	Cost per Capita <sup>3</sup>
Senior/Multi-Use Center	\$ 1,450,000	25,000	\$ 58.00
Existing Aquatic Center	\$ 2,600,000	25,000	\$ 104.00
Sports Arena	\$ 900,000	25,000	\$ 36.00
Performing Arts Center (City Share)	\$ 1,400,000	25,000	\$ 56.00
SW Community/Aquatic Center	\$ 9,600,000	25,000	\$ 384.00
Totals	\$ 15,950,000	25,000	\$ 638.00

<sup>1</sup> Cost for the Senior/Multi-Use Center = total costs from FY 2006-07 CIP; cost for existing Aquatic Center and Sports Arena, and City share of Performing Arts\ Center provided by the Recreation and Community Services Department; cost for future Southwest Community Aquatic Center based on current estimate

<sup>2</sup> Projected buildout population (See Table 2.3)

<sup>3</sup> Cost per capita = estimated cost / buildout population

## METHODOLOGY

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of demand units to be provided for each unit of development. Impact fees calculated in this chapter are based on the relationship between facility costs and population, as discussed in the previous section on level-of-service. Because population is used as the basis for the fee calculations, and population is related to residential development, the fees calculated in this chapter apply only to residential development.

## FACILITY NEEDS

Existing and planned community and recreation center facilities and costs are shown above in Table 4.1. That list represents all of the facilities planned in Dixon to serve both existing and future development.

## PER-CAPITA COST

Table 4.1, above, shows the per-capita cost for community and recreation center facilities. That per-capita cost will serve as the basis for the subsequent impact fee calculations. In the next section, the per-capita costs from Table 4.1 are used to calculate impact fees per unit of development by development type.

## IMPACT FEES PER UNIT OF DEVELOPMENT

Table 4.2 shows the calculation of community and recreation center impact fees per unit of development by development type. Those fees are calculated using per-capita costs from Table 4.1 and persons per dwelling unit data from Table 2.1.

Table 4.2  
Fees per Unit of Development - Community and Recreation Centers

Development Type	Dev Units <sup>1</sup>	Pop per Unit <sup>2</sup>	Cost per Capita <sup>3</sup>	Fee per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$ 638.00	\$ 2,041.60
Residential, Multi-Family	DU	2.90	\$ 384.00	\$ 1,113.60
Residential, Second Units	DU	1.00	\$ 638.00	\$ 638.00

<sup>1</sup> Units of development. DU = dwelling unit

<sup>2</sup> Population per unit of development; see Table 2.1

<sup>3</sup> Cost per capita; see Table 4.1

<sup>4</sup> Fee per unit of development = population per unit X cost per capita

## PROJECTED REVENUE

Potential revenue from the community and recreation center impact fees calculated in this chapter can be projected by applying the fees per unit from Table 4.2 to forecasted future residential units, as shown in Table 4.3.

Table 4.3  
Projected Revenue - Community and Recreation Center Impact Fees

Development Type	Dev Units <sup>1</sup>	Added Units <sup>2</sup>	Cost per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124	\$ 2,041.60	\$ 4,336,358
Residential, Multi-Family	DU	217	\$ 1,113.60	\$ 241,651
Residential, Second Units	DU	N/A	\$ 638.00	N/A
Total				\$ 4,578,009

<sup>1</sup> Units of development. DU = dwelling unit

<sup>2</sup> Added units; see Table 2.2; data not available for second units

<sup>3</sup> Fee per Unit; see Table 4.2

<sup>4</sup> Projected revenue = added units X cost per capita

The costs, fees, and revenue projections shown in this report are in current dollars. The facility costs used in this analysis are for existing facilities, which are not subject to future cost escalation, while other facility costs are subject to escalation. These fees should be reviewed annually to determine whether inflation adjustments are needed.



## CHAPTER 5 POLICE IMPACT FEES

This chapter addresses police facilities and equipment needed to serve future development in Dixon. For Fiscal Year 2006-07 the Dixon Police Department has 32 authorized personnel: 26 sworn officers and six non-sworn employees. The department also benefits from the services of 11 volunteers.

### *SERVICE AREA*

Given the mobile nature of police services, and the fact that Dixon has only one police facility, the assets addressed in this analysis serve the entire City. The service area used in this analysis is the entire study area and the fees calculated in this chapter are intended to apply to all development in the City Limits.

### *METHODOLOGY*

This chapter calculates impact fees for police facilities using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating the cost of a specified set of facilities to a specified increment of development. The police facilities considered in this study are intended to serve both existing and future development, so costs for those facilities are allocated to all development in the City at buildout. On the other hand, costs for additional patrol vehicles needed to serve demand created by future development are allocated only to future development. The specifics of the fee calculations are discussed later in this chapter.

### *DEMAND VARIABLE*

The demand variable used to allocate costs in this analysis is “functional population.” As discussed in Chapter 2, functional population is a composite variable including both residents and employees, with residents representing residential development and employees representing non-residential (e.g., commercial and industrial) development. The functional population used in this analysis, weights residents and employees equally, because the demand for police services is generally related to the intensity of human activity at a particular location. The structure of the demand variable used in this analysis reflects an existing split of approximately 75% of demand for police services arising from residential development in the City and 25% arising from non-residential development.

## FACILITY NEEDS AND COSTS

Dixon's existing 12,000 square foot police headquarters building was constructed in 1991. The Police Department currently occupies the first floor of the two-story building. The second floor was constructed as a shell to provide for the Department's future space needs. Space on the first floor is fully utilized, and the City budgeted money in Fiscal Year 2006-07 to remodel a portion of the first floor to provide additional work space. Design work for the second floor interior improvements is slated in the Capital Improvement Program for Fiscal Year 2008-09 and construction is expected to begin in 2010.

Table 5.1 shows the costs to be used in this analysis for the existing police building the first floor remodel, and completion of the second floor. The City used bonds to finance the existing police building, and is expected to use bonds to finance much of the second floor interior improvements. Cash reserves are being used to pay for remodeling of the first floor. In order to incorporate appropriate bond interest expense into the impact fee analysis, the costs shown in Table 5.1 for the original police building and for completion of the second floor interior improvements are based on the sum of cash expenditures and debt service payments associated with those projects. The Fiscal Year 2006-07 Capital Improvement Program (CIP) shows the total past and future expenditures for the original police building as \$3,654,469. The estimated cost for the second floor improvements is shown as \$1,695,000. Based on the timing of expenditures shown in the CIP, this study assumes that the \$1,560,000 construction cost will be financed for 20 years at an average interest rate of 5.5%, with 2% of that amount added for issuance costs.

Table 5.1  
Police Department Facilities

Cost Component	Cost Incl Interest <sup>1</sup>
Existing Police Building (1991)	\$ 3,604,000
First Floor Remodel (2006)	\$ 85,000
Second Floor Interior (2010) - Cash	\$ 135,000
Second Floor Interior (2010) - Debt Service	\$ 2,888,945
Total	\$ 6,712,945

<sup>1</sup> Cost including interest is based on total cash expenditures plus actual or projected debt service on bonds used to finance the project. Total cost for the existing police building is shown in the FY 2006-07 CIP. Projected debt service for the second floor interior based on 20-year bonds at 5.5% w/ 2% issuance cost with a principal amount of \$1,560,000. No interest cost included for first floor remodel.

Table 5.2 shows the costs for additional police patrol vehicles that will be needed to serve future development in Dixon.

Table 5.2  
Additional Vehicle and Equipment Needs

Cost Component	No. of Vehicles <sup>1</sup>	Cost per Vehicle <sup>2</sup>	Estimated Cost <sup>3</sup>
New Patrol Vehicles	15	33,000	\$ 495,000
Total			\$ 495,000

<sup>1</sup> Projected requirement for added police vehicles, based on 17 existing vehicles and a projected 91% increase in functional population, which is being used in this study as an indicator of demand for police services

<sup>2</sup> Estimated cost per vehicle provided by the Dixon Police Dept. includes vehicle and officer accessory equipment

<sup>3</sup> Estimated cost of additional patrol vehicles needed to serve the projected demand = no. of vehicles X cost per vehicles

### *PER-CAPITA COST*

Table 5.3 calculates the average cost per capita (based on functional population) for the proposed police department capital assets identified in Tables 5.1 and 5.2. As discussed in the Methodology section above, the police facilities listed in Table 5.1 are intended to serve both existing and future development, so costs for those facilities are divided by the total functional population at buildout to arrive at an average cost per capita. This approach results in impact fees that will recover only future development's share of the cost. The additional patrol vehicles shown in Table 5.2 are needed only to serve future development. Consequently, the cost of those vehicles is allocated only to future development and the impact fees for police vehicles are intended to recover the entire cost of the additional vehicles needed to serve future development.

Table 5.3  
Average Cost per Capita

Cost Component	Estimated Cost <sup>1</sup>	Functional Pop Served <sup>2</sup>	Avg Cost per Capita <sup>3</sup>
Police Facilities	\$ 6,712,945	49,783	\$ 134.84
Added Patrol Vehicles	\$ 495,000	26,529	\$ 18.66
Total	\$ 7,207,945		\$ 153.50

<sup>1</sup> See Tables 5.1 and 5.2

<sup>2</sup> See Table 2.3. Police facilities addressed in this study serve existing and future functional population to buildout; added vehicles serve only functional population related to future development

<sup>3</sup> Average cost per capita = facility cost / functional population

### IMPACT FEES PER UNIT OF DEVELOPMENT

To calculate impact fees per unit of development by development type, the average cost per capita from Table 5.3 is multiplied by the functional population per unit of development for each type of development from Table 2.2. Table 5.4 shows the resulting impact fees for the categories of development defined in this study.

Table 5.4  
Impact Fees per Unit of Development - Police Facilities and Equipment

Development Type	Units <sup>1</sup>	Func Pop per Unit <sup>2</sup>	Avg Cost per Capita <sup>3</sup>	Cost per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$ 153.50	\$ 491.20
Residential, Multi-Family	DU	2.90	\$ 153.50	\$ 445.15
Residential, Second Unit	DU	1.00	\$ 153.50	\$ 153.50
Highway Commercial	KSF	2.00	\$ 153.50	\$ 307.00
Commercial	KSF	2.00	\$ 153.50	\$ 307.00
Office	KSF	3.00	\$ 153.50	\$ 460.50
Industrial	KSF	2.50	\$ 153.50	\$ 383.75
Public Facilities	Acres	40.00	\$ 153.50	\$ 6,140.00

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> See Table 2.1

<sup>3</sup> See Table 5.3

<sup>4</sup> Cost per unit of development = functional population per unit X average cost per capita

## PROJECTED REVENUE

To project revenue from the impact fees calculated in this chapter, the impact fees per unit from Table 5.4 are multiplied by the number of future units projected to buildout, as shown in Table 2.2. The projected revenue is shown in Table 5.5.

Table 5.5  
Projected Revenue - Police Facilities & Equipment Impact Fees

Development Type	Units <sup>1</sup>	Future Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.0	\$ 491.20	\$ 1,043,309
Residential, Multi-Family	DU	217.0	\$ 445.15	\$ 96,598
Residential, Second Unit	DU	N/A	\$ 153.50	N/A
Highway Commercial	KSF	1,569.0	\$ 307.00	\$ 481,683
Commercial	KSF	1,370.9	\$ 307.00	\$ 420,866
Office	KSF	1,735.9	\$ 460.50	\$ 799,382
Industrial	KSF	3,185.5	\$ 383.75	\$ 1,222,436
Total				\$ 4,064,274

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Added future units; see Table 2.2; data not available for second units

<sup>3</sup> Impact fee per unit in current dollars; see Table 5.4

<sup>4</sup> Projected revenue in current dollars = future units X impact fee per unit

Although this analysis accounts for the cost of serving public facilities such as schools, the City has no authority to charge impact fees to other governmental agencies. Consequently, no revenue will be received to offset the capital costs attributed to public facilities.

The costs, fees, and revenue projections shown in this report are shown in current dollars. Some of the costs used in this analysis are for existing facilities, which are not subject to future cost escalation, while costs for future facilities and additional vehicles are subject to escalation. These fees should be reviewed annually to determine whether inflation adjustments are needed.

## *CHAPTER 6*

### *FIRE PROTECTION IMPACT FEES*

This chapter addresses fire protection facilities and equipment needed to serve future development in Dixon. For Fiscal Year 2005-06 the Dixon Fire Department has 21 paid staff and 35-40 volunteers. The Dixon Fire Department serves the City of Dixon and provides contract fire protection services for the Dixon Fire District, which serves rural areas surrounding the City.

#### *SERVICE AREA*

Although the Dixon Fire Department contracts with the Dixon Fire District to serve rural areas surrounding the City, the City-owned facilities and equipment addressed in this analysis are necessary to serve Dixon irrespective of the Fire District contract. (This analysis excludes the cost of water tenders purchased by the Fire District for use in serving rural land.) Thus the service area relevant to this study includes only the City of Dixon, and the fees calculated in this chapter apply only to development in the City Limits.

#### *METHODOLOGY*

This chapter calculates impact fees for fire protection facilities and equipment using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating the cost of a specified set of facilities to a specified increment of development. The facilities and equipment considered in this study are intended to serve both existing and future development, so costs for those facilities are allocated to all development in the City at buildout. The specifics of the fee calculations are discussed later in this chapter.

#### *DEMAND VARIABLE*

The demand variable used to allocate costs in this analysis is “functional population.” As discussed in Chapter 2, functional population is a composite variable including both residents and employees, with residents representing residential development and employees representing non-residential (e.g., commercial and industrial) development. The functional population used in this analysis, weights residents and employees equally. The majority of Fire Department calls for service are for medical aid and demand for fire protection services in the City is generally related to the intensity of human activity at a particular location. The structure of the demand variable used in this analysis reflects an existing split of approximately

75% of demand for fire protection services arising from residential development in the City and 25% arising from non-residential development.

**FACILITY NEEDS AND COSTS**

Dixon’s existing main fire station, Fire Station No. 1 was constructed in 1998 and is located in the northeastern area of Dixon. The City plans to construct a second fire station in the southwestern area. Those two stations are located so as to provide acceptable response times throughout the City. Table 6.1, below, shows the estimated cost of the existing fire station and the estimated cost of the planned second fire station.

Table 6.1 shows the costs to be used in this analysis for the existing and proposed fire stations. The City used bonds to finance the existing fire station, and is expected to use bonds to finance the second fire station. In order to incorporate appropriate bond interest expense into the impact fee analysis, the costs shown in Table 6.1 for the two fire stations are based on the sum of cash expenditures and debt service payments associated with those projects. The Fiscal Year 2006-07 Capital Improvement Program (CIP) shows the total past and future expenditures for Fire Station No. 1 as \$6,422,000. The estimated cost for the second fire station is shown as \$4,695,000. Based on the timing of expenditures shown in the CIP, this study assumes that \$4,500,000 will be financed for 20 years at an average interest rate of 5.5%, with 2% of that amount added for issuance costs.

Table 6.1  
Fire Department Facilities

Cost Component	Cost Incl Interest <sup>1</sup>
Fire Station No. 1 (1998)	\$ 6,422,000
Fire Station No. 2 (2007) - Cash	\$ 180,000
Fire Station No. 2 (2007) - Total Debt Service	\$ 8,008,614
Fire Station No. 1 Ofc Expansion (2012) - Cash	\$ 590,000
FS No. 1 Training Ctr Expansion (2010) - Cash	\$ 550,000
<b>Total</b>	<b>\$ 15,750,614</b>

<sup>1</sup> Cost including interest is based on total cash expenditures plus actual or projected debt service on bonds used to finance the project. Total cost for Fire Station No. 1 is shown in the FY 06-07 CIP. Projected debt service for Fire Station No. 2 is based on 20-year bonds at 5.5% w/ 2% issuance cost and a principal amount of \$4,515,000.

Table 6.2 shows costs for existing firefighting apparatus and other Fire Department vehicles, as well as for one additional fire engine that will be purchased in

2007 for the second fire station. Table 6.2 shows both replacement cost and the 2007 depreciated value for each piece of equipment. Depreciation is determined by applying the straight-line method to 2007 replacement cost using the Fire Department's replacement schedule to establish the useful life for each type of equipment.

Table 6.2  
Fire Department Apparatus/Vehicles

Apparatus/ Vehicles	Line/ Reserve	Replacement Cost <sup>1</sup>	Model Year	Useful Life <sup>2</sup>	2007 Depr Value <sup>3</sup>
Engine 600	Line	\$ 350,000	2000	25	\$ 252,000
Engine 605	Reserve	\$ 350,000	1982	25	\$ 52,500
Engine 616	Line	\$ 350,000	1995	25	\$ 182,000
Engine 607	Reserve	\$ 350,000	1991	25	\$ 126,000
Engine (New)	Line	\$ 350,000	2007	25	\$ 350,000
Truck 610	Line	\$ 750,000	2002	25	\$ 600,000
Squad 608	Line	\$ 225,000	2001	25	\$ 171,000
Command 601	Line	\$ 40,000	2001	5	\$ 6,000
Command (New)	Line	\$ 40,000	2008	5	\$ 48,000
Utility 602	Line	\$ 40,000	1991	5	\$ 6,000
Utility 611	Line	\$ 40,000	1992	5	\$ 6,000
Utility 617	Line	\$ 40,000	1993	5	\$ 6,000
Total		\$ 2,925,000			\$ 1,805,500

<sup>1</sup> Current replacement cost of similar equipment (costs for engines and truck include equipment)

<sup>2</sup> Years of service before scheduled replacement

<sup>3</sup> 2007 depreciated value based on straightline depreciation over useful life.  
Minimum depreciated value = 15% of replacement value

### PER-CAPITA COST

Table 6.3 calculates the average cost per capita (based on functional population) for the Fire Department capital assets identified in Tables 6.1 and 6.2. As discussed in the Methodology section above, the fire protection facilities and equipment listed in Tables 6.1 and 6.2 are intended to serve both existing and future development, so costs for those facilities are divided by the total functional population at buildout to arrive at an average cost per capita. This approach results in impact fees that will recover only future development's share of the cost.



Table 6.3  
Average Cost per Capita - Fire Protection Facilities/Apparatus/Vehicles

Cost Component	Estimated 2006 Cost <sup>1</sup>	Functional Pop Served <sup>2</sup>	Average Cost per Capita <sup>3</sup>
Fire Dept. Facilities	\$15,750,614	49,783	\$ 316.39
Apparatus/Vehicles	\$1,805,500	49,783	\$ 36.27
Total	\$17,556,114	49,783	\$ 352.66

<sup>1</sup> See Tables 6.1 and 6.2

<sup>2</sup> See Table 2.3. All assets addressed in this chapter serve both existing and future functional population to buildout

<sup>3</sup> Average cost per capita = facility cost / functional population

### IMPACT FEES PER UNIT OF DEVELOPMENT

To calculate impact fees per unit of development by development type, the average cost per capita from Table 6.3 is multiplied by the functional population per unit of development for each type of development from Table 2.1. Table 6.4 shows the resulting impact fees for the categories of development defined in this study.

Table 6.4  
Impact Fees per Unit of Development - Fire Dept Facilities/ Apparatus/Vehicles

Development Type	Units <sup>1</sup>	Func Pop per Unit <sup>2</sup>	Avg Cost per Capita <sup>3</sup>	Cost per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$ 352.66	\$ 1,128.51
Residential, Multi-Family	DU	2.90	\$ 352.66	\$ 1,022.71
Residential, Second Units	DU	1.00	\$ 352.66	\$ 352.66
Highway Commercial	KSF	2.00	\$ 352.66	\$ 705.32
Commercial	KSF	2.00	\$ 352.66	\$ 705.32
Office	KSF	3.00	\$ 352.66	\$ 1,057.98
Industrial	KSF	2.50	\$ 352.66	\$ 881.65
Public Facilities	Acres	40.00	\$ 352.66	\$ 14,106.40

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> See Table 2.1

<sup>3</sup> See Table 6.3

<sup>4</sup> Cost per unit of development = functional population per unit X average cost per capita

**PROJECTED REVENUE**

To project revenue from the impact fees calculated in this chapter, the impact fees per unit from Table 6.4 are multiplied by the number of future units projected to buildout, as shown in Table 2.2. The projected revenue is shown in Table 6.5.

Table 6.5  
Projected Revenue - Fire Impact Fees

Development Type	Units <sup>1</sup>	Future Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.0	\$ 1,128.51	\$ 2,396,955
Residential, Multi-Family	DU	217.0	\$ 1,022.71	\$ 221,928
Residential, Second Units	DU	N/A	\$ 352.66	N/A
Highway Commercial	KSF	1,569.0	\$ 705.32	\$ 1,106,647
Commercial	KSF	1,370.9	\$ 705.32	\$ 966,923
Office	KSF	1,735.9	\$ 1,057.98	\$ 1,836,547
Industrial	KSF	3,185.5	\$ 881.65	\$ 2,808,496
Total				\$ 9,337,496

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Added future units; see Table 2.2; data not available for second units

<sup>3</sup> Impact fee per unit in current dollars; see Table 6.4

<sup>4</sup> Projected revenue in current dollars = future units X impact fee per unit

Although this analysis accounts for the cost of serving public facilities such as schools, the City has no authority to charge impact fees to other governmental agencies. Consequently, no revenue will be received to offset the capital costs attributed to public facilities.

The costs, fees, and revenue projections shown in this report are in current dollars. The facility costs used in this analysis are for existing facilities, which are not subject to future cost escalation, while other facility costs and costs for additional vehicles are subject to escalation. These fees should be reviewed annually to determine whether inflation adjustments are needed.

## CHAPTER 7

# ADMINISTRATIVE FACILITIES IMPACT FEES

This chapter addresses both existing and planned administrative facilities in Dixon. The City has developed preliminary plans and cost estimates for an expansion of the existing City Hall to serve additional development. The expanded facility would provide space for some City staff now located in other buildings, as well as accommodating future development.

### *SERVICE AREA*

City Hall is a one-of-a-kind facility serving all development in the City. The service area used in this analysis is the entire study area and the fees calculated in this chapter are intended to apply to all development in the City Limits.

### *METHODOLOGY*

This chapter calculates impact fees for administrative facilities using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating the cost of a specified set of facilities to a specified increment of development. The existing and future facilities considered in this study are intended to serve both existing and future development, so costs for all of those facilities are allocated to all development in the City at buildout.

### *DEMAND VARIABLE*

The demand variable used to allocate costs in this analysis is “functional population.” As discussed in Chapter 2, functional population is a composite variable including both residents and employees, with residents representing residential development and employees representing non-residential (e.g., commercial and industrial) development. The functional population used in this analysis, weights residents and employees equally. Because of the wide range of functions housed in the City’s administrative facilities, the impact of development on the need for such facilities is indirect and diffuse. It is self-evident, however, that as the City grows, demand for administrative space grows as well. In the Consultant’s opinion, the structure of the demand variable used in this analysis reasonably reflects the distribution of demand among various types of development.

## FACILITY NEEDS AND COSTS

Dixon's existing City Hall was originally constructed in 1982, with the Council Chambers added in 1988. The entire existing building encompasses approximately 10,000 square feet. The City's Engineering Division moved out of City Hall into an adjacent house in 1990, and occupies approximately 3200 square feet. The City has developed preliminary plans to expand City Hall. That expansion is planned for construction in 2009.

Table 7.1 shows the costs to be used in this analysis for the existing City Hall/Council Chambers, and the City Hall expansion. The City used bonds to finance the existing building, and is expected to use bonds to finance the expansion. In order to incorporate appropriate bond interest expense into the impact fee analysis, the costs shown in Table 7.1 for both the existing building and the expansion are based on the sum of cash expenditures and debt service payments associated with those projects. The Fiscal Year 2006-07 Capital Improvement Program (CIP) shows the total past expenditures for City Hall and Council Chambers as \$2,851,000. The estimated cost for the expansion project is shown in the CIP as \$4,860,000. Based on the timing of expenditures shown in the CIP, this study assumes that \$4,820,000 will be financed for 20 years at an average interest rate of 5.5%, with 2% of that amount added for issuance costs. The sum of cash expenditures plus estimated debt service equals the figure shown in Table 7.1.

Table 7.1  
Existing and Planned Administrative Facilities

Cost Component	Cost Incl Interest <sup>1</sup>
Existing City Hall/Council Chambers	\$ 2,851,000
City Hall Expansion - Cash	\$ 40,000
City Hall Expansion - Debt Service	\$ 8,294,965
Total	\$ 11,185,965

<sup>1</sup> Cost including interest is based on total cash expenditures plus actual or projected debt service on bonds used to finance the facilities. Total cost for the Existing City Hall and Council Chambers is shown in the FY 2006-07 CIP. Projected debt service for the City Hall expansion is based on 20-year bonds at 5.5% w/ 2% issuance cost and a principal amount of \$4,820,000

## PER-CAPITA COST

Table 7.2 calculates the average cost per capita (based on functional population) for the facilities identified in Table 7.1. As discussed in the Methodology section

above, the facilities listed in Table 7.1 are intended to serve both existing and future development, so costs for those facilities are divided by the total functional population at buildout to arrive at an average cost per capita. This approach results in impact fees that will recover only future development's share of the cost.

Table 7.2  
Average Cost per Capita - Administrative Facilities

Facility Cost <sup>1</sup>	Functional Pop Served <sup>2</sup>	Average Cost per Capita <sup>3</sup>
\$11,185,965	49,783	\$224.69

<sup>1</sup> See Table 7.1

<sup>2</sup> See Table 2.3. Facilities addressed in this study serve both existing and future functional population to buildout

<sup>3</sup> Average cost per capita = facility cost / functional population

### IMPACT FEES PER UNIT OF DEVELOPMENT

To calculate impact fees per unit of development by development type, the average cost per capita from Table 7.2 is multiplied by the functional population per unit of development for each type of development from Table 2.2. Table 7.3 shows the resulting impact fees for the categories of development defined in this study.

Table 7.3  
Impact Fees per Unit of Development - Administrative Facilities

Development Type	Units <sup>1</sup>	Func Pop per Unit <sup>2</sup>	Avg Cost per Capita <sup>3</sup>	Cost per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$224.69	\$ 719.01
Residential, Multi-Family	DU	2.90	\$224.69	\$ 651.60
Residential, Second Units	DU	1.00	\$224.69	\$ 224.69
Highway Commercial	KSF	2.00	\$224.69	\$ 449.38
Commercial	KSF	2.00	\$224.69	\$ 449.38
Office	KSF	3.00	\$224.69	\$ 674.07
Industrial	KSF	2.50	\$224.69	\$ 561.73
Public Facilities	Acres	40.00	\$224.69	\$ 8,987.60

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> See Table 2.1

<sup>3</sup> See Table 7.2

<sup>4</sup> Cost per unit of development = functional population per unit X average cost per capita

**PROJECTED REVENUE**

To project revenue from the impact fees calculated in this chapter, the impact fees per unit from Table 7.3 are multiplied by the number of future units projected to buildout, as shown in Table 2.2. The projected revenue is shown in Table 7.4.

Table 7.4  
Projected Revenue - Administrative Facilities Impact Fees

Development Type	Units <sup>1</sup>	Future Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.0	\$ 719.01	\$ 1,527,177
Residential, Multi-Family	DU	217.0	\$ 651.60	\$ 141,397
Residential, Second Units	DU	N/A	\$ 224.69	N/A
Highway Commercial	KSF	1,569.0	\$ 449.38	\$ 705,077
Commercial	KSF	1,370.9	\$ 449.38	\$ 616,055
Office	KSF	1,735.9	\$ 674.07	\$ 1,170,118
Industrial	KSF	3,185.5	\$ 561.73	\$ 1,789,391
Total				\$ 5,949,215

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Added future units of development; see Table 2.2

<sup>3</sup> Impact fee per unit in current dollars; see Table 7.3

<sup>4</sup> Projected revenue in current dollars = future units X impact fee per unit

Although this analysis accounts for the cost of serving public facilities such as schools, the City has no authority to charge impact fees to other governmental agencies. Consequently, no revenue will be received to offset the capital costs attributed to public facilities.

The costs, fees, and revenue projections shown in this report are shown in current dollars. Some of the costs used in this analysis are for existing facilities, which are not subject to future cost escalation, while other facility costs are subject to escalation prior to construction. These fees should be reviewed annually to determine whether inflation adjustments are needed.

## *CHAPTER 8*

### *PUBLIC WORKS DEPARTMENT IMPACT FEES*

This chapter addresses Public Works Department facilities and equipment needed to serve future development in Dixon. The Department has an existing Municipal Services Center, which will require significant expansion to accommodate future development. Some additional equipment will also be required to serve future development.

#### *SERVICE AREA*

The facilities and equipment addressed in this chapter serve the entire City. Consequently, the service area used in this analysis is the entire study area and the fees calculated in this chapter are intended to apply to all development in the City.

#### *METHODOLOGY*

This chapter calculates impact fees for Public Works Department facilities using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating the cost of a specified set of facilities to a specified increment of development. The specifics of the fee calculations are discussed later in this chapter.

#### *DEMAND VARIABLE*

The demand variable used to allocate costs in this analysis is “functional population.” As discussed in Chapter 2, functional population is a composite variable including both residents and employees, with residents representing residential development and employees representing non-residential (e.g., commercial and industrial) development. Because the Public Works Department maintains several types of City facilities, it is difficult to measure the specific impact of various types of development on the Department’s facility and equipment needs. This study uses functional population as an indicator of the impact of development on the need for additional Public Works facilities and equipment.

One way to validate the overall result is to look at how costs are allocated among various types of development. That allocation can be seen in the revenue projections provided at the end of this chapter. The method used here allocates approximately 28% of new development’s total cost share to residential development and 72% to non-residential development. The share of cost allocated to residential development is somewhat less than its proportionate share of future development

acreage (approximately 39%). However, considering that a very high percentage of the traffic generated by new development is related to non-residential development, the Consultant believes the method used to allocate costs in this chapter is reasonable.

### FACILITY NEEDS AND COSTS

Table 8.1 shows the estimated cost for the Municipal Services Center project and the share of those costs allocated to new development.

Table 8.1  
Public Works Department Facility Needs

Cost Component	Estimated Cost <sup>1</sup>	New Dev Share <sup>2</sup>	New Dev Cost <sup>3</sup>
Municipal Services Center	\$ 1,548,000	66.67%	\$ 1,032,052

<sup>1</sup> Cost estimated by the Dixon Engineering Department

<sup>2</sup> Share of cost attributable to new development, estimated by the Dixon Engineering Department

<sup>3</sup> Share of cost attributable to new development = estimated cost X new development cost share

Table 8.2 on the next page shows the costs for additional Public Works Department vehicles and equipment that will be needed to maintain additional facilities serving future development in Dixon.



Table 8.2  
Public Works Department Vehicle and Equipment Needs

Vehicle/ Equipment <sup>1</sup>	PW Division	No. of Items	Cost per Item <sup>2</sup>	Total Cost	New Dev Share <sup>3</sup>	New Dev Cost <sup>4</sup>
Pickup Trucks	Streets	2	\$ 25,000	\$ 50,000	100%	\$ 50,000
Bobcat Skip Loader	Streets	1	\$ 40,000	\$ 40,000	100%	\$ 40,000
12-Ton Dump Truck	Streets	1	\$ 100,000	\$100,000	100%	\$100,000
Swr Line Camera Truck	Sewer	1	\$ 250,000	\$250,000	50%	\$125,000
Sedan - Pool Car	Admin	1	\$ 20,000	\$ 20,000	100%	\$ 20,000
Floor/Carpet Cleaners	Bldg Maint	2	\$ 2,500	\$ 5,000	100%	\$ 5,000
Electric Boom/Lift	Bldg Maint	1	\$ 12,000	\$ 12,000	100%	\$ 12,000
Maintenance Van	Bldg Maint	1	\$ 30,000	\$ 30,000	100%	\$ 30,000
Riding Mower - 0 Degree	Parks	1	\$ 14,000	\$ 14,000	100%	\$ 14,000
Riding Wing Mower	Parks	1	\$ 45,000	\$ 45,000	100%	\$ 45,000
Riding Mower - 72"	Parks	1	\$ 25,000	\$ 25,000	100%	\$ 25,000
Lawn Edgers	Parks	3	\$ 800	\$ 2,400	100%	\$ 2,400
Leaf Blowers	Parks	3	\$ 400	\$ 1,200	100%	\$ 1,200
Hedge Trimmers	Parks	4	\$ 700	\$ 2,800	100%	\$ 2,800
Electric/Gas Polaris	Parks	2	\$ 10,000	\$ 20,000	100%	\$ 20,000
Spray Tank	Parks	1	\$ 3,000	\$ 3,000	100%	\$ 3,000
Chain Saws	Parks	1	\$ 500	\$ 500	100%	\$ 500
Detail Push Mowers	Parks	2	\$ 1,100	\$ 2,200	100%	\$ 2,200
Small Pickup Trucks	Parks	2	\$ 18,000	\$ 36,000	100%	\$ 36,000
Total				\$ 659,100		\$ 534,100

<sup>1</sup> Vehicles and equipment needed to maintain facilities serving new development

<sup>2</sup> Estimated cost provided by the Dixon Public Works Department

<sup>3</sup> Share of cost attributable to new development, estimated by the Dixon Public Works Department

<sup>4</sup> New development cost = total cost X new development share

### PER-CAPITA COST

Table 8.3 calculates the average cost per capita (based on functional population) for new development's share of the cost of Public Works Department capital assets identified in Tables 8.1 and 8.2.

Table 8.3  
Average Cost per Capita

Cost Component	New Dev Cost <sup>1</sup>	Added Func Pop <sup>2</sup>	Avg Cost per Capita <sup>3</sup>
Municipal Service Center	\$ 1,032,052	26,529	\$ 38.90
Vehicles/Equipment	\$ 534,100	26,529	\$ 20.13
Total	\$ 1,566,152	26,529	\$ 59.03

<sup>1</sup> Cost attributed to new development; see Tables 8.1 and 8.2

<sup>2</sup> Functional population added by new development; see Table 2.3

<sup>3</sup> Average cost per capita = new development cost / added functional population

### IMPACT FEES PER UNIT OF DEVELOPMENT

To calculate impact fees per unit of development by development type, the average cost per capita from Table 8.3 is multiplied by the functional population per unit of development for each type of development. Table 8.4 shows the resulting impact fees for the categories of development defined in this study.

Table 8.4  
Impact Fees per Unit of Development - Public Works Facilities and Equipment

Development Type	Units <sup>1</sup>	Func Pop per Unit <sup>2</sup>	Avg Cost per Capita <sup>3</sup>	Cost per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$ 59.03	\$ 188.90
Residential, Multi-Family	DU	2.90	\$ 59.03	\$ 171.19
Residential, Second Unit	DU	1.00	\$ 59.03	\$ 59.03
Highway Commercial	KSF	2.00	\$ 59.03	\$ 118.06
Commercial	KSF	2.00	\$ 59.03	\$ 118.06
Office	KSF	3.00	\$ 59.03	\$ 177.09
Industrial	KSF	2.50	\$ 59.03	\$ 147.58
Public Facilities	Acre	40.00	\$ 59.03	\$ 2,361.20

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> See Table 2.1

<sup>3</sup> See Table 8.3

<sup>4</sup> Cost per unit of development = functional population per unit X average cost per capita

## PROJECTED REVENUE

To project revenue from the impact fees calculated in this chapter, the impact fees per unit from Table 8.4 are multiplied by the number of future units projected to buildout, as shown in Table 2.2. The projected revenue is shown in Table 8.5.

Table 8.5  
Projected Revenue - Public Works Facilities & Equipment Impact Fees

Development Type	Units <sup>1</sup>	Future Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.0	\$ 188.90	\$ 401,224
Residential, Multi-Family	DU	217.0	\$ 171.19	\$ 37,148
Residential, Second Unit	DU	N/A	\$ 59.03	N/A
Highway Commercial	KSF	1,569.0	\$ 118.06	\$ 185,236
Commercial	KSF	1,370.9	\$ 118.06	\$ 161,848
Office	KSF	1,735.9	\$ 177.09	\$ 307,411
Industrial	KSF	3,185.5	\$ 147.58	\$ 470,116
Total				\$ 1,562,983

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Added future units; see Table 2.2; data not available for second units

<sup>3</sup> Impact fee per unit in current dollars; see Table 5.4

<sup>4</sup> Projected revenue in current dollars = future units X impact fee per unit

Although this analysis accounts for the cost of serving public facilities such as schools, the City has no authority to charge impact fees to other governmental agencies. Consequently, no revenue will be received to offset the capital costs attributed to public facilities

The costs, fees, and revenue projections shown in this report are shown in current dollars. These fees should be reviewed annually to determine whether inflation adjustments are needed.

## CHAPTER 9 TRANSPORTATION IMPACT FEES

This chapter addresses transportation improvements needed to serve future development in Dixon. Those improvements are grouped into three categories in this chapter: regional transportation improvements, local transportation improvements, and alternative transportation.

### *SERVICE AREA*

The transportation projects addressed in this chapter are part of the City's primary circulation system. As such they support development citywide. Consequently, impact fees calculated in this chapter apply to all new development in the City Limits.

### *METHODOLOGY*

This chapter calculates impact fees for transportation projects using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating the cost of a specified set of facilities to a specified increment of development. The improvements considered in this chapter are needed largely to serve future development. However, certain projects do benefit existing development, and where that is the case, only a portion of the project cost is included in the impact fee calculations. The specifics of the fee calculations are discussed later in this chapter.

### *DEMAND VARIABLE*

Two demand variables are used in this analysis. The variable used to allocate costs for regional and local transportation improvements is peak hour trips. Peak hour traffic determines the capacity required for those components of the circulation system, and is an appropriate measure of the impact of development on the need for those improvements. The second demand variable, population, is used to allocate costs for alternative transportation improvements because those improvements are needed primarily to serve residents of the City rather than development in general.

### *FACILITY NEEDS AND COSTS*

Table 9.1 on the next page lists planned transportation improvement and shows the estimated cost of for each improvement project. The City of Dixon Engineering Department has evaluated each project to determine the share of cost that is the re-

lated to new development. Only new development's share of the total project cost is used in calculating the impact fees.

Table 9.1  
Planned Transportation Improvements and Costs

Project Description	Estimated Project Cost <sup>1</sup>	New Dev Share <sup>2</sup>	New Dev Cost <sup>3</sup>	Other Funding <sup>4</sup>
<i>Regional Transportation Improvements</i>				
West A Street Interchange	\$25,000,000	100.0%	\$25,000,000	\$0
Pedrick Road Interchange	\$25,000,000	100.0%	\$25,000,000	\$0
North First Street Interchange	\$25,000,000	100.0%	\$25,000,000	\$0
Pitt School Road Interchange	\$25,000,000	100.0%	\$25,000,000	\$0
West A Street Interchange Study	\$385,000	100.0%	\$385,000	\$0
Pedrick Road Interchange Study	\$325,000	100.0%	\$325,000	\$0
North First Street Interchange Study	\$325,000	100.0%	\$325,000	\$0
Pitt School Road Interchange Study	\$325,000	100.0%	\$325,000	\$0
<b>Subtotal Regional Projects</b>	<b>\$101,360,000</b>	<b>100.0%</b>	<b>\$101,360,000</b>	<b>\$0</b>
<i>Local Transportation Improvements</i>				
Parkway Boulevard Railroad Grade Separation	\$14,000,000	20.0%	\$2,800,000	\$11,200,000
Vaughn Road Railroad Bypass	\$5,500,000	100.0%	\$5,500,000	\$0
East H Street Railroad Grade Separation	\$14,000,000	64.0%	\$8,960,000	\$0
Parkway Blvd Widening (Valley Glen to S. First)	\$5,000,000	100.0%	\$5,000,000	\$0
Pedrick Road Railroad Grade Separation	\$14,000,000	64.0%	\$8,960,000	\$0
Pedrick Road Widening (UPRR to I-80)	\$3,500,000	25.0%	\$875,000	\$2,625,000
Cherry Street Improvements	\$15,000	100.0%	\$15,000	\$0
North First Street/ Dorset Drive Traffic Signal	\$135,000	50.0%	\$67,500	\$67,500
North First Street/ Vaughn Road Traffic Signal	\$80,000	50.0%	\$40,000	\$40,000
North First Street/ Stratford Avenue Traffic Signal	\$80,000	50.0%	\$40,000	\$40,000
North First Street/Industrial Way Traffic Signal	\$80,000	50.0%	\$40,000	\$40,000
First Street/ A Street Traffic Signal	\$135,000	50.0%	\$67,500	\$67,500
First Street/ West H Street Traffic Signal	\$235,000	50.0%	\$117,500	\$117,500
Pitt School Road/ Stratford Avenue Traffic Signal	\$485,000	83.0%	\$402,550	\$86,000
Pitt School Road/ Market Lane Traffic Signal	\$235,000	100.0%	\$235,000	\$0
Pitt School Road/ West A Street Traffic Signal	\$235,000	82.0%	\$192,700	\$42,000
Pitt School Road/ West H Street Traffic Signal	\$235,000	93.0%	\$218,550	\$16,332
North Adams Street/ West H Street Traffic Signal	\$235,000	100.0%	\$235,000	\$0
SR 113/Chestnut Traffic Signal	\$235,000	79.1%	\$185,885	\$49,115
SR 113/Valley Glen Drive Traffic Signal	\$235,000	77.3%	\$181,655	\$53,345
Street Master Plan	\$500,000	100.0%	\$500,000	\$0
Citywide Benchmark System	\$80,000	56.0%	\$44,800	\$35,000
<b>Subtotal Local Transportation Improvements</b>	<b>\$59,235,000</b>	<b>58.5%</b>	<b>\$34,678,640</b>	<b>\$14,479,292</b>
<i>Alternative Transportation</i>				
Transportation Center	\$8,500,000	25.0%	\$2,125,000	\$0
Transit Vehicles (3)	\$210,000	100.0%	\$210,000	\$0
<b>Subtotal Alternative Transportation</b>	<b>\$8,710,000</b>	<b>26.8%</b>	<b>\$2,335,000</b>	<b>\$14,514,292</b>
<b>Total All Projects</b>	<b>\$169,305,000</b>	<b>81.7%</b>	<b>\$138,373,640</b>	<b>\$28,993,584</b>

<sup>1</sup> Cost estimates by the City of Dixon Engineering Department

<sup>2</sup> New development's share of total project cost estimated by the Dixon Engineering Department

<sup>3</sup> New development costs = estimated project cost X new development share

<sup>4</sup> Expected project funding from other sources ; see summary matrix on file at the Dixon Engineering Dept.

Table 9.2 shows projections, by development type, of peak hour trips that will be added by future development in the City.

Table 9.2  
Added Peak Hour Trips to Buildout

Development Type <sup>6</sup>	Units <sup>1</sup>	Added Units <sup>2</sup>	Pk Hr Trips per Unit <sup>3</sup>	Added Pk Hr Trips <sup>4</sup>
Residential, Single-Family	DU	2,124.00	1.00	2,124
Residential, Multi-Family	DU	217.00	0.70	152
Residential, Second Units	DU	N/A	0.26	N/A
Highway Commercial	KSF	1,569.01	25.00	39,225
Commercial	KSF	1,370.90	6.93	9,500
Office	KSF	1,735.90	2.28	3,958
Industrial	KSF	3,185.54	1.00	3,186
Public Facilities	Acres	1.28	6.00	8
Total				58,153

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Units of development added to buildout; see Table 2.2; data on second units is not available, but is expected to be insignificant for purposes of this analysis

<sup>3</sup> Peak hour trips per unit; see Table 2.1

<sup>4</sup> Added peak hour trips = added units X peak hour trips per unit

**AVERAGE COST PER UNIT OF DEMAND**

**Regional and Local Transportation Improvements.** Table 9.3 calculates the average cost per peak hour trip for new development’s share of regional and local transportation improvements shown in Table 9.1.

Table 9.3  
Average Cost per Peak Hour Trip - Regional/Local Transportation Imprvmnts

Cost Component	New Dev Cost <sup>1</sup>	Added Pk Hr Trips <sup>2</sup>	Cost per Trip <sup>3</sup>
Regional Transportation Imprvmnts	\$ 101,360,000	58,153	\$ 1,742.99
Local Transportation Imprvmnts	\$ 34,678,640	58,153	\$ 596.33

<sup>1</sup> See Table 9.1

<sup>2</sup> See Table 9.2

<sup>3</sup> Cost per trip end = new development cost / added trip ends

**Alternative Transportation Improvements.** Table 9.4 on the next page calculates the average cost per capita for alternative transportation improvements shown in Table 9.1.

Table 9.4  
Average Cost per Capita - Alternative Transportation Improvements

Cost Component	New Dev Cost <sup>1</sup>	Added Population <sup>2</sup>	Cost per Capita <sup>3</sup>
Alternative Transportation	\$ 2,335,000	7,426	\$ 314.44

<sup>1</sup> See Table 9.1

<sup>2</sup> See Table 2.2

<sup>3</sup> Cost per capita = new development cost / added population

### IMPACT FEES PER UNIT OF DEVELOPMENT

In this section, impact fees per unit of development are calculated separately for regional, local, and alternative transportation improvements.

**Regional Transportation Improvements.** In Table 9.5, the average cost per peak hour trip for regional transportation improvements is multiplied by peak hour trips per unit of development to arrive at the impact fee per unit of development by development type.

Table 9.5  
Impact Fees per Unit of Development - Regional Transportation Improvement

Development Type	Units <sup>1</sup>	Pk Hr Trips per Unit <sup>2</sup>	Cost per Trip <sup>3</sup>	Fee per Unit <sup>4</sup>
Residential, Single-Family	DU	1.00	\$ 1,742.99	\$ 1,743
Residential, Multi-Family	DU	0.70	\$ 1,742.99	\$ 1,220
Residential, Second Units	DU	0.26	\$ 1,742.99	\$ 453
Highway Commercial	KSF	25.00	\$ 1,742.99	\$ 43,575
Commercial	KSF	6.93	\$ 1,742.99	\$ 12,079
Office	KSF	2.28	\$ 1,742.99	\$ 3,974
Industrial	KSF	1.00	\$ 1,742.99	\$ 1,743
Public Facilities	Acres	6.00	\$ 1,742.99	\$ 10,458

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Peak hour trips per unit; see Table 2.1

<sup>3</sup> Cost per peak hour trip; see Table 9.3

<sup>4</sup> Fee per Unit = peak hour trips per unit X cost per trip (rounded to nearest \$)

**Local Transportation Improvements.** In Table 9.6 on the next page, the average cost per peak hour trip for local transportation improvements is multiplied by peak hour trips per unit of development to arrive at the impact fee per unit of development by development type.

Table 9.6  
Impact Fees per Unit of Development - Local Transportation Improvements

Development Type	Units <sup>1</sup>	Pk Hr Trips per Unit <sup>2</sup>	Cost per Trip <sup>3</sup>	Fee per Unit <sup>4</sup>
Residential, Single-Family	DU	1.00	\$ 596.33	\$ 596
Residential, Multi-Family	DU	0.70	\$ 596.33	\$ 417
Residential, Second Units	DU	0.26	\$ 596.33	\$ 155
Highway Commercial	KSF	25.00	\$ 596.33	\$ 14,908
Commercial	KSF	6.93	\$ 596.33	\$ 4,133
Office	KSF	2.28	\$ 596.33	\$ 1,360
Industrial	KSF	1.00	\$ 596.33	\$ 596
Public Facilities	Acres	6.00	\$ 596.33	\$ 3,578

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Peak hour trips per unit; see Table 2.1

<sup>3</sup> Cost per peak hour trip; see Table 9.3

<sup>4</sup> Fee per Unit = peak hour trips per unit X cost per trip (rounded to nearest \$)

**Alternative Transportation Improvements.** In Table 9.7, the average cost per capita for alternative transportation improvements is multiplied by population per unit of development to arrive at the impact fee per unit of development by development type. Because population is used as the demand variable in this case, impact fees for alternative transportation apply only to residential development.

Table 9.7  
Impact Fees per Unit of Development - Alternative Transportation

Development Type	Units <sup>1</sup>	Population per Unit <sup>2</sup>	Cost per Capita <sup>3</sup>	Fee per Unit <sup>4</sup>
Residential, Single-Family	DU	3.20	\$ 314.44	\$ 1,006
Residential, Multi-Family	DU	2.90	\$ 314.44	\$ 912
Residential, Second Units	DU	1.00	\$ 314.44	\$ 314

<sup>1</sup> Units of Development: DU = dwelling unit

<sup>2</sup> Population per dwelling unit; see Table 2.1

<sup>3</sup> Cost per capita; see Table 9.4

<sup>4</sup> Fee per Unit = population per unit X cost per capita (rounded to nearest \$)

## PROJECTED REVENUE

To project revenue from the impact fees calculated in this chapter, the impact fees per unit from the foregoing tables are multiplied by the number of future units projected to buildout. Projected revenue for regional transportation impact fees is shown in Table 9.8.



Table 9.8  
Projected Revenue - Regional Transportation Impact Fees

Development Type	Units <sup>1</sup>	Added Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.00	\$ 1,743	\$ 3,702,132
Residential, Multi-Family	DU	217.00	\$ 1,220	\$ 264,740
Residential, Second Units	DU	N/A	\$ 453	N/A
Highway Commercial	KSF	1,569.01	\$ 43,575	\$ 68,369,611
Commercial	KSF	1,370.90	\$ 12,079	\$ 16,559,101
Office	KSF	1,735.90	\$ 3,974	\$ 6,898,467
Industrial	KSF	3,185.54	\$ 1,743	\$ 5,552,396
Total				\$ 101,346,447

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Added units of development; see Table 2.2

<sup>3</sup> Impact fee per unit; see Table 9.5

<sup>4</sup> Projected revenue = future units X impact fee per unit

Projected revenue for local transportation impact fees is shown in Table 9.9.

Table 9.9  
Projected Revenue - Local Transportation Impact Fees

Development Type	Units <sup>1</sup>	Added Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.00	\$ 596	\$ 1,265,904
Residential, Multi-Family	DU	217.00	\$ 417	\$ 90,489
Residential, Second Units	DU	N/A	\$ 155	N/A
Highway Commercial	KSF	1,569.01	\$ 14,908	\$ 23,390,801
Commercial	KSF	1,370.90	\$ 4,133	\$ 5,665,930
Office	KSF	1,735.90	\$ 1,360	\$ 2,360,824
Industrial	KSF	3,185.54	\$ 596	\$ 1,898,582
Total				\$ 34,672,530

<sup>1</sup> Units of Development: DU = dwelling unit; KSF = 1,000 gross square feet of building area

<sup>2</sup> Added units of development; see Table 2.2

<sup>3</sup> Impact fee per unit; see Table 9.6

<sup>4</sup> Projected revenue = future units X impact fee per unit

Projected revenue for alternative transportation impact fees is shown in Table 9.10 on the next page.

Table 9.10  
Projected Revenue - Alternative Transportation Impact Fees

Development Type	Units <sup>1</sup>	Added Units <sup>2</sup>	Impact Fee per Unit <sup>3</sup>	Projected Revenue <sup>4</sup>
Residential, Single-Family	DU	2,124.00	\$ 1,006	\$ 2,136,744
Residential, Multi-Family	DU	217.00	\$ 912	\$ 197,904
Residential, Second Units	DU	N/A	\$ 314	N/A
Total				\$ 2,334,648

<sup>1</sup> Units of Development: DU = dwelling unit

<sup>2</sup> Added units of development; see Table 2.2

<sup>3</sup> Impact fee per unit; see Table 9.7

<sup>4</sup> Projected revenue = future units X impact fee per unit

Although this analysis accounts for the cost of serving public facilities such as schools, the City has no authority to charge impact fees to other governmental agencies. Consequently, no revenue will be received to offset the capital costs attributed to public facilities.

The costs, fees, and revenue projections shown in this report are in current dollars. These fees should be adjusted annually for inflation. See the Implementation Chapter for more on indexing of fees.

## *CHAPTER 10*

### *AGRICULTURAL LAND MITIGATION IN-LIEU FEES*

This chapter calculates in-lieu fees to be paid by developers who do not otherwise mitigate the impact of development on the availability of agricultural land in the Dixon area. The Dixon General Plan contains policies encouraging protection of agricultural land and maintenance of open space buffers between Dixon and adjacent cities. Large development projects in Dixon are typically required by development agreements or environmental impact mitigation measures to offset the loss of prime agricultural land caused by development. Mitigation can be provided by permanently protecting other prime farmland in the Dixon area through outright purchase or acquisition of development easements on an acre-for-acre basis, or by payment of in-lieu fees to be used by the City's master agricultural conversion program.

This chapter calculates in-lieu fees that will be collected by the City to provide for agricultural land mitigation in cases where direct mitigation is impractical, as is the case for many smaller development projects.

#### *METHODOLOGY*

The in-lieu fees calculated here are based on the cost of protecting one acre of agricultural land in the Dixon area for each acre of prime farmland land being developed in the City.

#### *PER-ACRE COST*

The cost per acre used as the basis for the agricultural land mitigation in-lieu fee is the estimated cost to acquire a development easement over one-acre of agricultural land in the Dixon area. By granting a development easement over a parcel of land, the owner permanently gives up the right to develop that land for non-agricultural purposes. The cost of the easement is based on estimated difference in value of the land with and without development rights.

Since every parcel of land is unique, the per-acre cost identified here is intended to represent a reasonable estimate of the typical cost per acre for development easements in the Dixon area. The City has in its files a 2004 appraisal of a development easement on a piece of property near I-80 at the Kidwell Road interchange. The development easement for that property, parts of which were of limited use for

any purpose, was valued at \$3,625 per acre. A 2005 master development agreement for the Southwest Dixon Specific Plan area stipulated an in-lieu fee of \$4,400 for each acre of prime farmland developed. Given the likelihood of increases on land value since 2005, this study uses an estimated value of \$4,500 per acre for agricultural land mitigation fees.

### *IMPACT FEES PER UNIT OF DEVELOPMENT*

Because the agricultural land mitigation in-lieu fee will be applied on a per-acre it is not necessary to calculate impact fees per unit of development by development type.

### *POTENTIAL REVENUE*

Potential revenue from the agricultural land mitigation in-lieu fee calculated in this chapter can be projected by applying the fees per acre to acres of potential development, as shown in Table 2.2. Potential revenue is shown in Table 10.1.

Table 10.1  
Projected Revenue - Agricultural Land Mitigation In-Lieu Fee

Acres of Potential Dev <sup>1</sup>	Fee per Acre <sup>2</sup>	Projected Revenue <sup>3</sup>
1,286.92	\$4,500	\$5,791,140

<sup>1</sup> Acres of potential development; see Table 2.2

<sup>2</sup> Estimated cost per acre for development easement

<sup>3</sup> Projected revenue = acres of potential development X fee per acre

The cost used to establish the in-lieu fee per acre in this chapter is based on the estimated current cost per acre for development easements. This fee should be reviewed annually to determine whether inflation adjustments are needed.

## CHAPTER 11 IMPLEMENTATION

This chapter of the report contains recommendations for adoption and administration of a development impact fee program based on this study, and for the interpretation and application of impact fees recommended herein. Statutory requirements for the adoption and administration of fees imposed as a condition of development approval are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*). For implementation of fees in lieu of park land dedication, see the Quimby Act (Government Code Section 66477).

### ADOPTION

The form in which development impact fees are enacted, whether by ordinance or resolution, should be determined by the City Attorney. Ordinarily, it is desirable that specific fee amounts be set by resolution to facilitate periodic adjustments. Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public hearing requirements, are specified in Government Code Section 66016. By statute, those fees do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Chapter 1 of this report.

**Establishment of Fees.** Pursuant to the Mitigation Fee Act (Section 66001(a)), when the City establishes fees to be imposed as a condition of development approval, it must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
  - a. The use of the fee and the type of development project on which it is imposed;
  - b. The need for the facility and the type of development project on which the fee is imposed; and

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be reviewed and approved by the City Attorney.

**Finding: Purpose of the Fee.** The City Council finds that the purpose of the impact fees hereby enacted is to prevent new development from reducing the quality and availability of public services provided to residents of the City by requiring new development to contribute to the cost of additional capital assets needed to serve additional development.

**Finding: Use of the Fee.** The City Council finds that revenue from the impact fees hereby enacted will be used to construct public facilities and pay for other capital assets needed to serve new development. Those public facilities and other assets are identified in the 2006 Impact Fee Study prepared by Colgan Consulting Corporation.<sup>1</sup>

**Finding: Reasonable Relationship:** Based on analysis presented in the 2006 Impact Fee Study prepared by Colgan Consulting Corporation, the City Council finds that there is a reasonable relationship between:

- a. The use of the fees and the types of development projects on which they are imposed; and,
- b. The need for facilities and the types of development projects on which the fees are imposed.

## ADMINISTRATION

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

**Imposition of Fees.** Pursuant to the Mitigation Fee Act (Section 66001(a)), when the City imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

1. Identify the purpose of the fee;

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<sup>1</sup> According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify the impact fee study as the source of that information.

2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
  - a. The use of the fee and the type of development project on which it is imposed;
  - b. The need for the facility and the type of development project on which the fee is imposed; and

Per Section 66001 (b), at the time when an impact fee is imposed on a specific development project, the City is also required to make a finding to determine how there is a reasonable relationship between:

- c. The amount of the fee and the facility cost attributable to the development project on which it is imposed.

In addition, Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." In this case, the fees will be used to finance public facilities, infrastructure, and other development-related capital expenditures identified in the 2006 Impact Fee Study prepared by Colgan Consulting Corporation.

Section 66020 (d) (1) requires that the City, at the time it imposes an impact fee provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge. Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

The City should develop procedures for imposing fees that satisfy those requirements for findings and notice.

**Collection of Fees.** Section 66007 (a), provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first. However, "utility service fees" (not defined) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees “will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy” or (2) the fees are “to reimburse the local agency for expenditures previously made.” Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the city may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

**Earmarking and Expenditure of Fee Revenue.** Section 66006 (a) mandates that fees be deposited “with other fees for the improvement” in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments and expend those fees solely for the purpose for which the fee was collected. Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees “with other fees for the improvement” refers to a specific capital improvement or a class of improvements (e.g., street improvements). We are not aware of any city that has interpreted that language to mean that funds must be segregated by individual projects. As a practical matter, that approach is unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects. We recommend that approach.

It is important that fee revenue be expended so as to provide a reasonable benefit to the development projects from which the fees are collected. Some fees in this report were calculated without knowing the specific locations of all facilities to be funded by the fees. The City must exercise caution in the expenditure of those fees to ensure that facilities are located in such a way as to serve the development projects from which the fees were collected.



**Impact Fee Exemptions, Reductions, and Waivers.** In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees. If a project has characteristics that indicate its impacts on a particular public facility or infrastructure system will be significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly. Per Section 66001 (b), there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The reduction in fee is not made when and if the City wants to make the reduction, but must be made if the fee is not proportional to the impact of the development on public facilities.

In some cases, the City may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project to promote goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, and are allowable only if the City offsets the lost revenue from other fund sources.

**Credit for Improvements provided by Developers.** If the City requires a developer, as a condition of project approval, to construct facilities or improvements for which impact fees have been or will be, charged, the impact fee imposed on that development project for that type of facility must be adjusted to reflect a credit for the cost of the facilities or improvements constructed by the developer.

In the event a developer offers to dedicate land, buildings, or other valuable consideration in lieu of paying impact fees, the City has the discretion to accept or reject such offers, and may negotiate the terms under which such an offer would be accepted.

**Credit for Existing Development.** If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project which represents a net increase in demand for relevant City facilities, applying the measure of demand used in this study to calculate that particular impact fee. Since residential service demand is normally estimated on the basis of demand per dwelling unit, an addition to a single family dwelling unit typically would not be subject to an impact fee if it does not increase the number of dwelling units in the structure. In any project that results in a net increase in the number of dwelling units, the added units would normally be subject to impact fees. A similar analysis can be applied to non-residential development, using measure of demand on which the impact fees are based.

**Reporting.** Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund (Section 66006 (b) (1) (A))
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

That information must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

**Refunds.** Prior to the adoption of Government Code amendments contained in SB 1693, a local agency collecting impact fees was required to expend or commit the fee revenue within five years or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d). Once the agency determines that sufficient funds have been collected to complete an incomplete improvement for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (e).

**Costs of Implementation.** The ongoing cost of implementing would be covered by a proposed 2.5% administrative fee to be added to the impact fees. Implementation costs would include the cost of this study, staff time involved in applying the fees to specific projects, accounting for fee revenues and expenditures, preparing required annual reports, updating the fees, and preparing forms and public information handouts.

**Annual Update of the Capital Improvement Plan.** Section 66002 (b) provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative, per Section 66001 (a) (2) is to identify improvements by applicable general or specific plans or in other public documents. We recommend that this study be identified by the City Council as the public document on which the use of the fees is based. The CIP is a document that identifies projects for the next five years only and includes projects funded by sources other than impact fees.

**Update of the Impact Fee Study.** The Mitigation Fee Act does not include any specific requirement that impact fee calculations be updated on a particular schedule. However, Section 66001 (a) does require the findings be made every time

fees are imposed. Five years is widely considered a good rule-of-thumb for impact fee updates. Fees may remain valid for a longer period if the City's land use plans and facility plans do not change. However, the validity of impact fees may be undermined at any time by significant changes in the land use plans or facility plans underlying the fees.

**Indexing of Impact Fee Rates.** Some impact fees calculated in this report assume the facilities in question will be constructed on a pay-as-you-go basis. Those fees are based on current costs and should be adjusted annually to account for inflation. That adjustment is intended to account for future escalation in costs for land and construction. We recommend the *Engineering News Record Building Cost Index* as the basis for indexing construction costs. Where land costs make up a significant portion of the costs covered by a fee, land costs should be adjusted relative to changes in local land costs.

Other impact fees in this study assume that the facilities to be funded with the fees will be financed with bonds. In this study, fees for facilities that will be financed with bonds include all estimated debt service costs. Those fees need not be adjusted for inflation.

We recommend that the ordinance or resolution establishing impact fees include provisions for annual adjustments, where appropriate.

## **TRAINING AND PUBLIC INFORMATION**

Administering an impact fee program effectively requires considerable preparation and training. It is important that those responsible for applying and collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale. Before fees are imposed, a staff training workshop is highly desirable if more than a handful of employees will be involved in collecting or accounting for fees.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone who is responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. The fees recommended in this report are tied to specific improvements and cost estimates. Fees must be ex-

pendent accordingly and the City must be able to show that funds have been properly expended.